

PARTIES

3. Plaintiff SIPCO, LLC is a limited liability company organized and existing under the laws of the State of Georgia and maintains its principal place of business at 20638 Duxbury Terrace, Ashburn, Virginia 20176.

4. Defendant FrontPoint Security Solutions, LLC is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business at 1568 Spring Hill Road, Suite 301, McLean, Virginia 22102.

JURISDICTION AND VENUE

5. 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.*

6. This court has personal jurisdiction over FrontPoint because infringing activity alleged herein took place in the State of Virginia. Further, the exercise of personal jurisdiction comports with Due Process under the United States Constitution.

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

GENERAL ALLEGATIONS

PLAINTIFF SIPCO, LLC

8. SIPCO is a small research, development and technology company based in Atlanta, Georgia. T. David Petite was its founding member.

9. In the 1990s, through his own individual research and development efforts, Mr. Petite invented a large number of wireless control and distribution technology applications. The inventions resulting from Mr. Petite's efforts include, but are not limited to, various ways of moving data as economically and seamlessly as possible over both wired and wireless networks.

10. Through the 1990s and early 2000s, investors contributed tens of millions of dollars for technology development and implementation of networks. Clients included Georgia Power, Alabama Power, Newnan Utilities GA, Johnson Controls, Synovus Bank, and Grand Court Lifestyles residential living facilities.

11. After proving that the technology worked in the field, several companies competed to purchase an exclusive license to Mr. Petite's technology for the market known as "smart grid." Landis+Gyr (<http://www.landisgyr.com/>) (previously Siemens Metering) took an exclusive license to the smart grid technology in 2002 and in 2005 purchased rights to the technology for utility applications for \$30,000,000.00. Mr. Petite's technology has been deployed in millions of meters deployed across North America and throughout the world.

12. SIPCO retained the rights to the mesh network patents, and for use of the technology outside of the utility space. It still maintains ownership of the software, firmware, hardware and patent portfolio that resulted from Mr. Petite's research and development efforts.

13. SIPCO's patent portfolios (of which the patents in suit are a part) include inventions that are widely recognized as pioneering in various fields of use. As a result, more than 100 corporations have taken licenses to them. Licensees include companies operating in the vertical markets of Industrial Controls, Smart Grid, Building Automation, Network Backhaul, Home Appliance, Home Automation and Entertainment, Sensor Monitoring, and Internet Service Provisioning. Licensed products include products using standard wireless mesh protocols such as WirelessHART, ZigBee, IEEE 802.15.4, Thread, 6LoWPAN, and Z-Wave, as well as proprietary wireless protocols such as that marketed by EnOcean.

14. SIPCO is the exclusive owner of all rights, title, and interest in the patents in suit, including the right to exclude others and to enforce, sue and recover damages for past and future infringement thereof.

DEFENDANT FRONTPOINT SECURITY SOLUTIONS, LLC

15. FrontPoint is a home products and service company based in McLean, Virginia, that sells products related to home security and controls. It is a market leader in networked home security systems and other networked home control systems.

16. For example, FrontPoint sells home security system products that provide for wireless and cellular communication between components. FrontPoint advertises that its products use 100% wireless, cellular security equipment.

17. FrontPoint has annual net sales of approximately \$70 million.

DEFENDANT'S KNOWLEDGE OF PLAINTIFF'S PATENTS

18. FrontPoint has been aware of the patents in suit since at least about September 2013 when a SIPCO representative sent a letter to Mr. Christopher Villar, FrontPoint's Chief Executive Officer, regarding FrontPoint's infringement and inviting FrontPoint to enter into a licensing agreement. The correspondence provided a short description of five sample patents and a longer, but still exemplary, list of other patents owned by SIPCO or its related company, IPCO, LLC.

19. SIPCO representatives sent additional correspondence, including claim charts, to FrontPoint's Co-Founder and CFO Aaron Shumaker during the following two years. FrontPoint, however, was unwilling to engage in licensing discussions and, despite its infringement, did not enter into a license agreement with SIPCO or IPCO.

20. Plaintiff notes that the following Petitions for *Inter Partes* Review have been filed with the United States Patent and Trademark Office with regard to patents at issue in this case, with the following status:

- a. Case IPR2015-00663 relating to Patent 7,103,511; a Petition was filed on February 2, 2015. On June 23, 2015, the Patent Trial and Appeal Board ruled that “Petitioner does *not* demonstrate a reasonable likelihood of prevailing on its challenge to the patentability of claims 1–4, 6–11, 27–47, and 51–64 of the ’511 patent as unpatentable under 35 U.S.C. § 103.” (emphasis in original). On August 29, 2015, the Patent Trial and Appeal Board denied the Petitioner’s motion for reconsideration of the Board’s finding that the claims were patentable.

COUNT I: DIRECT AND INDIRECT INFRINGEMENT OF THE ‘062 PATENT

21. Plaintiff hereby restates the allegations contained in the preceding paragraphs above as if fully set forth herein.

22. Plaintiff is the owner by assignment of the ‘062 Patent, “Wireless Network System And Method For Providing Same.” The ‘062 Patent was duly and legally issued on March 28, 2000.

23. Independent Claim 2 of the ‘062 Patent states:

A wireless network system comprising:

a server including a server controller and a server radio modem, said server controller implementing a server process that includes the control of said server radio modem, said server process including the receipt and transmission of data packets via said server radio modem; and

a plurality of clients each including a client controller and a client radio modem, said client process including the receipt and transmission of data packets via said client radio modem, wherein said client process of each of said clients initiates and selects a radio transmission path to said server that is one of a direct link to said server and an indirect link to said server through at least one of the remainder of said plurality of clients,

wherein said server process further includes logic that maintains a client link tree having client link entries.

See Exhibit A, Col. 23, lines 32 –50.

24. Defendant has infringed at least claim 2 of the ‘062 Patent by making, having had made, using, offering for sale, and selling networked wireless cellular security system products that operate pursuant to the Z-Wave standard wireless mesh protocol.

25. A claim chart, attached as Exhibit D, explains how Defendant has directly infringed claim 2 of the ‘062 Patent.

26. Defendant has infringed as a contributory infringer under 35 U.S.C. § 271 at least claim 2 of the ‘062 Patent by making, having had made, using, offering for sale, and selling networked wireless cellular security system products that operate pursuant to the Z-Wave standard wireless mesh protocol, wherein the products that operate pursuant to the Z-Wave standard wireless mesh protocol are a component of a patented system, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial non-infringing use.

27. Defendant’s acts of infringement have caused damage to Plaintiff. Plaintiff is entitled to recover from Defendant the damages sustained by Plaintiff as a result of Defendant’s wrongful acts.

COUNT II: DIRECT AND INDIRECT INFRINGEMENT OF THE ‘511 PATENT

28. Plaintiff hereby restates the allegations contained in the preceding paragraphs above as if fully set forth herein.

29. Plaintiff is the owner by assignment of the ‘511 Patent, “Wireless Communications Networks For Providing Remote Monitoring Of Devices.” The ‘511 Patent was duly and legally issued on September 5, 2006, was reexamined, and a Reexamination Certificate was issued on October 25, 2011.

30. Independent claim 1 of the ‘511 Patent states:

A wireless communication network adapted for use in an automated monitoring system for monitoring and controlling a plurality of remote devices via a host computer connected to a wide area network, the wireless communication network comprising:

a plurality of wireless transceivers having unique identifiers, each of the plurality of wireless transceivers configured to receive a sensor data signal from one of the plurality of remote devices and transmit an original data message using a predefined wireless communication protocol, the original data message comprising the corresponding unique identifier and sensor data signal and further configured to receive the original data message using the predefined communication protocol, the repeated data message including the sensor data signal and the corresponding unique identifier; and

a site controller in communication with at least one of the plurality of wireless transceivers, the site controller configured to receive the original data messages and the repeated data messages, identify the remote device associated with the corresponding sensor data signal, and provide information related to the sensor data signal to the wide area network for delivery to the host computer.

See Exhibit C, Col. 23, lines 21 – 46.

31. Defendant has been and now is directly infringing at least claim 1 of the ‘511 Patent by making, having had made, using, offering for sale, and selling networked wireless cellular security system products that operate pursuant to the Z-Wave standard wireless mesh protocol.

32. A claim chart, attached as Exhibit E, explains how Defendant directly infringed, and is infringing, claim 1 of the ‘511 Patent.

33. Defendant has been and now is indirectly infringing as a contributory infringer under 35 U.S.C. § 271 at least claim 1 of the ‘511 Patent by making, having had made, using, offering for sale, and selling networked wireless cellular security system products that operate

pursuant to the Z-Wave standard wireless mesh protocol, wherein the products that operate pursuant to the Z-Wave standard wireless mesh protocol are a component of a patented system, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial non-infringing use.

34. Defendant's acts of infringement have caused and continue to cause damage to Plaintiff. Plaintiff is entitled to recover from Defendant the damages sustained by Plaintiff as a result of Defendant's wrongful acts.

COUNT III: DIRECT AND INDIRECT INFRINGEMENT OF THE '588 PATENT

35. Plaintiff hereby restates the allegations contained in the preceding paragraphs above as if fully set forth herein.

36. Plaintiff is the owner by assignment of the '588 Patent, "Systems And Methods For Controlling Communication Between A Host Computer And Communication Devices." The '588 Patent was duly and legally issued on Dec. 30, 2014.

37. Independent claim 1 of the '588 Patent states:

A site controller comprising:

a processor; and

a memory containing instructions that, when executed by the processor, cause the site controller to:

receive the original data messages and repeated data messages originating at a first remote device via a first wireless transceiver associated with the first remote device, said first wireless transceiver being part of a wireless communication network comprising a plurality of wireless transceivers associated with a plurality of remote devices, the original data messages comprising a unique identifier of the first wireless transceiver and a sensor data signal from the first remote device, the repeated data messages comprising a unique identifier of a second wireless transceiver in the wireless communication network and a

sensor data signal from a second remote device associated with the second wireless transceiver;

identify remote devices in the plurality of remote devices associated with the sensor data signals of the received original data messages and repeated data messages; provide information related to the sensor data signals to a wide area network for access by a first host computer;

and

determine and store upstream and downstream paths for one or more of the plurality of remote devices in the wireless communication network.

See Exhibit E, Col. 18, lines 24 - 53.

38. Defendant has been and now is directly infringing at least claim 1 of the '588 Patent by making, having had made, using, offering for sale, and selling networked wireless cellular security system products that operate pursuant to the Z-Wave standard wireless mesh protocol.

39. A claim chart, attached as Exhibit F, explains how Defendant directly infringed, and is infringing, claim 1 of the '588 Patent.

40. Defendant has been and now is indirectly infringing as a contributory infringer under 35 U.S.C. § 271 at least claim 1 of the '588 Patent by making, having had made, using, offering for sale, and selling networked wireless cellular security system products that operate pursuant to the Z-Wave standard wireless mesh protocol, wherein products that operate pursuant to the Z-Wave standard wireless mesh protocol are a component of a patented system, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial non-infringing use.

41. Defendant's acts of infringement have caused and continue to cause damage to Plaintiff. Plaintiff is entitled to recover from Defendant the damages sustained by Plaintiff as a result of Defendant's wrongful acts.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests the Court to:

- A. Enter a judgment in favor of Plaintiff that Defendant has directly and indirectly infringed Patents 6,044,062; 7,103,511; and 8,924,588;
- B. Enter a judgment and order requiring Defendant to pay Plaintiff its damages, costs, expenses, prejudgment and post-judgment interest, and post-judgment royalties for Defendant's infringement of Patents 6,044,062; 7,103,511; and 8,924,588 pursuant to 35 U.S.C. § 284;
- C. Enter a judgment and order holding that Defendant's infringement was willful, and award treble damages and attorney fees and expenses;
- D. Enter judgment that this is an exceptional case, and, thus, award attorney fees and expenses to Plaintiff; and,
- E. Award such other and further relief as the Court deems just and proper.

JURY TRIAL

Plaintiff demands a trial by jury on all issues so triable.

Dated: August 23, 2018

Respectfully submitted,

/s/ Wyatt B. Durette, Jr.
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