IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLORADO

Civil Action No.

MUNICIPAL PARKING SERVICES, INC.

Plaintiff,

v.

CLANCY SYSTEMS, INC. d/b/a CLANCY SYSTEMS INTERNATIONAL, INC.

Defendant.

COMPLAINT FOR PATENT INFRINGEMENT AND REQUEST FOR JURY TRIAL

Plaintiff, Municipal Parking Services, Inc. ("MPS"), by its attorneys, for its Complaint against Defendant Clancy Systems, Inc. d/b/a Clancy Systems International, Inc. ("Clancy") alleges as follows:

NATURE OF THE ACTION

1. MPS has successfully developed technology that provides its users with

automated, cost-effective parking lot and garage management solutions.

 More specifically, MPS's technology involves automated systems that capture the identity information of vehicles entering and exiting parking lots and calculate fees and penalties.
 MPS's technology can also permit "grace periods" based on the time the vehicle occupies the parking lot space. 3. In short, MPS's technology has successfully automated oversight and enforcement tasks that traditionally required gated entries and exits, human management, and manual on-site enforcement.

4. Aspects of MPS's revolutionary and proprietary technology are protected by U.S.
Pat. No. 10,121,172 ('172 Patent) (Exhibit A), U.S. Pat. No. 11,688,205 ('205 Patent) (Exhibit B), and U.S. Pat. No. 11,257,302 ('302 Patent) (Exhibit C) (collectively, the "Patents-in-Suit").

5. This is an action for infringement of the Patents-in-Suit arising under the patent laws of the United States, Title 35, United States Code, Sections 100 et seq.

THE PARTIES

Plaintiff MPS is a corporation organized and existing under the laws of the State of Minnesota, having a principal place of business at 11305 Four Points Dr., Building 2, Suite 300, Austin, TX 78726.

7. MPS provides municipalities and the public with AI-assisted smart technology for the automated maintenance and safety oversight of parking meters, SafetySticks[™] (video maintenance of dangerous pedestrians and vehicles), and automated maintenance of parking lots that includes sophisticated camera usage and cloud-based servers to obviate the need for traditional parking lot governance such as gates and human management.

8. MPS is the owner of the entire right, title, and interest in the Patents-in-Suit by assignment and possesses the right to sue for and obtain equitable relief and damages for infringement of the Patents-in-Suit.

9. Clancy Systems, Inc. is organized under the laws of Colorado and has its principal place of business at 2149 South Grape Street, Denver, CO 80222.

2

10. Upon information and belief, Clancy Systems, Inc. does business as Clancy Systems International, Inc.

11. Upon information and belief, Clancy is engaged in developing and manufacturing electronic ticket issuance systems and automated parking lot management and enforcement systems, which include services such as real-time stolen/wanted vehicle alerts, automated notice letter mailings, violation payment processing, violation dispute resolution, parking operation privatization, online parking permit and fulfillment, park-by-phone complimenting metered parking, automated event parking, event call-in processing, and automated violation collections.

12. Upon information and belief, Clancy is using technology to automate and assist in parking lot oversight, calculation of violations, and processing of violations by sending violation tickets to owners of vehicles that use or abuse the parking lot systems in various locations throughout Denver, Colorado.

JURISDICTION AND VENUE

13. This Court has jurisdiction over the subject matter of this action under 28 U.S.C.§§ 1331 and 1338(a), which govern federal U.S. patent infringement matters.

14. This Court has jurisdiction over Clancy because it is incorporated in Colorado and has its principal place of business in Colorado.

15. Venue is proper in this Court pursuant to 28 U.S.C. § 1400(b).

FACTUAL ALLEGATIONS

16. The Patents-in-Suit relate to, among other things, a novel way to monitor parking lots and enforce violations.

17. The Patents-in-Suit are the result of a substantial amount of research and development.

18. MPS has successfully sold and licensed its patented technology to numerous municipalities and entities.

19. The claims of the Patents-in-Suit carry a presumption of validity under 35 U.S.C.§ 282(a) and are enforceable.

20. Clancy is making, using, potentially selling, and offering for sale in the United States, and/or importing into the United States technology that includes camera usage to identify vehicles and maintenance of fee calculation and oversight/management services to various private garage lot owners, identified by the designation Clancy Vision, embodying the invention defined by one or more claims of the Patents-in-Suit, without authority or license from Plaintiff.

21. This technology infringes the Patents-in-Suit.

22. More particularly, upon information and belief, Clancy has infringed and continues to infringe at least Claim 12 of the '172 Patent, Claim 1 of the '302 Patent, and Claim 16 of the '205 Patent of the Patents-in-Suit because the its product includes every limitation of these claims.

23. On information and belief, Clancy has committed acts of infringement of the Patents-in-Suit in this district by manufacturing and using their automated parking lot maintenance system, including the use of a camera to capture vehicle identification entering and exiting parking lots, and concomitantly using that information for automated fee calculation and issuing charges/violations/penalties even with the consideration of "grace periods."

4

24. Clancy's automated parking lot management and enforcement activity can be

found in parking lots such as the parking lot located at 1115 N Acoma Street, Denver CO 80204,

among other locations around the Denver, Colorado area.

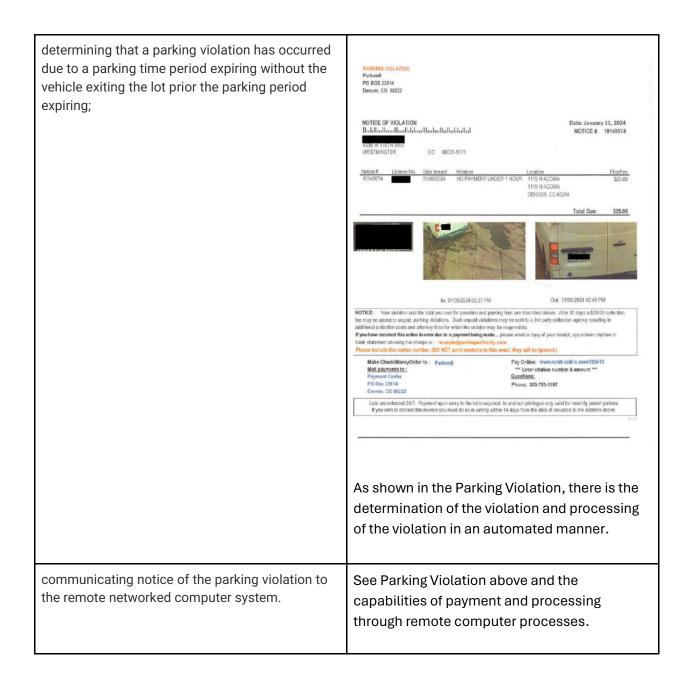
25. The following infringement claims charts show MPS's claims from the Patents-

in-Suit and Clancy's infringing activities:

Claim 12 of '172 Patent	Infringing Evidence
A method of monitoring and managing parking in a parking lot having an entrance and an exit, the method comprising: sensing a vehicle entering the parking lot; capturing image data of the vehicle entering the parking lot and transmitting the image data to a remote networked computer system;	Clancy Vision in a minute
	Clancy's marketing materials (e.g., Youtube Video) advertise the usage of a camera system to capture vehicle evidence and the usage of the image to transmit the data to its network computer system.

recording a time of entry for the vehicle entering the parking lot and transmitting the time of entry to the remote networked computer system;	PARSING VICLATION Parswell P0 603:22814 Denver, C0 M0222 NOTICE OF VIOLATION Indificultional individual indini
	<text><text><text><text><text><text><text><text></text></text></text></text></text></text></text></text>
determining an identification of the vehicle entering the parking lot; sensing the vehicle exiting the parking lot;	As shown in the Violation Notice above, there is the determination of the identification of the vehicle entering the parking lot and exiting the parking.
capturing image data of the vehicle exiting the parking lot and transmitting the image data to the remote networked computer system;	As shown in the Violation above, image data, such as the license plate, is captured and transmitted to a remote networked computer to process the violation.
recording a time of exit for the vehicle exiting the	As shown in the Violation Notice above, there is

parking lot and transmitting the time of exit to the remote networked computer system;	the recording of the exit time and processing that data to its remote networked computer to process the violation.
determining an identification of the vehicle exiting the parking lot;	<text><text><text><text><text><text><text></text></text></text></text></text></text></text>



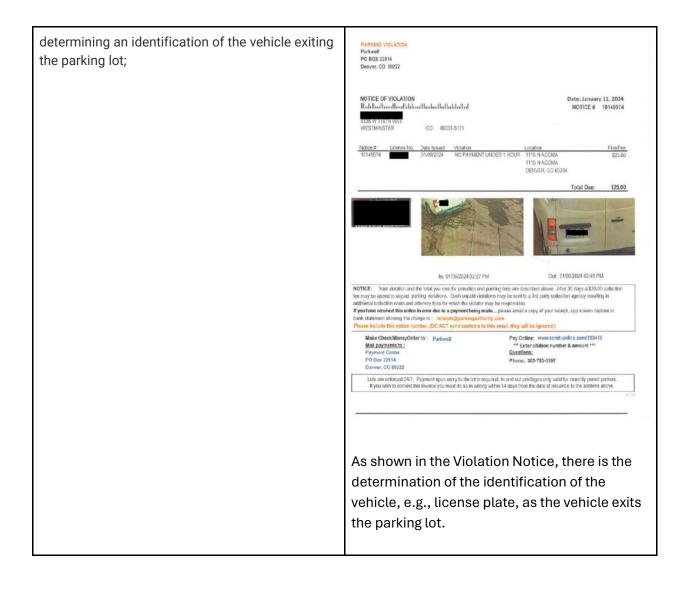
Claim 16 of '205 Patent	Infringing Evidence
A method of monitoring and managing parking in a parking facility having an entrance and an exit, the method comprising: capturing image data of a vehicle entering the parking facility and transmitting the image data to a remote networked computer system;	Clancy's marketing materials (e.g., YouTube video) advertise the usage of a camera system to capture vehicle evidence and the usage of the image to transmit the data to its network computer system.

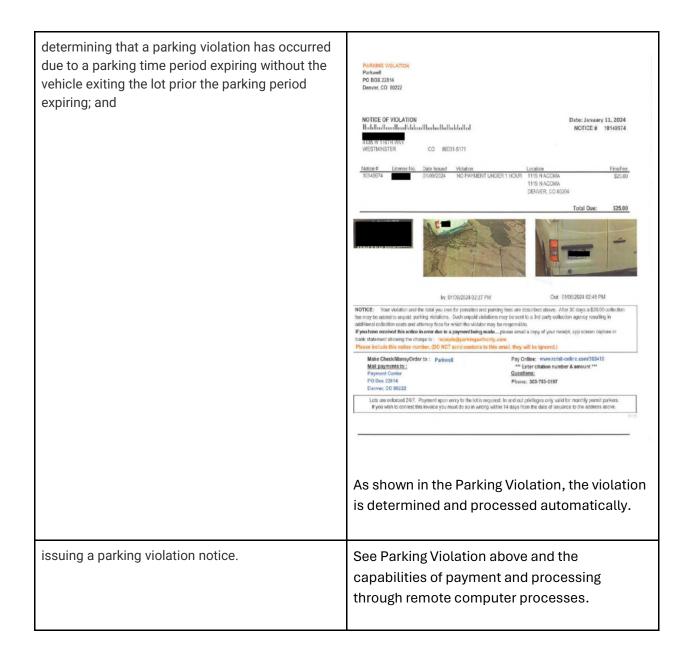
recording a time of entry for the vehicle entering the parking facility;	PARSING VOLATION Printwell PD D05.22814 Derver, CD M0222 NOTICE OF VIOLATION List January 11, 2024 NOTICE OF VIOLATION List January 11, 2024 NOTICE 0F VIOLATION List January 11, 2024 NOTICE 0F VIOLATION List January 11, 2024 NOTICE 0F VIOLATION Mass VIISH WAY WESTININSTER OL 80031-5171 Di M072024 NO PAYMEDT UNDERT I NOERT A COMA Di M072024 NO PAYMEDT UNDERT I NOERT A COMA Di M072024 NO PAYMEDT UNDERT I NOERT A COMA Di M072024 NO PAYMEDT UNDERT I NOEMA Di M072024 NO PAYMEDT UNDERT I NOEMA Di M072024 NO PAYMEDT UNDERT I NOEMA Di M072024
	NOTE: 'var vikidin and the total you one for parateles and parking ties are discreted aboxs. After 33.000 caldebra defined entities and attemp fras for which the vikider may be responsible. Providence recently the other parateles and the parateles are and a copy of your receipt, spip scene toptane of the additional entities and attemp fras for which the vikider may be responsible. Providence recently the other parateles and the parateles are and a copy of your receipt, spip scene toptane of the additional entities and attemp fras for which the vikider may be responsible. Providence recently the other parateles and the parateles are and a copy of your receipt, spip scene toptane of the additional entities and the notice member. (DO NOT send calculate to this small they will be ignored). "Enter calculate parateles are and the parateles and the small they will be ignored. "Water calculate and the college and the parateles are and a copy of your receipt, spip scene toptane of "Water calculates". "Providence top and the parateles are and the parateles and the parateles and the parateles and the parateles are and the parate
determining an identification of the vehicle entering the parking facility;	As shown in the Violation Notice above, there is the determination of the identification of the vehicle entering the parking lot and exiting the parking.
capturing image data of the vehicle exiting the parking facility and transmitting the image data to the remote networked computer system;	As shown in the Violation above, there is the capture of image data, e.g., license plate, and transmitting the image data to its remote computer network to process the violation.
recording a time of exit for the vehicle exiting the parking facility;	As shown in the Violation Notice above, there is the recording of the exit time and processing

	that data to its remote computer network to process the violation.
determining an identification of the vehicle exiting the parking facility;	As shown in the Violation Notice above, there is the recording of the exit time and processing that data to its remote computer network to process the violation.
determining that a parking violation has occurred due to a time period expiring without the vehicle exiting the facility prior the time period expiring; and	PARSING VIGLATION Parkwell P0 603 22814 Denver, CO 80222 NOTICE OF VIGLATION Inhilinallandhallandhalland NOTICE # 10149574 435 W 1014 Way
	VESTININSTER CO 8031-5171 Netloe # Loense No Date Issued Violation Location Finalfee 10149074 014902024 NO PAYMENT UNDER 1 HOUR 1115 NACOMA DEVICE, CO 80204 \$25.00 Total Date: \$25.00 Total Date: \$25.00
	MC10502040227PM Or: 010802040245PM NOTCE: Your violation and that hop violations, of the threnge independing frees adjoint of control of colors. After 30 clays is 32000 onbuctors and information for the window may be set to a 3d just or violations agree to a set to a 3d just or violation and the independent to isolate on normal due to argument to set to a 3d just or violation and the independent to isolate on normal due to argument to advoint the result or the independent to isolate on normal due to argument to advoint the result of the provide that provide the argument to advoint the result of the provide the argument due to argument to advoint the result of the provide the argument due to argument to advoint the result of the provide the argument due to argument to advoint the result of the
issuing a parking violation notice automatically by the remote networked computer system.	See Parking Violation above and the capabilities of payment and processing through remote computer processes.

Claim 1 of '302 Patent	Infringing Evidence
A method of monitoring and managing parking in a parking lot having an entrance and an exit, the method comprising: capturing image data of the vehicle entering the parking lot and transmitting the image data to a remote networked computer system;	Clancy's marketing materials (e.g., YouTube Video) advertise the usage of a camera system to capture vehicle evidence and the usage of the image to transmit the data to its network computer system.
recording a time of entry for the vehicle entering the parking lot;	<section-header><section-header><section-header><section-header><section-header><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text></text></text></text></text></text></text></text></text></text></text></text></text></text></text></text></text></text></text></text></section-header></section-header></section-header></section-header></section-header>

	As shown in this Parking Violation processed by Clancy, the captured image is used to record the time of entry.
determining an identification of the vehicle entering the parking lot, including performing a license plate recognition of a plurality of characters on a license late on the vehicle using the capture image data of the vehicle entering the parking lot;	As shown in the Violation Notice above, the identification of the vehicle entering the parking lot, including its license plate, is determined.
capturing image data of the vehicle exiting the parking lot and transmitting the image data to the remote networked computer system;	As shown in the Violation above, image data, e.g., license plate, is captured and transmitted to its remote computer network to process the violation.
recording a time of exit for the vehicle exiting the parking lot;	As shown in the Violation Notice above, there is the recording of the exit time and processing that data to its remote computer network to process the violation.





- 26. MPS has complied with the marking and notice requirements of 35 U.S.C. § 287.
- 27. On December 3, 2020, Clancy, with another subsidiary affiliated with Clancy's

CEO, Mr. Stanley Wolfson, filed a patent application with the U.S. Patent & Trademark Office,

U.S. Application 2020/0180740 entitled "Camera Parking Enforcement" (the "Clancy

Case No. 1:24-cv-01581-NYW-NRN Document 1 filed 06/06/24 USDC Colorado pg 16 of 19

Application"). The application pertained to a camera parking enforcement/intelligent network for automating parking lots.

28. During prosecution of the Clancy Application, the Examiner rejected the Clancy Application citing one of MPS's patent applications at that time (Hudson *et al.*, U.S. Patent Publication 2014/0214499):

 Application/Control Number: 17/247,201
 Page 3

 Art Unit: 2689
 6.

 Claims 1-20 are rejected under 35 U.S.C. 103 as being unpatentable over Hudson et al.

 [U.S. Patent Publication 2014/0214499] in view of Sun et al. [U.S. Patent Publication

 2021/0224769]

With regard to claim 1, Hudson et al. meets the limitations of:

 a system for camera parking enforcement comprising an intelligent network of cameras including at least one camera to record a vehicle entering a designated parking area, and at least one camera to record the vehicle leaving the designated parking area [the use of cameras to detect when a vehicle enters a parking spot, parks, and leaves the parking spot (paragraph 0041 and figure 16, items 402, 410, and 412)]

29. Defendant's U.S. Application 2020/0180740A1 was never granted.

30. Although Hudson *et al.* is not one of the Patents-in-Suit, it is in a family of MPS's patent portfolio.

31. Accordingly, it is evidence that Clancy had knowledge of MPS and MPS's patents.

CLAIM 1 Infringement of U.S. Patent No. 10,121,172

32. MPS incorporates paragraphs 1-31 above as if sully set forth herein.

33. MPS is the assignee of all right, title and interest in the '172 Patent, a copy of which is attached as Exhibit A.

34. Clancy directly infringed at least claim 12 of the '172 Patent by manufacturing, marketing, selling, offering for sale, and/or importing its parking lot monitoring technology, including but not limited to, its Clancy Vision product.

35. Clancy's infringement is without license or consent from MPS.

36. Clancy's actions are willful and deliberate.

37. MPS has suffered injury, including irreparable injury, because of Clancy's infringement. MPS is, therefore, entitled to preliminary and permanent injunctive relief restraining and enjoining Clancy from infringing the Patents-in-Suit.

38. MPS is suffering and will continue to suffer substantial damages in an amount to be determined at trial because of Clancy's infringement.

CLAIM 2 Infringement of U.S. Patent No. 11,688,205

39. MPS incorporates paragraphs 1-38 above as if sully set forth herein.

40. MPS is the assignee of all right, title and interest in the '205 Patent, a copy of which is attached as Exhibit B.

41. Clancy directly infringed at least claim 16 of the '205 Patent by manufacturing, marketing, selling, offering for sale, and/or importing its parking lot monitoring technology, including but not limited to, its Clancy Vision product.

42. Clancy's infringement is without license or consent from MPS.

43. Clancy's actions are willful and deliberate.

17

44. MPS has suffered injury, including irreparable injury, because of Clancy's infringement. MPS is, therefore, entitled to preliminary and permanent injunctive relief restraining and enjoining Clancy from infringing the Patents-in-Suit.

45. MPS is suffering and will continue to suffer substantial damages in an amount to be determined at trial because of Clancy's infringement.

CLAIM 3 Infringement of U.S. Patent No. 11,257,302

46. MPS incorporates paragraphs 1-45 above as if sully set forth herein.

47. MPS is the assignee of all right, title and interest in the '302 Patent, a copy of which is attached as Exhibit C.

48. Clancy directly infringed at least claim 1 of the '302 Patent by manufacturing, marketing, selling, offering for sale, and/or importing its parking lot monitoring technology, including but not limited to, its Clancy Vision product.

49. Clancy's infringement is without license or consent from MPS.

50. Clancy's actions are willful and deliberate.

51. MPS has suffered injury, including irreparable injury, because of Clancy's

infringement. MPS is, therefore, entitled to preliminary and permanent injunctive relief restraining and enjoining Clancy from infringing the Patents-in-Suit.

52. MPS is suffering and will continue to suffer substantial damages in an amount to be determined at trial because of Clancy's infringement.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff MPS requests that this Court grant the following relief:

A. A judgment that Clancy has infringed one or more claims of the Patents-in-Suit;

B. An order preliminarily and permanently restraining and enjoining Clancy, its officers, agents, attorneys and employees, and those acting in privity or concert with Clancy, from engaging in the manufacture, use, offer for sale or sale within the United States, or importation into the United States, of automated parking lot maintenance system technology until after the expiration date of the Patents-in-Suit;

C. Damages or other monetary relief to MPS;

D. Costs and reasonable attorneys' fees relating to this action pursuant to 35 U.S.C. § 285 or other applicable law; and

E. Such other and further relief as the Court may deem proper.

DEMAND FOR TRIAL BY JURY

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

Dated: June 6, 2024

/s/ Emily L. Wasserman

Emily L. Wasserman DAVIS GRAHAM & STUBBS LLP 1550 17th Street, Suite 500 Denver, CO 80202 Telephone: 303.892.9400 Email: emily.wasserman@dgslaw.com

Attorneys for Plaintiff Municipal Parking Services, Inc.

Municipal Parking Services, Inc. 11305 Four Points Drive, Building 2, Suite 300 Austin, TX 78726