



DIGITAL ALLY DEFEATS YET ANOTHER AXON CHALLENGE TO ITS LAW ENFORCEMENT PATENT PORTFOLIO

Axon's loss is its sixth unsuccessful attempt to invalidate Digital's patents.

Lenexa, KS | October 2, 2018 Digital Ally, Inc. (NASDAQ: DGLY) Digital Ally which develops, manufactures and markets advanced video surveillance products for law enforcement, homeland security and commercial applications, is pleased to announce a new development in its ongoing legal battles against Axon Enterprise, Inc. ("Axon" formerly known as TASER International, Inc.). In yet another victory for Digital Ally, the Patent and Trademark Office rejected Axon's most recent challenge to Digital's law enforcement patent portfolio. This defeat is the latest in a string of six losses for Axon, having now filed six unsuccessful validity challenges with the Patent Office.

In this latest instance, Axon asked the Patent Office to invalidate Digital's U.S. Patent No. 9,712,730 ("the '730 Patent"), which is not currently involved in any active litigation. Axon targeted the '730 Patent for unknown reasons. On October 1, 2018, the Patent Office rejected Axon's latest challenge finding that "[u]pon consideration of [Axon's] Petition and [Digital's] Preliminary Response, we conclude that the information presented in the Petition does *not* demonstrate that it is more likely than not at least one of the challenged claims is unpatentable. Accordingly, we do not institute a post-grant review."

To date, Axon has filed an *ex parte* reexamination challenge, four different *inter partes* review (IPR) challenges, and one post-grant review challenge against various Digital Ally law enforcement patents. None were successful.

"The Patent Office's recent decision on the '730 Patent confirms the strength of our patent portfolio," said Stanton E. Ross, Digital Ally's CEO. "We have repeatedly said that Digital Ally is the leading innovator of new and life-saving technology for law enforcement and this most recent decision of the Patent Office further justifies our beliefs. Our patent portfolio is strong, robust, and the envy of the industry. We remain hopeful that Axon will recognize our innovation and rightful ownership of our valuable intellectual property but, if not, we will continue our fight," concluded Ross.

About Digital Ally

Digital Ally, Inc., headquartered in Lenexa, KS, specializes in the design and manufacturing of the highest quality video recording equipment and video analytic software. Digital Ally pushes the boundaries of technology in industries such as law enforcement, emergency management, commercial fleets, and consumer use. Digital Ally's complete product solutions include in-car and body cameras, cloud and local management software, and automatic recording technology. These products work seamlessly together and are simple to install and operate. Digital Ally products are sold by domestic direct sales representatives and international distributors worldwide.

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