

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

AVIGILON CORPORATION,)	
)	
Plaintiff/Counter-Defendant,)	Case No. <u>1:12:-CV-23009-FAM</u>
)	
v.)	
)	
HAWK TECHNOLOGY SYSTEMS, LLC,)	
)	
Defendant/Counter-Plaintiff.)	
<hr style="width: 45%; margin-left: 0;"/>)	

ANSWER, AFFIRMATIVE DEFENSES AND COUNTERCLAIM

In response to Avigilon Corporation's ("Avigilon") Complaint, Hawk Technology Systems, LLC ("Hawk") alleges:

INTRODUCTION AND BACKGROUND

1. Admitted except to the extent that the Avigilon's self-laudatory statements "world leader" and "world's best image quality" are denied on the basis that Hawk lacks knowledge or information sufficient to form a belief about the truth of the those allegations.

2. Hawk lacks knowledge or information sufficient to form a belief about the truth of this allegation.

3. Admitted.

4. Admitted.

5. The first two sentences are admitted. The third sentence attempts to summarize declarations which speak for themselves and therefore the third sentence is denied to the extent that it incorrectly summarizes the subject declaration.

6. Admitted.

7. Admitted.

8. Admitted.
9. Admitted.
10. Admitted.
11. Admitted.
12. Admitted.
13. Admitted.
14. Admitted.
15. Admitted.
16. The first sentence is denied. Hawk lacks knowledge or information sufficient to form a belief about the truth of the allegation set forth in the second sentence.
17. Admitted.
18. Denied, Mr. Shulman was unaware of the reissue patent at the time he sent letters.
19. Denied.
20. Admitted.
21. Denied.
22. Hawk lacks knowledge or information sufficient to form a belief about this allegation.
23. Denied.
24. Admitted insofar as it is a fair summary of the complaint.

PARTIES

25. Admitted.
26. Admitted.

JURISDICTION AND VENUE

27. The first and second sentences are admitted. The third, fourth and fifth sentences are denied.

28. Denied to the extent that Hawk's letters create declaratory judgment standing, and that this Court has subject matter jurisdiction based on Hawk's letters.

29. Admitted.

COUNT I: NON-INFRINGEMENT OF THE '468 PATENT

30. The allegations set forth in paragraph 1-29 are hereby re-alleged as if fully set forth herein.

31. Denied.

32. Denied.

COUNT II: EQUITABLE INTERVENING RIGHTS

33. The allegations set forth in paragraph 1-29 are hereby re-alleged as if fully set forth herein.

34. Hawk lacks knowledge or information sufficient to form a belief about this allegation.

35. Denied.

PRAYER FOR RELIEF

WHEREFORE, Hawk prays for judgment against Avigilon:

- (A) Dismissing the Complaint with prejudice;
- (B) Awarding Hawk its costs, expenses and reasonable attorneys' fees; and
- (C) Awarding Hawk any other and further relief that this Court deems just and proper.

DEFENSES

1. The Complaint should be dismissed pursuant to Fed.R.Civ.P. 12(b)(1). To explain, Hawk was absolutely privileged to send “notice” letters explaining its patent rights. Hawk’s letters do not directly or implicitly imply Avigilon’s systems infringe Hawk’s patent. Consequently, the letters do not confer declaratory judgment standing on Avigilon. Therefore, this Court does not have subject matter jurisdiction over Avigilon’s Complaint.

2. The Complaint should be dismissed pursuant to Fed.R.Civ.P. 12(b)(6) because it fails to state a claim upon which relief may be granted. Specifically, it does not plead non-infringement with the requisite degree of specificity required by Fed.R.Civ.P. 8.

COUNTERCLAIM

Hawk sues Avigilon and alleges:

NATURE OF THE ACTION

1. This is a civil action for patent infringement of United States Patent No. RE43,462 (‘462 Patent). The ‘462 Patent is a reissue of United States Patent No. 5,265, 410 (the ‘410 Patent). The independent claims in the reissued ‘462 Patent are substantially identical to the corresponding claims in the original ‘410 Patent.

PARTIES

2. Hawk is a limited liability company organized and existing under the laws of the State of Florida and maintains its principal place of business at 2 South Biscayne Blvd., Miami, Florida 33131.

3. Avigilon is a corporation organized and existing under the laws of Canada, with its corporate headquarters at 858 St., 4th Floor, Vancouver, BC, Canada V6 1C1.

JURISDICTION AND VENUE

4. Pursuant to 28 U.S.C. §§ 1331 and 1338(a), this Court has original jurisdiction over the subject matter of this action because this is an action arising under the Patent Laws of the United States, 35 U.S.C. § 1 *et. seq.*

5. This court has personal jurisdiction over Avigilon pursuant to Florida's long-arm statute Fla. Stat. § 48.193(1)(b), (f)(1)-(2) because Avigilon is (a) operating, conducting, engaging or carrying on a business in the State of Florida; (b) committing tortious acts within the State of Florida; and (c) engaging in substantial and not isolated activity within the State of Florida. Further, the exercise of personal jurisdiction comports with Due Process under the United States Constitution.

6. Pursuant to 28 U.S.C. §§ 1391 and 1400(b), venue is proper in this district.

GENERAL ALLEGATIONS

7. Hawk Technology Systems was formed in 2012 to commercialize the inventions of its founder, Barry Schwab.

8. Mr. Ken Washino and Mr. Schwab invented the '462 Patent.

9. Mr. Washino and Mr. Schwab have collaborated on a number of other pioneering inventions resulting in patents in the areas of video archiving, video downloading and digital cinema.

10. Mr. Schwab also is responsible for designing the largest video duplication facility in the world and is a named inventor on more than thirty patents.

Claim 1 Of The '462 Patent

11. Claim 1 of the '462 patent states:

A video storage and display system, comprising:

one or more video cameras, each outputting a signal representative of a video image;

means to receive the signals from each camera and digitally compress the images;

two forms of high-capacity storage media, one being randomly searchable while the other continues to store the digitally compressed image; and

a computer configured to receive the digitally compressed images, the computer being interfaced to the following devices:

a display screen,

means to receive externally derived operator commands, and

the high-capacity storage media, and

wherein the computer is programmed to perform the following functions:

display the digitally compressed images from the cameras in different windows on the display screen, each window being associated with an update rate and dimensions in pixels,

vary the dimensions and the rate spatial parameters and temporal parameters at which a particular image is updated in its window in accordance with one of the externally derived commands,

store the digitally compressed images in the high-capacity storage media, and

vary the dimensions and the rate spatial parameters and temporal parameters at which a particular image is stored in accordance with one of the externally derived commands.

('462 Patent, Col. 10, line 57 – Col. 11, line 20).

Claim 12 Of The '462 Patent

12. Claim 12 of the '462 patent states:

The method of simultaneously displaying and storing multiple video images, comprising the steps of:

receiving video images at a personal computer based system from one or more sources;

digitizing any of the images not already in digital form using an analog-to-digital converter;

displaying at least certain of the digitized images in separate windows on a personal computer based display device, using a first set of temporal and spatial parameters associated with each image in each window;

converting one or more of the video source images into a data storage format using a second set of temporal and spatial parameters associated with each image; and

simultaneously storing the converted images in a storage device.

('462 Patent, Col. 11, line 62 – Col. 12, line 10).

Claim 15 Of The '462 Patent

13. Claim 15 of the '462 patent states:

A video storage and display system, comprising:

one or more video cameras, each outputting a signal representative of a video image;

means to receive the signals from each camera and digitally compress the images; and

a computer configured to receive the digitally compressed images, the computer being interfaced to the following devices:

a display screen,

means to receive externally derived operator commands including means for sensing a deviation from the normal-state image scene associated with at least one of the video cameras, the existence of the deviation being used as the basis for generating an externally derived command, and

a high-capacity storage medium, and

programmed to perform the following functions:

display the digitally compressed images from the cameras in different windows on the display screen, each window being associated with an update rate and dimensions in pixels,

vary spatial parameters and temporal parameters at which a particular image is updated in its window in accordance with one of the externally derived commands,

store the digitally compressed images in the high-capacity storage medium, and

vary the dimensions and the rate spatial parameters and temporal parameters at which a particular image is stored in accordance with one of the externally derived commands.
(‘462 Patent, Col. 12, line 15 – 45).

14. Avigilon develops, produces and sells high definition security systems to protect and monitor various locations worldwide.

15. At all material times, Avigilon was actually aware, or should have been aware, that its security systems infringe the ‘410 Patent and ‘462 Patent.

16. All conditions precedent to bringing this action have occurred or been waived.

17. Hawk has retained counsel to represent it in this matter and is obligated to pay its counsel a reasonable fee for its services.

18. Pursuant to 35 U.S.C. § 285, Hawk is entitled to recover its attorneys’ fees.

COUNT I: DIRECT INFRINGEMENT OF THE ‘462 PATENT

19. The allegations contained in paragraphs 1-18 above are hereby re-alleged as if fully set forth herein.

20. Avigilon makes, uses, sells, offers to sell in the U.S. or imports into the U.S. security systems that infringe independent claim 1 in the ‘462 Patent.

21. Avigilon makes, uses, sells, offers to sell in the U.S. or imports into the U.S. security systems that infringe independent claim 12 in the ‘462 Patent.

22. Avigilon makes, uses, sells, offers to sell in the U.S. or imports into the U.S. security systems that infringe independent claim 15 in the ‘462 Patent.

23. Avigilon makes, uses, sells, offers to sell or imports into the U.S. security systems that infringe one or more of the dependent claims in the ‘462 Patent.

24. This is an exceptional case within the meaning of 35 U.S.C. § 285.

WHEREFORE, Hawk respectfully requests the Court:

- A. Enter a judgment finding that Avigilon has directly infringed the '462 Patent.
- B. Pursuant to 35 U.S.C. § 284, order Avigilon to pay damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by Avigilon, together with interest and costs;
- C. Find that Avigilon's patent infringement was willful and malicious and award treble damages to Hawk under 35 U.S.C. § 284;
- D. Find this to be an exceptional case of patent infringement under 35 U.S.C. § 285 and award reasonable attorneys' fees, costs, and expenses incurred by Plaintiffs in prosecuting this action; and
- E. Award such other and further relief as the Court deems just and proper.

COUNT II: INDUCEMENT OF PATENT INFRINGEMENT

- 25. The allegations contained in paragraphs 1-18 above are hereby re-alleged as if fully set forth herein.
- 26. Pursuant to 35 U.S.C. § 271(b), Avigilon is liable for actively inducing third parties to infringe independent Claims 1, 12, 15 and/or one or more of the dependent claims in the '462 Patent.
- 27. Avigilon communicated with numerous third parties including the Oklahoma County Sheriff's Office and Damar Services with the intent to cause these third parties to infringe independent Claims 1, 12, 15 and/or one or more of the dependent claims in the '462 Patent.

28. The third parties, including the Oklahoma's County's Sheriff's Office and Damar Services use security systems provided by Avigilon that infringe independent Claims 1, 12, 15 and/or one or more of the dependent claims in the '462 Patent.

WHEREFORE, Hawk respectfully requests the Court:

A. Enter a judgment finding that Avigilon has induced others to infringe the '462 Patent.

B. Pursuant to 35 U.S.C. § 284, order Avigilon to pay damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by Avigilon, together with interest and costs;

C. Find that Avigilon's inducement to commit patent infringement was willful and malicious and award treble damages to Hawk under 35 U.S.C. § 284;

D. Find this to be an exceptional case of patent infringement under 35 U.S.C. § 285 and award reasonable attorneys' fees, costs, and expenses incurred by Plaintiffs in prosecuting this action; and

E. Award such other and further relief as the Court deems just and proper.

COUNT III: CONTRIBUTORY PATENT INFRINGEMENT

29. The allegations contained in paragraphs 1-18 above are hereby re-alleged as if fully set forth herein.

30. Pursuant to 35 U.S.C. § 271(c), Avigilon is liable for contributing to the infringement of the '462 Patent.

31. Avigilon offers to sell, sells and imports into the United States components for use in the practicing of process claimed by the '462 Patent, and said components constitute a material part of the invention claimed independent Claims 1, 12, 15 and/or one or more of the

dependent claims in the '462 Patent and the components are not a staple article or commodity of commerce suitable for substantial non-infringing use.

WHEREFORE, Hawk respectfully requests the Court:

A. Enter a judgment finding that Avigilon has contributed to the infringement by others the '462 Patent.

B. Pursuant to 35 U.S.C. § 284, order Avigilon to pay damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by Avigilon, together with interest and costs;

C. Find that Avigilon's contribution to the patent infringement of others was willful and malicious and award treble damages to Hawk under 35 U.S.C. § 284;

D. Find this to be an exceptional case of patent infringement under 35 U.S.C. § 285 and award reasonable attorneys' fees, costs, and expenses incurred by Plaintiffs in prosecuting this action; and

E. Award such other and further relief as the Court deems just and proper.

JURY TRIAL

Hawk demands a trial by jury on all issues so trial.

Respectfully submitted,

By: /s/ M. Keith Lipscomb
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CERTIFICATE OF SERVICE

I hereby certify that on November 6, 2012, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or *pro se* parties identified on the attached Service List in the manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.

By: /s/ M. Keith Lipscomb

SERVICE LIST

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