

CYBERSECURE IPS LLC,	)	IN THE
3 Bethesda Metro Center	)	
Suite 700	)	
Bethesda, MD 20814,	)	CIRCUIT COURT
	)	
<i>Plaintiff,</i>	)	FOR
	)	
v.	)	MONTGOMERY COUNTY
	)	
NETWORK INTEGRITY SYSTEMS, INC.,	)	Case No. _____
1937 Tate Blvd. SE	)	
Hickory, North Carolina 28602,	)	
	)	
<u>Serve:</u> Dave Cunningham	)	
Registered Agent	)	
1937 Tate Blvd. SE	)	
Hickory, NC 28602	)	
	)	
<i>Defendant.</i>	)	
_____	)	

COMPLAINT

The Plaintiff, CyberSecure IPS LLC (“**CyberSecure**”), by its undersigned counsel, as and for its Complaint against the Defendant, Network Integrity Systems, Inc. (“**NIS**”) (CyberSecure and NIS are jointly referred to as the “**Parties**” below), alleges as follows:

Introduction

1. This action arises from NIS’s misrepresentations of the nature of its patent portfolio in breach of a Letter Agreement dated May 5, 2023, between NIS and CyberSecure (the “Letter Agreement”). The Letter Agreement was entered into by the Parties to resolve disputes that had arisen between the Parties, including misuse of intellectual property, under an Exclusive Strategic Relationship Agreement (the “ESR Agreement”). Under the Letter Agreement, NIS assigned certain patents to CyberSecure and agreed to perform an internal review of all

intellectual property assigned to NIS and provide affidavits to CyberSecure stating whether NIS possessed, among other intellectual property, any additional patents that are similar to or provide the same functionality as CS Products and/or support the interoperability of NIS products with other products that provide the same functionality as CyberSecure products. NIS agreed to assign any additional patents that were within the scope of that review. NIS thereafter provided sworn affidavits that it did not possess any such additional patents. In reliance on those misrepresentations, CyberSecure subsequently entered into a Settlement Agreement in June 2023 with NIS resolving disputes between them arising from the ESR Agreement.

2. NIS has now filed a patent infringement lawsuit against CyberSecure in federal court in which NIS alleges that CyberSecure infringe a patent (“the ‘641 patent”) that is assigned to NIS. Based on NIS’s allegations, the ‘641 patent is similar to or provides the same functionality as CS Products that were part of the Solutions and/or supports the interoperability of NIS products with other products that provide the same functionality as CyberSecure products. NIS should have assigned the ‘641 patent over to CyberSecure as part of the Letter Agreement but it did not do so.

3. CyberSecure faces a lawsuit filed by NIS based on the ‘641 patent - a patent that should have been assigned to it under the terms of the Letter Agreement. Absent NIS’s misrepresentations, NIS would have no standing to claim that CyberSecure products allegedly infringe the ‘641 patent.

4. CyberSecure must now undertake the defense of the patent infringement action and is incurring the costs of such defense as well as the potential for the payment of damages to NIS should it prevail in the patent infringement lawsuit. Such expenses and potential damages flow directly from the misrepresentations of NIS which CyberSecure relied upon in entering the Letter Agreement and thereafter releasing NIS from liability.

5. Cybersecure herein seeks a declaration that the '641 patent should have been disclosed as part of the terms of the Letter Agreement and assigned to CyberSecure, and that all of CyberSecure's expenses and legal fees in defending against NIS's patent infringement lawsuit, as well as any damages that may be awarded, be paid by NIS to CyberSecure as damages caused by NIS's misrepresentations. CyberSecure also seeks an award for such damages incurred to date, and to be proven at trial, for breach of contract and fraud.

Parties, Jurisdiction and Venue

6. CyberSecure is a Maryland Limited Liability Company with its principal place of business in Bethesda, Maryland.

7. NIS is a North Carolina corporation with its principal place of business in Hickory, North Carolina.

8. Jurisdiction is based on §§ 1-501 and 6-103 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland.

9. Venue is based on § 6-202 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland.

10. Jurisdiction for the Declaratory Judgment Action is based on §§ 3-401 through 3-415 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland.

11. NIS provided written consent to jurisdiction in Maryland Courts in a Memorandum of Understanding (MOU) between CyberSecure and NIS, which includes a Termination of the ESR Agreement and references and relies upon the Letter Agreement referred to above.

Factual Background

12. CyberSecure and NIS executed the ESR Agreement on or about October 01, 2015.

13. On April 26, 2023, CyberSecure sent NIS a Notice of Termination of the ESR Agreement (and related amendments and agreements). The April 26, 2023, Notice of Termination is attached as Exhibit A. The Notice of Termination set forth specific allegations of NIS's breach of certain intellectual property provisions of the ESR Agreement.

14. More specifically, Cybersecure provided evidence that NIS had breached, among other sections, Sections 5.2 and 5.4 of the ESR Agreement by designing, developing, modifying and/or revising products that provide similar or the same functionality as CS Products that are part of the Solutions (as defined in the ESR Agreement), and/or support the interoperability of NIS products with other products that provide the same functionality as Cybersecure products, including, but not limited to, Cybersecure products IMS, MPS, and StopLight (Manhole Protection System). In the Notice, CyberSecure demanded that NIS disavow certain patent filings and assign those patent filings to CyberSecure pursuant to Section 6.3 of the ESR Agreement.

15. On May 2, 2025, NIS responded to the Notice of Termination, via correspondence from its CEO Joseph Giovannini, seeking to cure NIS's breaches of the ESR Agreement. NIS agreed to assign certain patents to CyberSecure to cure the breaches of the ESR Agreement. The May 2, 2023, letter from Mr. Giovannini is attached hereto as Exhibit B.

16. CyberSecure responded in writing on May 5, 2023, with the Letter Agreement, which is attached hereto as Exhibit C. In the Letter Agreement, CyberSecure set forth specific terms upon which it would agree that NIS had "cured" the breaches of the ESR Agreement.

17. Those terms included NIS's agreement that it would execute and file a Patent Assignment, attached to the Letter Agreement (see Exhibit C), transferring all of its rights and interests in certain patents that CyberSecure had identified that provide similar to or the same

functionality as CS Products and/or support the interoperability of NIS products with other products that provide the same functionality as Cybersecure products.

18. In addition, in order to comprehensively determine whether NIS possessed any further intellectual property that provided the same or similar functionality as CyberSecure products, the terms of the Letter Agreement required NIS, within thirty days, to perform a comprehensive review of its design and development work and patent portfolio. NIS was required to:

deliver to CyberSecure an affidavit from Mr. Giovannini, or other knowledgeable officer of NIS, setting forth (a) the scope of your internal audit and review of all intellectual property currently assigned to NIS (including filings by Inventors commonly known to Network Integrity Systems, including but not limited to: Cary Murphy, Mark Bridges, Joseph Giovannini, Daniel Goertzen, and David Vokey) and (b) admitting or denying that NIS possesses any internal development documents, unpatented and copyrightable inventions, software and applications (in source code or object code), images, schematics, protocols and/or prototypes, additional patents and other materials, not set forth in the attached Patent Assignment, similar to or that provide the same functionality as CS Products that are part of the Solutions, and/or support the interoperability of NIS products with other products that provide the same functionality as CyberSecure products.

See Exhibit C at p. 2. The Letter Agreement required that NIS assign to CyberSecure any additional patents that fell within the scope of its intellectual property review. *Id.*

19. Mr. Giovannini signed the Letter Agreement and Patent Assignment on May 5, 2023, the very day he received it.

20. On May 26, 2023, Mr. Giovannini executed an Affidavit, which is attached hereto as Exhibit D. In his affidavit, Mr. Giovannini attested that he had reviewed NIS's intellectual property files and patent portfolio and that he had "concluded that NIS does not possess any ... additional patents and other materials, not set forth in the Patent Assignment dated May 5, 2023, similar to or that provide the same functionality as CS Products that are part of the Solutions and/or support the interoperability of NIS products with other products that provide the same functionality as CyberSecure products."

21. On June 2, 2023, Cary Murphy, the Chief Technology Officer at NIS, submitted an additional affidavit in support of the Letter Agreement. Mr. Murphy's Affidavit is attached hereto as Exhibit E. Mr. Murphy has been NIS's CTO since 2003. Based on a review he performed and, without limitation, his "recollection of research and development done at NIS", Mr. Murphy attested that other than the projects identified in his and Mr. Giovannini's affidavits, "NIS does not possess any ... additional patents or other materials, not set forth in the Patent Assignment dated May 5, 2023, similar to or that provide the same functionality as CS Products that are part of the Solutions and/or support the interoperability of NIS products with other products that provide the same functionality as CyberSecure products."

22. Neither Mr. Giovannini nor Mr. Murphy identified the '641 patent in their respective affidavits.

23. On April 7, 2025, NIS filed a lawsuit in federal court in the Eastern District of Virginia styled *Network Integrity Systems, Inc. v. CyberSecure IPS LLC*, Case No. 1:25-cv-590. The Complaint is attached hereto as Exhibit F. Therein, NIS alleges that CyberSecure has infringed its '641 patent in several ways, including by "use of the CS Controller, Opti-Guard, and/or Cyber-Sensor Products for manhole, lockbox, and other FBG monitoring." See Ex. F at para. 38.

24. CyberSecure's Manhole Protection System (MPS) was part of the Solutions and has always been established as a CyberSecure product. CyberSecure's Infrastructure Monitoring System (IMS) included MPS prior to the execution of the ESR Agreement. This product was sold by NIS under the ESR Agreement and was clearly within the scope of NIS's obligations under the Letter Agreement to identify patents that provide the same or similar functionality as CyberSecure products.

25. MPS, as described in the exhibits provided by NIS with its EDVA Complaint (see e.g., Exhibit 8 to the Complaint), with full knowledge by NIS, utilized FBG (Fiber Bragg Grating) sensor technology over the course of the ESR Agreement.

26. In the EDVA Complaint and exhibits, NIS also alleges CyberSecure infringes the '641 patent through deployment of point-to-multipoint, full daisy-chain, and split daisy-chain layouts. Similar to MPS, deployment of point-to-multipoint, full daisy-chain, and split daisy-chain layouts were part of the Solutions under the ESR Agreement and were deployed for customers jointly by the Parties pursuant to their installations under the ESR Agreement.

27. Because NIS alleges that CyberSecure infringes the '641 patent through activities related to MPS, point-to-multi-point, full daisy-chain, and split daisy-chain layouts, and these accused technologies/layouts were part of the Solutions under the ESR Agreement, the '641 patent is similar to or provides the same functionality as CyberSecure Products and/or supports the interoperability of NIS products with other products that provide the same functionality as CyberSecure products.

28. The '641 patent should therefore have been identified by NIS to CyberSecure as part of the Letter Agreement and/or identified by Mr. Murphy and Mr. Giovannini in their affidavits attesting that they had performed a comprehensive search, and no other additional patents existed within the scope of the Letter Agreement. The '641 patent would then have been assigned by NIS to CyberSecure pursuant to the terms of the Letter Agreement.

29. NIS, Mr. Murphy, and Mr. Giovannini thereby misrepresented that the '641 patent held by NIS was not within the scope of the Letter Agreement. NIS is now using the '641 patent to claim that CyberSecure products infringe on that patent. CyberSecure entered into the Letter Agreement with NIS in order to resolve completely any and all claims of patent infringement by

NIS related to CyberSecure products and thereafter released NIS from any claims based on those misrepresentations.

30. NIS, Mr. Murphy, and Mr. Giovannini breached the Letter Agreement, misrepresented the nature of NIS's patent portfolio, induced CyberSecure to enter into agreements and provide releases based on those misrepresentations and committed fraud on CyberSecure. NIS's fraudulent actions provide the foundation for NIS's claims of patent infringement in the lawsuit filed in the Eastern District of Virginia.

31. CyberSecure seeks to obtain a declaratory judgment from this honorable court that NIS (a) has breached the Letter Agreement by omitting the '641 patent from the affidavits of Mr. Murphy and Mr. Giovannini, (b) failing to assign the '641 patent pursuant to the terms of the Letter Agreement, (c) is obligated to reimburse and indemnify CyberSecure for any and all legal fees, cost and expenses expended by CyberSecure in defense of the patent infringement action filed by NIS, (d) is obligated to indemnify CyberSecure for any damages awarded in the patent infringement lawsuit. CyberSecure further seeks an award of damages, in an amount to be proven at trial, for the legal fees, expenses and costs expended to date in defense of the patent infringement lawsuit.

COUNT I
(Declaratory Relief)

32. Paragraphs 1 through 31 are incorporated by reference into this count as if fully set forth herein.

33. This is an action for declaratory judgment pursuant to the Court and Judicial Proceedings Article of the Annotated Code of Maryland for the purpose of determining questions of actual controversies between the Parties.

34. NIS has breached the Letter Agreement and committed fraud against CyberSecure as set forth in the paragraphs above.

35. NIS is seeking damages against CyberSecure in the patent infringement lawsuit referenced above, which is based on a patent that should have been assigned to CyberSecure under the Letter Agreement.

36. There exists an actual controversy of a justiciable issue between CyberSecure and NIS regarding the misrepresentations made by NIS and relied upon by CyberSecure.

37. Antagonistic claims are present between the Parties.

38. A declaratory judgment by this Court will terminate the Controversy.

39. WHEREFORE, the CyberSecure respectfully requests:

- a. That this Court determine and adjudicate that NIS breached the Letter Agreement and committed fraud against CyberSecure;
- b. That this Court determine and adjudicate that the damages claimed by NIS in the patent infringement lawsuit pending in the EDVA flow directly from its breach and misrepresentations in the Letter Agreement and subsequent affidavits;
- c. That this Court determine and adjudicate that NIS must reimburse/indemnify CyberSecure for any and all legal fees, expenses and costs related to the patent infringement lawsuit and for any damages awarded to NIS in the patent infringement lawsuit;

- d. That this Court award CyberSecure its reasonable attorneys' fees and costs in this action as further damages related to NIS's breach, misrepresentations, and fraud; and
- e. Any other relief this Court finds proper.

COUNT II
(Breach of Contract)

40. Paragraphs 1 through 39 are incorporated by reference into this count as if fully set forth herein.

41. NIS entered into the Letter Agreement with CyberSecure and freely undertook obligations to review and examine its intellectual property, including its additional patents, to determine if any patents covered products or methods similar to or that provided the same functionality as CyberSecure products and/or support the interoperability of NIS products with other products that provide the same functionality as CyberSecure products.

42. NIS provided sworn affidavits from its CEO and CTO that no additional patents existed that were within the scope of the Letter Agreement.

43. NIS's representations, through its CEO and CTO, were false and such falsity has been admitted by NIS in the patent infringement lawsuit referenced above.

44. By virtue of its allegations in the EDVA Complaint, NIS has admitted that the '641 patent is similar to or provides the same functionality as CyberSecure products, such as CyberSecure's MPS, and/or support the interoperability of NIS products with other products that provide the same functionality as CyberSecure products.

45. NIS breached its duty to CyberSecure through its misrepresentations and omissions regarding the nature of the '641 patent.

46. NIS breached its duty to CyberSecure by violating the covenants of good faith and fair dealing and the duty to cooperate.

47. CyberSecure relied upon those misrepresentations in entering into the Letter Agreement and subsequent agreements with NIS, including, but not limited to, the release of claims it had against NIS.

48. As a direct and proximate result of NIS's wrongful conduct, CyberSecure has suffered significant damage and loss, including, but not limited to: (a) the payment of legal fees and costs in defending itself against the claims made in the patent infringement suit filed by NIS; and (b) the damages, if any, awarded to NIS against CyberSecure in the patent infringement lawsuit.

WHEREFORE, CyberSecure respectfully request that this Court enter judgment in favor of CyberSecure and against NIS for such damages in the amounts proven at trial, plus costs and fees, and grant such other and further relief as is just and appropriate under the circumstances.

COUNT III
(Fraud)

49. Paragraphs 1 through 48 are incorporated by reference into this count as if fully set forth herein.

50. NIS made false representations in the affidavits of Mr. Giovannini and Mr. Murphy regarding the existence/non-existence of additional patents that NIS possessed that fell within the scope of the Letter Agreement as set forth in the paragraphs above.

51. NIS, through Mr. Giovannini and Mr. Murphy knew that their representations that no additional patents fell within the scope of the Letter Agreement were false. They knew the falsity based on their claimed review of NIS's patent holdings and intimate knowledge of NIS's product offerings and CyberSecure product offerings as part of the Parties' joint efforts under the ESR.

52. NIS, through the obligations it undertook in the Letter Agreement, and through the sworn affidavits of Mr. Giovannini and Mr. Murphy, intended that CyberSecure would rely on those false representations in order to induce CyberSecure to abandon its claims of breach of the ESR

Agreement and to induce CyberSecure to believe that NIS did not hold any additional patents that could be used to claim that CyberSecure was infringing on NIS's patents.

53. CyberSecure reasonably relied on the misrepresentations by NIS and was induced to abandon its claims of breach of the ESR Agreement and lulled into believing that it had eliminated any risk that NIS would claim that CyberSecure's products infringed on NIS's intellectual property. Further, CyberSecure entered into agreements with NIS in which it released NIS from claims based on the misrepresentations made in the Letter Agreement and affidavits referred to above.

54. CyberSecure has suffered damages caused by misrepresentations and fraudulent conduct as set forth above, including, but not limited to, the legal fees, expenses and costs related to the patent infringement action, the lost time and work from its engineers and executives as their attention has been diverted to defending the patent infringement lawsuit, and the damages, if any, that NIS may be awarded through the patent infringement action.

WHEREFORE, CyberSecure respectfully request that this Court enter judgment in favor of CyberSecure and against NIS for such damages in the amounts proven at trial, plus costs and fees, and grant such other and further relief as is just and appropriate under the circumstances.

Dated: May 8, 2025

Respectfully Submitted,

/s/ Benjamin S. Boyd

Benjamin S. Boyd (AIS No. 9106200023)

DLA Piper LLP (US)

500 Eighth Street, NW

Washington, DC 20004

Telephone: 202.799.4502

Facsimile: 202.799.5502

Email: benjamin.boyd@us.dlapiper.com

Daniel E. Larkins (AIS No. 191218005)
DLA Piper LLP (US)
500 Eighth Street, NW
Washington, DC 20004
Telephone: 202.799.4203
Facsimile: 202.799.5502
Email: daniel.larkins@us.dlapiper.com

Attorneys for Plaintiff CyberSecure IPS LLC

DEMAND FOR JURY TRIAL

Plaintiff CyberSecure IPS LLC requests that the captioned case and all claims asserted therein be tried by a Jury.

Dated: May 8, 2025

Respectfully Submitted,

/s/ Benjamin S. Boyd

Benjamin S. Boyd (AIS No. 9106200023)
DLA Piper LLP (US)
500 Eighth Street, NW
Washington, DC 20004
Telephone: 202.799.4502
Facsimile: 202.799.5502
Email: benjamin.boyd@us.dlapiper.com

Daniel E. Larkins (AIS No. 191218005)
DLA Piper LLP (US)
500 Eighth Street, NW
Washington, DC 20004
Telephone: 202.799.4203
Facsimile: 202.799.5502
Email: daniel.larkins@us.dlapiper.com

Attorneys for Plaintiff CyberSecure IPS LLC

EXHIBIT A

Network Integrity Systems, Inc.
1937 Tate Blvd. SE
Hickory, NC 28602

April 26, 2023

Attention:
Angela Guittard
angela.guittard@networkintegritysystems.com

Joseph Giovannini
joseph.giovannini@networkintegritysystems.com

Re: Termination of ESR Agreement, First Amendment to ESR Agreement, and MPA Agreement
as Adopted

Dear Angela and Joe:

As you know, Cybersecure IPS LLC (“Cybersecure”) and Network Integrity Systems (“NIS”) entered into the Exclusive Strategic Relationship Agreement (the “ESR Agreement”) as of October 1, 2015. I am following up my recent telephone conversation with Joe to confirm in writing that Cybersecure is terminating the ESR Agreement and all amendments thereto and will discontinue working together selling Solutions, including, without limitation, NIS’s current and future products identified as Sentinel, Focus and Interceptor/Vanguard.

It has come to Cybersecure’s attention that NIS has breached the ESR Agreement, including, but not limited to, Sections 5.2 and 5.4, by designing, developing, modifying and/or revising products that provide the same functionality as CS Products that are part of the Solutions, and/or support the interoperability of NIS products with other products that provide the same functionality as Cybersecure products. The Cybersecure products include IMS, MPS, and StopLight. By way of example, the designs, developments, modifications and revisions covered by NIS’s Provisional Application No. 62,303,280, U.S. Patent No. 10,914,047, and 11,401,680 provide the same functionality as CS products IMS and/or MPS. NIS’s creation of its Pulse product and the designs and developments covered by U.S. Patent Application No. 17,018,535 (which was granted as U.S. Patent No. 11,515,940), and U.S. Patent No. 11,5016,16 provide the same functionality as CS’s StopLight products.

Based on these breaches, pursuant to Section 4.2 of the ESR Agreement, Cybersecure hereby gives this written ten (10) day notice of termination of the ESR Agreement, the First Amendment to ESR Agreement, and the Master Purchase Agreement as adopted through the First Amendment to the ESR Agreement.

Pursuant to Section 4.2, NIS has ten days to cure these breaches to the satisfaction of Cybersecure. Cybersecure requests that NIS take the following actions in order to cure the breaches set forth above:

1. NIS will disavow all rights to the patent filings set forth above (and to all patents and applications claiming priority thereto); or
2. NIS will assign all rights to the patent filings set forth above (and to all patents and applications claiming priority thereto) to Cybersecure pursuant to Section 6.3 of the ESR Agreement.

Cybersecure is aware that NIS may contest this notice of breach of the ESR Agreement and termination under Section 4.2. Therefore, without prejudice to the notice provided under Section 4.2, and

reserving all of its rights, claims and defenses, Cybersecure simultaneously provides notice, under Section 4.1 of the ESR Agreement, of termination at the end of the current renewal period on September 30, 2023, should the notice provided under Section 4.2 be found ineffective for any reason.

The above notices of termination apply to the ESR Agreement, all amendments thereto and those section of the MPA Agreement incorporated into the ESR Agreement via the First Amendment to the ESR Agreement.

Pursuant to Sections 4.6 of the ESR Agreement, Cybersecure will cooperate with NIS in order to effect an orderly termination of the relationship. Pursuant to Sections 4.6 and 7.7, Cybersecure requests that NIS take the following actions:

1. NIS will cease representing itself as a Seller of the Solutions as of the Termination Date.
2. NIS shall cease, as of the termination date, the use of all Confidential Information furnished to it hereunder.
3. Pursuant to Section 7.6, NIS shall return to Cybersecure all Confidential Information provided to it or provide proof that such Confidential Information was destroyed. Cybersecure requests written confirmation of NIS's compliance with the requirements of Section 7.6
4. NIS shall return all CS equipment currently installed in NIS or NIS affiliated locations
5. NIS will provide a list of any accreditations, approved product lists, agency approvals or other customer "approving" documents that include CyberSecure IPS' products, services, components or intellectual property rights (IPR). The list shall contain the customer/agency, name of the approving document/process, date it was acquired, CyberSecure IPR references and approving entity contact information.
6. NIS shall affirm its commitment to make timely payment for all invoices within 90 days of the termination date, or net 30-days paid-when-paid when as collected by upstream distribution, whichever is sooner.
7. NIS will provide a list of all Gold License/Support contracts where NIS has provided customer quotes for both new projects and renewals as of the notification date.

This letter is made without prejudice to Cybersecure's rights and remedies as they may exist under the agreements referenced above and applicable law and is not intended to contain a complete statement of fact or law with respect to the subject matter hereof. Cybersecure does not waive any legal or equitable rights, claims, remedies or defenses available to it, all of which are expressly reserved.

We are available to discuss these matters further at your convenience.

Very Truly Yours,



Scott Rye

EXHIBIT B



May 2, 2023

Scott Rye, Sr.
Cybersecure IPS LLC
700 Seagull Beach Road
Prince Frederick, MD 20678

Dear Scott:

I am writing in response to your letter of April 26, 2023. As I have already conveyed to you, Network Integrity Systems (NIS) continues to value its relationship with Cybersecure IPS LLC (Cybersecure) and is not interested in terminating the ESR Agreement between our two companies. To that end, we agree to take the following curing actions mentioned in your letter.

- 1) NIS will assign the rights to the following three patents to Cybersecure.

U.S. Patent No. 10,914,047
U.S. Patent No. 11,401,680
U.S. Patent No. 11,501,616

Our action will include assigning rights to all patents and patent applications (both in the U.S. and in other countries).

- 2) NIS will disclaim the entire term of U.S. Patent No. 11,515,940 ("the '940 patent"). Our action will include disclaiming rights to all patents and abandoning patent applications (both in the U.S. and in other countries) that are in the same family as the '940 patent.

We do ask that you consider a different curing action with regard to the '940 patent. In our view, there is an opportunity for the '940 patent to be mutually exploited by Cybersecure and NIS. Therefore, we suggest keeping the '940 patent active and for the '940 patent to be co-owned by both NIS and Cybersecure.

We will immediately start preparing an assignment agreement to transfer the rights to the three patents listed above. Also, please let us know by noon on Friday, May 5 whether Cybersecure prefers to be a co-owner of the '940 patent so that we can have all actions completed within the 10 day cure period referenced in your letter.

We look forward to receiving your response and confirmation that the actions set forth above satisfy Cybersecure's concerns.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Giovannini".

Joseph Giovannini, CEO

We Bring Security To Light™

1937 Tate Blvd. SE • Hickory, North Carolina 28602 USA

Phone: 828.322.2181 • Fax: 828.322.5294 • www.networkintegritysystems.com

EXHIBIT C

Network Integrity Systems, Inc.
1937 Tate Blvd. SE
Hickory, NC 28602

May 5, 2023

Attention:
Angela Guittard
angela.guittard@networkintegritysystems.com

Joseph Giovannini
joseph.giovannini@networkintegritysystems.com

Re: Termination of ESR Agreement, First Amendment to ESR Agreement, and MPA Agreement as Adopted

Dear Joe and Angela:

We received Joe's letter of May 4, 2023 setting forth NIS' position on the actions needed to cure the breach of the ESR Agreement laid out in our previous letters. Thank you.

In order to cure the breaches to the satisfaction of CyberSecure, and consistent with your letter of May 4, 2023, CyberSecure requires the following:

1. Execution of the attached Patent Assignment Agreement.
2. NIS will promptly, at its own expense, (a) record the executed Patent Assignment with the United States Patent and Trademark Office and the corresponding entities or agencies in any applicable foreign jurisdiction to record Assignee as assignee and owner of the entire right, title and interest in, to and under the patents; and (b) send the confirmations of the assignment recordation to CyberSecure.
3. On or before May 31, 2023, NIS shall deliver to CyberSecure an affidavit from Mr. Giovannini, or other knowledgeable officer of NIS, setting forth (a) the scope of your internal audit and review of all intellectual property currently assigned to NIS (including filings by Inventors commonly known to Network Integrity Systems, including but not limited to: Cary Murphy, Mark Bridges, Joseph Giovannini, Daniel Goertzen, and David Vokey) and (b) admitting or denying that NIS possesses any internal development documents, unpatented and copyrightable inventions, software and applications (in source code or object code), images, schematics, protocols and/or prototypes, additional patents and other materials, not set forth in the attached Patent Assignment, similar to or that provide the same functionality as CS Products that are part of the Solutions, and/or support the interoperability of NIS products with other products that provide the same functionality as CyberSecure products.

4. NIS agrees that if, within thirty (30) days of providing the affidavit set forth in the above paragraph 4, CyberSecure requests that NIS conduct, at its own expense, an independent external audit of NIS's patent portfolio and products in development, it will do so. Such audit will be for the purpose of determining whether NIS possesses any additional patents, or has applied for any additional patents, or is currently working on developments or derivative technology which provide the same functionality as CS Products that are part of the Solutions, and/or support the interoperability of NIS products with other products that provide the same functionality as CyberSecure products. The audit will be conducted by a patent firm that is subject to the approval of CyberSecure.
5. If any such patents or patent applications or derivative developments are discovered by the internal audit or the external audit described above, NIS agrees that it will assign such patents and patent applications and/or derivative developments to CyberSecure in the same manner, and to the same extent, as in the attached Patent Assignment (or similar document) and as set forth above.
6. NIS agrees that Cary Murphy will no longer act as an intermediary in any intercompany communications or meetings.
7. NIS will sign this letter below evidencing its agreement to the terms set forth above and as attached.

This letter is made without prejudice to CyberSecure's rights and remedies as they may exist under the agreements referenced above and applicable law and is not intended to contain a complete statement of fact or law with respect to the subject matter hereof. CyberSecure does not waive any legal or equitable rights, claims, remedies, or defenses available to it, all of which are expressly reserved.

Sincerely,

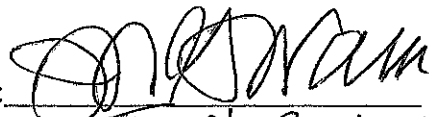


Scott Rye

WE AGREE TO THE TERMS SET FORTH HEREIN:

Network Integrity Systems, Inc.

Date: 5-5-23

By: 
Name: Joseph Giovanni
Title: CEO

PATENT ASSIGNMENT

This Patent Assignment Agreement is entered into between Network Integrity Systems, Inc. of 1937 Tate Blvd., S.E., Hickory, NC 28602 ("Assignor") and CyberSecure IPS, LLC of 3 Bethesda Metro Center, Suite 700, Bethesda, MD 20814 ("Assignee").

WHEREAS, Assignee hereby desires to purchase, acquire and accept from Assignor, and Assignor hereby desires to sell, transfer, assign, convey and deliver to Assignee, all of Assignor's entire worldwide right, title and interest in, to and under the U.S. patents and applications listed below in Appendix A (the "Assigned Patents").

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

Assignor hereby sells, transfers, assigns, conveys and delivers to Assignee all of its right, title and interest in, to and under the Assigned Patents, all related applications, continuations, continuations-in-part, divisionals, reissues, re-examinations, substitutions and extensions thereof, and all foreign counterparts of the foregoing, the same to be held and enjoyed by Assignee for its own use and enjoyment and the use and enjoyment of its successors, assigns and other legal representatives as the same would have been held and enjoyed by Assignor (or its Affiliates, as applicable) if this Assignment had not been made, as assignee of its respective entire right, title and interest therein, including, without limitation, all statutory and other claims, demands, and causes of action of Assignor or any of its Affiliates, for royalties, fees, or other income from, or infringement, misappropriation or violation of, any of the Assigned Patents, all rights to apply for and to maintain all registrations, renewals and extensions thereof and all right of priority with respect thereto, and all of the proceeds from the foregoing.

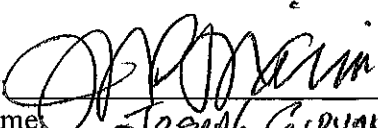
Assignor hereby authorizes and requests the officials of the United States Patent and Trademark Office, and the corresponding entities or agencies in any applicable foreign jurisdiction, to record Assignee as assignee and owner of the entire right, title and interest in, to and under the Assigned Patents.

Assignor further agrees to execute all instruments or documents required or reasonably requested to perfect or record the right, title or interest of Assignee and hereby irrevocably designates and appoints Assignee and its duly authorized officers and agents, as Assignor's agents and attorney in-fact, coupled with an interest to do all other lawfully permitted acts to record, perfect, or otherwise secure that transfer contemplated hereunder.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

Network Integrity Systems, Inc.

Date: 5-5-23

By: 
Name: Joseph Giovanni
Title: CEO

CyberSecure IPS LLC

Date: 5/5/2023

By: 
Name: Scott C Rye Sr.
Title: President / CEO

APPENDIX A

Application No.	Filing Date	Issued Patent	Title
62/303,280	03/03/2016		METHODS AND APPARATUS FOR MONITORING FIBER OPTIC MANHOLE AND DOOR SENSORS
15/449,880	03/03/2017	10,914,047	SYSTEM AND METHOD FOR MONITORING A FIBER AND A DETECTOR ATTACHED TO THE FIBER
17/162,703	01/29/2021	11,401,680	SYSTEM AND METHOD FOR MONITORING A FIBER AND A DETECTOR ATTACHED TO THE FIBER
17/192,091	03/04/2021	11,190,271	METHOD OF MONITORING EVENTS IN AN AREA DIVIDED INTO ZONES
17/018,535	09/11/2020	11,515,940	TEST DEVICE FOR VERIFYING OPERATION OF AN OPTICAL FIBER MONITORING SYSTEM
17/088,890	11/04/2020	11,501,616	TEST DEVICE FOR VERIFYING OPERATION OF AN OPTICAL FIBER MONITORING SYSTEM UTILIZING A FAR END OPTICAL SHUTTER
17/088,913	11/04/2020	11,502,749	TEST DEVICE FOR VERIFYING OPERATION OF AN OPTICAL FIBER MONITORING SYSTEM UTILIZING OUTGOING COMMUNICATION
17/088,968	11/04/2020	11,502,751	TEST DEVICE FOR VERIFYING OPERATION OF AN OPTICAL FIBER MONITORING SYSTEM ORGANIZED IN A COMMON HOUSING
17/088,931	11/04/2020	11,502,750	TEST DEVICE FOR VERIFYING OPERATION OF AN OPTICAL FIBER MONITORING SYSTEM PROTECTING MULTIPLE FIBER RUNS
17/088,952	11/04/2020	11,631,308	TEST DEVICE FOR VERIFYING OPERATION OF AN OPTICAL FIBER MONITORING SYSTEM BY INJECTION OF LONGITUDINAL STRAIN
17/088,905	11/04/2020	11,502,748	TEST DEVICE FOR VERIFYING OPERATION OF AN OPTICAL FIBER MONITORING SYSTEM UTILIZING COMPLEX TEST SIGNAL
17/089,186	11/04/2020	11,501,617	TEST DEVICE FOR VERIFYING OPERATION OF AN OPTICAL FIBER MONITORING SYSTEM UTILIZING DIRECT OPTICAL INJECTION
17/966,235	10/14/2022		TEST DEVICE FOR VERIFYING OPERATION OF AN OPTICAL FIBER MONITORING SYSTEM UTILIZING DIRECT OPTICAL INJECTION

EXHIBIT D

AFFIDAVIT OF JOSEPH GIOVANNINI

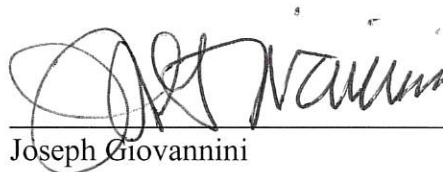
1. I have personal knowledge of the matters set forth in this declaration.
2. I am the Chief Executive Officer for Network Integrity Systems, Inc. (NIS).
3. I personally supervised a review of all of NIS's intellectual property including all patent filings and internal invention disclosures. The review included all of NIS's development work since the commencement of the Exclusive Strategic Relationship Agreement ("ESR Agreement") with CyberSecure on October 1, 2015. In the course of my review, I personally reviewed every engineering project that the NIS engineering team has worked on or is currently working on. The review included my inventions and development work and, also, the inventions and development work of the following NIS personnel: Mark Bridges, Cary Murphy, Daniel Goertzen, and David Vokey.
4. The review identified U.S. Patent Nos. 10,263,696 and 11,361,653, because each of these two patents have claims that include limitations that may fall within the domain of both NIS and CyberSecure. NIS does possess underlying internal development documents that support the information contained in these two patents, but NIS has not incorporated the invention claimed in these two patents in any NIS commercial products.
5. NIS has also performed conceptual work on the following ideas:
 - improved alarm reporting to CyberSecure software and other reporting agents such as IFTTT to be incorporated into the NIS Sentinel II product (occurred prior to CyberSecure agreeing to support Sentinel II, and no patent application filed);
 - method for detecting whether a GSA approved lock was secured to a lockable cabinet (provisional patent application filed in 2016 and abandoned); and
 - addition of gate open/close detection to the NIS's perimeter security product set (no patent application filed).

However, none of this conceptual work would have resulted in products that have the same functionality as CS Products and none of these ideas has been incorporated into any NIS commercial products.

6. Based on our conclusion that the two patents and conceptual work described above does not relate to potential NIS products that have the same functionality as CS Products, I have concluded that NIS does not possess any internal development documents, unpatented and copyrightable inventions, software and applications (in source code or object code), images, schematics, protocols and/or prototypes, additional patents and other materials, not set forth in the Patent Assignment dated May 5, 2023, similar to or that provide the same functionality as CS Products that are part of the Solutions and/or support the interoperability of NIS products with other products that provide the same functionality as CyberSecure products.

7. I hereby declare under the penalty of perjury under the laws of the United States that the foregoing is true and accurate.

This 26th day of May, 2023 in Hickory, N.C.



Joseph Giovannini

EXHIBIT E

AFFIDAVIT OF CARY MURPHY

1. I am an employee of Network Integrity Systems (NIS), and have personal knowledge of the matters set forth in this declaration.

2. In May of 2023, at the direction of the Joseph Giovannini, I reviewed every engineering project that the NIS research and development team has worked on since April 1, 2015 or is currently working on. During my review, I reviewed every page of my lab notebooks, reviewed documents and emails, and directed Daniel Goertzen and Mark Bridges to do the same. Based upon the results of this review and my best recollection of research and development done at NIS, there are no projects or conceptual work of interest, other than those identified by Joseph Giovannini in his affidavit of May 26, 2023, and the three conceptual ideas described below. My review continued after May 26, 2023, because I wanted to ensure that my review identified all of NIS's conceptual work that might be of interest.

3. After May 26, 2023, I identified the following three additional ideas for which NIS has also performed conceptual work:

- Software requirements to support the operation of NIS's Sentinel product (occurred prior to CyberSecure agreeing to support NIS's Sentinel product, no code was written and no patent application was filed);
- Using NIS's DAS system to detect manhole intrusion (prepared demo for clients in the presence of CyberSecure, but demo never shown to clients, and no patent application was filed; also, at the request of Cspire, included DAS manhole intrusion detection and CS CyberSensor in a proposal that CyberSecure was copied on); and
- Using polarization concepts with DAS system for fiber testing (unable to prove the concept and no patent application was filed)

However, none of this conceptual work would have resulted in products that have the same functionality as CS Products and none of these ideas have been incorporated into any NIS commercial products.

4. Based on my review, NIS does not possess any internal development documents, unpatented and copyrightable inventions, software and applications (in source code or object code), images, schematics, protocols and/or prototypes, additional patents and other materials, not set forth in the Patent Assignment dated May 5, 2023, similar to or that provide the same functionality as CS Products that are part of the Solutions and/or support the interoperability of NIS products with other products that provide the same functionality as CyberSecure products.

5. I hereby declare under the penalty of perjury under the laws of the United States that the foregoing is true and accurate.

This 2nd day of June, 2023 in Hickory, N.C.

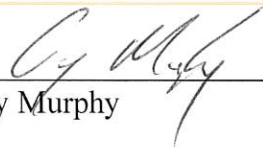

Cary Murphy

EXHIBIT F

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION**

NETWORK INTEGRITY SYSTEMS, INC.,
 Plaintiff,
 v.
 CYBERSECURE IPS LLC,
 Defendant.

Case No.: 1:25-cv-590
JURY TRIAL DEMANDED

COMPLAINT

Plaintiff Network Integrity Systems, Inc. (“NIS”), by and through its undersigned counsel,
complaints of Defendant CyberSecure IPS LLC (“CS”), and alleges as follows:

NATURE OF THE SUIT

1. This is a claim for patent infringement arising under the patent laws of the United States, Title 35 of the United States Code, involving infringement of U.S. Patent No. 7,706,641 (“the ‘641 patent” or “patent-in-suit”, attached as **Exhibit 1**, in reference to the patent claim chart, attached as **Exhibit 2**, incorporated herein by reference).

PARTIES, JURISDICTION AND VENUE

2. NIS is a North Carolina corporation with a principal place of business at 1937 Tate Boulevard SE, Hickory, North Carolina 28602.

3. CS is a Maryland limited liability company headquartered in Herndon, Virginia.¹

4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331 and

¹ <https://www.linkedin.com/company/cybersecure-ips/about/>.

1338(a).

5. Personal jurisdiction exists over CS because it has its headquarters in Virginia where it also conducts regular business and engaged in infringement.

6. Venue is proper under 28 U.S.C. § 1400(b) in this Division and District where CS has committed acts of infringement and has a regular and established place of business.

FACTUAL BACKGROUND

7. NIS owns patents in the field of optical fiber security and is a cyber-security business and leading provider of optical sensing technology for cyber and physical security applications specializing in optical fiber monitoring to enhance network infrastructure security across various sectors.

8. CS is also a cyber-security business that specializes in the design and development of prepackaged computer software and fiber-optic-based solutions for network infrastructure security.

9. The parties have a long history of working together. Effective October 1, 2015, the parties entered into an Exclusive Strategic Relationship Agreement (“ESR Agreement”) related to integration and joint sale of technology solutions to customers.

10. Effective June 23, 2023, the parties terminated the ESR Agreement and entered into a Memorandum of Understanding (“MOU”) to continue working together to service customers after the termination of the ESR Agreement. This Complaint is limited to CS’s infringing activity after the termination of the ESR Agreement on June 23, 2023.

11. Effective September 5, 2024, the parties entered into a “Settlement Agreement” (the “Settlement Agreement”) whereby they resolved various MOU disputes, including claims by NIS that CS improperly hired current and former NIS employees who were subject to non-

competition and/or non-solicitation clauses in their employment contracts with NIS, and that CS disclosed and/or misused confidential NIS information.

12. The '641 patent is entitled "MONITORING INDIVIDUAL FIBERS OF AN OPTICAL CABLE FOR INTRUSION" and was duly and legally issued by the United States Patent and Trademark Office on April 27, 2010.

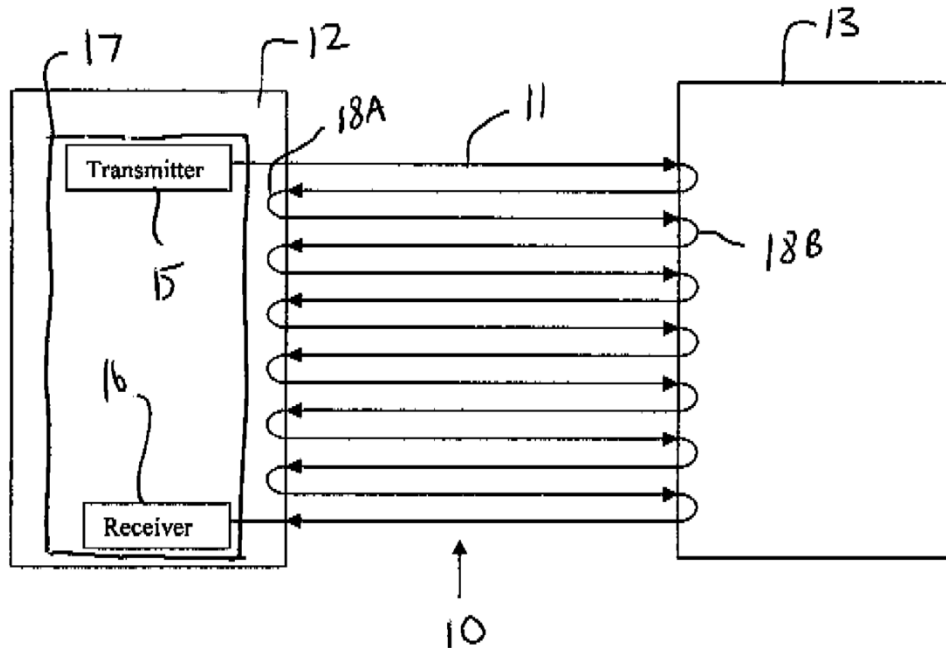
13. The '641 patent includes method claims related to detecting movement of optical fibers of an optical fiber cable and generating an alarm indicating the movement.

14. The '641 patent is valid and enforceable.

15. NIS is the exclusive owner of all right, title, and interest in the '641 patent. NIS practices the technology disclosed in the patents and has the right to bring this action to recover damages for any current or past infringement of these patents. CS does not have a license to practice the inventions claimed in the '641 patent.

16. The '641 patent is directed to a system and method for detecting movement of optical fibers for the purpose of intrusion detection. The claims of the '641 patent are method claims that include method steps such as injecting light into fibers to be monitored and receiving light signals that have been transmitted along the fibers being monitored. At least claims 1 and 12 of the '641 patent read on a point-to-multipoint network layout where the number of fibers being monitored is greater than the number of light sources and greater than the number of sensor arrangements that detect the light being transmitted through the monitored fibers.

17. Fig. 1 of the '641 patent (set forth below) depicts an exemplary point-to-multipoint network layout.



18. NIS manufactures and sells two products that are relevant to the ‘641 patent. The “Interceptor” and “Vanguard,” which are both interrogator type devices that provide light to optical fibers being monitored and receive light signals from those fibers. The received light signals are analyzed for abnormalities that indicate whether there is an intrusion into the cable carrying the fiber or the fiber itself. The analysis of the light signals may be performed by software in the interrogator device or by software on a separate computer providing a user interface, or both. Both the Interceptor and Vanguard devices are capable of protecting up to 8-separate zones or cable paths distributed throughout the building by monitoring strands of fibers within optical cables making up the network infrastructure.

19. A system operating with a NIS Interceptor or Vanguard device detects and reports tampering or intrusion attempts for the purposes of data theft (tapping) or denial of service attacks. The Interceptor and Vanguard devices are designed to be used in a detection system and method that utilizes a point-to-multipoint network layout.

20. On information or belief, CS has had knowledge of the ‘641 patent at least since the parties entered into the ESR Agreement in 2015. CS personnel have frequently visited NIS facilities where a plaque showing the cover page of the ‘641 patent is displayed. In addition, CS personnel attended training at NIS facilities where the NIS innovations (*e.g.*, network intrusion monitoring using point-to-multipoint network layout) covered by the ‘641 patent were described as “patented.” NIS and CS created and distributed co-branded marketing materials that referenced NIS’ “patented hub and spoke technology.” Two examples of these marketing materials are attached as **Exhibit 3**. In addition, on information and belief, CS conducted a review of NIS’s patent portfolio (including the ‘641 patent) in 2023 when the ESR Agreement was terminated.

21. Until the parties severed their relationship in 2024, CS partnered with NIS to offer both CS and NIS products to their joint customers. These joint customers included both data center customers who purchased and installed numerous Vanguard devices and practiced the claims of the ‘641 patent, and customers who operated Protective Distribution Systems (PDS) and purchased and installed numerous Interceptor devices. One of the parties’ data center customers (the “Primary Customer”) was responsible for the vast majority of the parties’ data center related business.

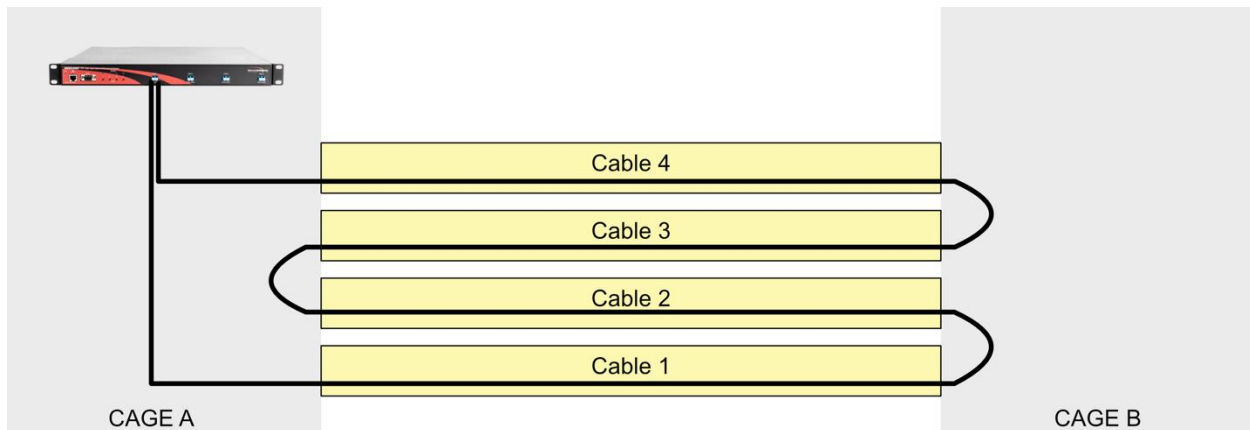
22. During the approximately nine years that the parties co-marketed products, CS did not have a product that competed with the NIS Interceptor and Vanguard devices. CS is now offering for sale and selling a product that competes with the NIS Interceptor and Vanguard devices. CS has incorporated the functionality of the Interceptor and Vanguard devices into a newly marketed device named “Opti-Guard.” CS marketing materials for the Opti-Guard device are attached as **Exhibits 4** and **5**. CS touts its Opti-Guard device to customers as a device that can “replace the [NIS] Interceptor.” Ex. 5 at p. 2.

23. As described further below, CS makes, uses, sells, and/or offers for sale products and services that infringe the ‘641 patent. These products and services include intrusion systems and methods that include both software and hardware devices. In particular, CS makes, uses, sells, and/or offers for sale at least the following products and services that infringe the ‘641 patent (“Accused Products and Services”):

- a. Detection System and Method used in Data Centers;
- b. Detection System and Method used in Protected Distribution Systems (PDS); and
- c. Detection System and Method used in Manhole, Lockbox, and other Fiber Bragg Grating (FBG) Intrusion Monitoring.

CyberSecure’s Infringing Detection System and Method used in Data Centers

24. Until its relationship with NIS ended in 2024, CS partnered with NIS to pair its software with the NIS Vanguard device for use in data centers for monitoring movement of optical fibers. CS now offers an alternative to the NIS Vanguard device, and offers for sale, sells, and has sold its software and hardware for use in a system and method for monitoring intrusion of OSP/ISP Pathways and Conduits for various data centers having a point-to-multipoint network layout. An exemplary layout of a commercial point-to-multipoint network layout is set forth below:



25. Use of these CS products in a system and method for monitoring intrusion of OSP/ISP Pathways and Conduits for use in an intrusion detection system with a point-to-multipoint network layout infringes at least claims 1 and 12 of the ‘641 patent, either literally or under the doctrine of equivalents, because such a detection system including CS products performs all of the steps required in these claims, as set forth in detail in Exhibit 2.

26. In particular, CS has offered for sale and sold its products for use in a system and method for monitoring intrusion of OSP/ISP Pathways and Conduits for use in data centers owned by the Primary Customer that employ an intrusion detection system with point-to-multipoint network layout. The CS products and services for sale and sold for use in data centers are described on the CS website. (“Realize True Data Center Security with CyberSecure IPS”, attached as **Exhibit 6.**)

27. For certain Primary Customer data centers, CS has offered for sale and sold its products to replace existing NIS Vanguard device already in use in the point-to-multipoint network layouts in the Primary Customer data centers. In particular, NIS began providing its Vanguard devices to the Primary Customer in 2017 for use in data centers that include a point-to-multipoint network layout and are located in this Division and District. The Primary Customer has a life cycle replacement policy that requires it to replace electronic devices at least every seven years. CS has offered for sale and sold its OptiGuard device to replace Vanguard devices located in this Division and District, in response to the Primary Customer acting according to its life cycle replacement policy. The CS system and method that includes the OptiGuard and is being offered for sale and sold for use in the Primary Customer data centers with a point-to-multipoint network layout infringes at least claims 1 and 12 of the ‘641 patent.

28. CS, with knowledge of the ‘641 patent and knowledge that the CS intrusion detection system and method used in the point-to-multipoint network layout at Primary Customer data centers infringes the ‘641 patent, provides assistance and instruction in connection with the installation and use of the CS intrusion detection system at the Primary Customer data centers and the knowhow to use the CS intrusion detection system in an infringing manner.

29. CS, with knowledge of the ‘641 patent and knowledge that the CS intrusion detection system and method used in the point-to-multipoint network layout at Primary Customer data centers infringes the ‘641 patent, directs its salespeople and technical personnel to conduct troubleshooting and testing on the CS intrusion detection system used in the point-to-multipoint network layout at Primary Customer data centers.

30. The infringing CS intrusion detection system and method is designed for use with the point-to-multipoint network layout at Primary Customer data centers in a manner that infringes the ‘641 patent.

CyberSecure’s Infringing Detection System and Method used in Protected Distribution Systems (PDS)

31. Until its relationship with NIS ended in 2024, CS partnered with NIS to pair its software with the NIS Interceptor device for use with a PDS for monitoring movement of optical fibers. CS now offers an alternative to the NIS Interceptor device – the Opti-Guard device -- and offers for sale, sells, and has sold its own products for use in a system and method for monitoring intrusion of optical fibers in a PDS.

32. The CS products and services for sale for use with a PDS are described on the CS website. (“Alarmed Carrier PDS Solutions For Military and Government,” attached as **Exhibit 7**.) CS has offered for sale and sold its products for use in a system and method for monitoring intrusion of the PDS used in a secure government facility located in the District of Columbia,

Maryland and Virginia region (the “DMV Facility”).

33. The DMV Facility is well known to CS because CS knew it was competing with NIS to provide products and services to monitor PDS intrusion at the DMV Facility. CS and NIS were working with the same integration company that was offering CS and NIS products as alternative solutions to the DMV Facility. The cables used at the DMV Facility include air blown optical fibers which, although not unique, distinguish the DMV Facility from other government facilities that employ a PDS. The CS products and services offered for sale and sold for use at the DMV Facility include an intrusion detection system for a PDS with a point-to-multipoint network layout. Use of the CS products in a system and method for monitoring intrusion of the PDS used at the DMV Facility infringes at least claims 1 and 12 of the ‘641 patent, either literally or under the doctrine of equivalents, because such an intrusion detection system including CS products performs all the steps required in these claims, as set forth in detail in Exhibit 2.

34. CS, with knowledge of the ‘641 patent and knowledge that the CS intrusion detection system used in the PDS with a point-to-multipoint network layout at the DMV Facility infringes the ‘641 patent, provides assistance and instruction in connection with the installation and use of the CS intrusion detection system at the DMV Facility and the knowhow to use the CS intrusion detection system in an infringing manner.

35. CS, with knowledge of the ‘641 patent and knowledge that the CS intrusion detection system used in the PDS with a point-to-multipoint network layout at DMV Facility infringes the ‘641 patent, directs its salespeople and technical personnel to conduct troubleshooting and testing on the CS intrusion detection system used at the DMV Facility.

36. When deployed for use with the PDS with a point-to-multipoint network layout at the DMV Facility, the CS intrusion detection system and method is specifically designed in a manner that infringes the ‘641 patent.

CyberSecure’s Infringing Detection System and Method used in Manhole, Lockbox, and other Fiber Bragg Grating (FBG) Intrusion Monitoring

37. In addition to those infringing detection systems and methods discussed above that are used with networks arranged in a point-to-multipoint layout, CS also manufactures, distributes, offers to sell and sells its “Controller,” “Opti-Guard,” and “Cyber Sensor” products (<https://www.cybersecureips.com/our-products/>) for use in a system and method for monitoring intrusion of manholes, lockboxes, and other purposes.

38. Use of the CS Controller, Opti-Guard, and/or Cyber Sensor Products for manhole, lockbox, and other FBG monitoring infringes at least claim 8 of the ‘641 patent, either literally or under the doctrine of equivalents, because systems including these CS products perform all the steps required in the claim, as set forth in detail in Exhibit 2. CS has published the following two documents that provide a detailed description of the use of the CS Controller and Cyber Sensor for manhole and lockbox monitoring:

- a. Cyber Sensor Installation Guide (attached as **Exhibit 8**); and
- b. CyberSecure CSS Cyber Sensor Solution (attached as **Exhibit 9**).

As shown in detail in the claim chart attached as Exhibit 2, both these documents provide support for NIS’ infringement claims.

39. CS, with knowledge of the ‘641 patent and knowledge that manhole, lockbox, and other FBG monitoring systems that include the CS Controller, Opti-Guard, and/or Cyber Sensor Products infringe the ‘641 patent, provides assistance and instruction to customers in connection with the installation and use of these CS products and the knowhow to use these CS products in

an infringing manner.

40. CS, with knowledge of the '641 patent and knowledge that FBG monitoring systems that include the CS Controller, Opti-Guard, and/or Cyber Sensor Products infringe the '641 patent, directs its salespeople and technical personnel to conduct troubleshooting and testing on monitoring systems that employ these CS products.

41. On information and belief, the CS Controller, Opti-Guard, and/or Cyber Sensor Products, when employed in FBG monitoring systems, are specifically designed for use in a manner that infringes the '641 patent, either literally or under the doctrine of equivalents, and these products have no substantially non-infringing use.

42. On information and belief, CS offers products and services that infringe the claims of the '641 patent and other NIS patents, and NIS reserves the right to pursue additional infringement in this lawsuit. These products and services include, at least, other detection systems being offered for sale and/or sold to customers for use in fiber optic network layouts arranged in a point-to-multipoint configuration.

COUNT I

(Direct Infringement of the '641 Patent)

43. NIS adopts and incorporates by reference all the foregoing allegations as if fully set forth herein.

44. CS has directly infringed and continues to directly infringe under 35 U.S.C. § 271(a) one or more claims of the '641 patent either literally and/or under the doctrine of equivalents, by making, using, selling, and/or offering for sale in the United States the Accused Products and Services that infringe one or more claims of the '641 patent.

45. CS is directly infringing the claims of the '641 patent by conducting the steps of the methods recited in the claims of the '641 patent at least when CS salespeople and technical

representatives troubleshoot and test the CS systems and methods both during and after installation at end customer facilities such as the Primary Customer data centers and DMV Facility.

46. On information and belief, CS has been aware of the '641 patent at least since the date that the parties entered into the ESR Agreement.

COUNT II
(Inducing of Infringement of the '641 Patent)

47. NIS adopts and incorporates by reference all the foregoing allegations as if fully set forth herein.

48. CS has induced infringement and continues to induce infringement under 35 U.S.C. § 271(b).

49. CS offers for sale, sells, and has sold the Accused Products and Services to entities in the networking sector including, but not limited to, the DMV Facility and the Primary Customer data centers.

50. CS's customers have directly infringed and continue to directly infringe, under 35 U.S.C. § 271(a), one or more claims of the '641 patent, either literally and/or under the doctrine of equivalents, by using the Accused Products and Services in the United States that infringe one or more claims of the '641 patent, as described in detail above.

51. CS has actively, knowingly, and intentionally induced, and continues to actively, knowingly, and intentionally induce, infringement of the '641 patent, by offering to sell, selling and/or otherwise supplying the Accused Products and Services, with the knowledge and intent that third parties will use the Accused Products and Services in the United States, for their intended purpose to infringe the '641 patent, and with the knowledge and intent to encourage and facilitate infringement through the dissemination of the Accused Products and Services and/or the creation and dissemination of documentation and technical information to customers and prospective

customers related to the Accused Products and Services.

52. CS, through its sales people and technical field representatives, over whom CS exerts control and direction, provides assistance and instruction in connection with installation and use of the Accused Product and Services at facilities and the knowhow to use the Accused Product and Services in an infringing manner, at all times having knowledge of the '641 patent and with the intent that personnel at the facilities operate the Accused Product and Services so that there is infringement of the '641 patent.

53. On information and belief, CS, through its sales people and technical field representatives, troubleshoot operation of the Accused Product and Services at customer facilities during and after installation of the Accused Product and Services with full knowledge of the '641 patent and that the Accused Product and Services operate in a manner that infringes the '641 patent and with the intent that the customers operate the Accused Product and Services in a manner that infringes the '641 patent.

54. On information and belief, CS has been aware of the '641 patent at least since the date that the parties entered into the ESR Agreement.

COUNT III
(Contributory Infringement of the '641 Patent)

55. NIS adopts and incorporates by reference all the foregoing allegations as if fully set forth herein.

56. CS offers for sale, sells, and has sold the Accused Products and Services to entities in the networking sector including, but not limited to, the DMV Facility and the Primary Customer data centers.

57. CS's customers have directly infringed and continue to directly infringe, under 35 U.S.C. § 271(a), one or more claims of the '641 patent, either literally and/or under the doctrine of

equivalents, by using the Accused Products and Services in the United States that infringe one or more claims of the '641 patent, as described in detail above.

58. CS has contributed and continues to contribute to the infringement by third parties, including its customers, of one or more claims of the '641 patent under 35 U.S.C. § 271(c), by selling and/or offering for sale in the United States the Accused Products and Services knowing that those products and services constitute a material part of the inventions of the '641 patent, knowing that those products and services are especially made or adapted to infringe the '641 patent, and knowing that when sold for use with a point-to-multipoint network layout those products are not staple articles of commerce suitable for substantial non-infringing use.

59. CS, through its sales people and technical field representatives, over whom CS exerts control and direction, provides assistance and instruction in connection with installation and use of the Accused Product and Services at facilities and the knowhow to use the Accused Product and Services in an infringing manner at all times having knowledge of the '641 patent and with the intent that personnel at the facilities operate the Accused Product and Services so that there is infringement of the '641 patent.

60. On information and belief, CS, through its sales people and technical field representatives, troubleshoot operation of the Accused Product and Services at customer facilities during and after installation of the Accused Product and Services with full knowledge of the '641 patent and that the Accused Product and Services operate in a manner that infringes the '641 patent and with the intent that the customers operate the Accused Product and Services in a manner that infringes the '641 patent.

61. The Accused Products and Services are designed in a manner that infringe one or more claims of the '641 patent, and the Accused Products and Services when sold for use with a

point-to-multipoint network layout are not staple articles of commerce suitable for substantial non-infringing use.

62. On information and belief, CS has been aware of the '641 patent at least since the date that the parties entered into the ESR Agreement.

CS WILLFULLY INFRINGES THE '641 PATENT

63. NIS adopts and incorporates by reference all the foregoing allegations as if fully set forth herein.

64. On information and belief, CS has been aware of the '641 patent at least since the date that the parties entered into the ESR Agreement in 2015. Despite this knowledge, and an objectively high likelihood that its actions constitute direct and other infringement of the '641 patent, CS has engaged in infringement of the '641 patent.

65. CS has sought to replace NIS products with its own products thereby ensuring that the resulting CS optical fiber intrusion monitoring system and method would infringe the '641 patent.

66. The infringing conduct by CS of the '641 patent renders this case exceptional within the meaning of 35 U.S.C. § 285.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Network Integrity Systems, Inc. respectfully requests that this Court enter judgment against Defendant CyberSecure IPS LLC:

- A. That Defendant has directly infringed the patent-in-suit;
- B. That Defendant has induced infringement of the patent-in-suit;
- C. That Defendant has contributed to infringement of the patent-in-suit;
- D. That Plaintiff be awarded all damages adequate to compensate it for Defendant's

infringement of the patent-in-suit, such damages to be determined by a jury with pre-judgment and post-judgment interest;

E. That Defendant's infringement was willful and that such damages be trebled pursuant to 35 U.S.C. § 284;

F. For an order permanently enjoining Defendant and its officers, agents, servants and employees, privies, and all persons in concert or participation with it, from further infringement of the patent-in-suit;

G. That this case be declared an exceptional case within the meaning of 35 U.S.C. § 285 and that Plaintiff be awarded its attorney's fees, costs and expenses incurred relating to this action; and

H. That Plaintiff be awarded such other and further relief as the Court deems just and proper.

JURY DEMAND

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

Dated: April 7, 2025

Respectfully submitted,

/s/ Joseph L. Meadows
Joseph L. Meadows (VA Bar No. 92729)
Howard N. Shipley (VA Bar No. 40527)
GORDON REES SCULLY MANSUKHANI, LLP
277 S Washington Street, Suite 550
Alexandria, VA 22314
T: 202-399-1009
F: 202-800-2999
jmeadows@grsm.com
hshipley@grsm.com

Counsel for Plaintiff

VERIFICATION

I declare under penalty of perjury, to the best of my knowledge, information and belief, that the contents of this Complaint are true and accurate.

Dated: April 7, 2025

A handwritten signature in black ink, appearing to read 'Dave Cunningham', written over a horizontal line.

Dave Cunningham
President
Network Integrity Systems, Inc.