



## Digital Ally Intends to Appeal Adverse Decision in Litigation with Axon

*The Court Unfortunately Accepted Axon's Error in Narrowing Digital's Patent Claims*

**Lenexa, KS | June 18, 2019**

**Digital Ally, Inc. (NASDAQ: DGLY)**, which develops, manufactures and markets advanced video surveillance products for law enforcement, homeland security and commercial applications, announces its intent to appeal an adverse decision from the U.S. District Court for Kansas in its patent litigation with Axon.

Yesterday, the Court accepted Axon's mischaracterization of the Digital Ally's patent claims, ruled that the accused products do not infringe and granted Axon's motion for summary judgment. The Court's analysis in its confidential order turned on what the Company believes is an incorrect and mistaken interpretation of the patent claims that Axon advanced in an attempt to avoid liability. Construing patent claims is an often difficult process the Court must conduct before the question of infringement may be presented to the jury. Axon advanced a theory that invited the Court to commit reversible error by misinterpreting the patent claims in an effort to distinguish its own products. Unfortunately, the Court accepted Axon's view and dismissed the lawsuit on this basis.

Importantly, the Court's ruling did not find that Digital's '452 Patent was invalid. It also did not address any other issue, such as whether Digital's requested damages were appropriate, and it does not impact the Company's ability to file additional lawsuits to hold other competitors accountable for patent infringement. This ruling solely related to a mistaken interpretation of the claims as they relate to Axon and was unrelated to the supplemental briefing Digital recently filed on its damages claim and the WatchGuard settlement. Those issues are separate and the judge's ruling on summary judgment had nothing to do with Digital's damages request. The Company is confident the appellate court will not be similarly confused and will reverse this decision.

"We are certainly disappointed with the Court's misreading of our patent rights, but we remain confident that the ruling will be reversed on appeal," said Digital Ally's CEO, Stanton Ross. "Axon misled this Court and convinced the judge to take an overly narrow view of our patent," continued Ross. "We highly doubt the Court of Appeals for the Federal Circuit will be similarly misled. Our groundbreaking auto-activation patent portfolio has survived numerous challenges, and we intend to pursue every available legal avenue to hold Axon and other competitors accountable for using our patented technology. While we pursue our appeal, we will continue with our business strategy to roll out new and innovative products, such as our EVO-HD," concluded Ross.

## About Digital Ally

[Digital Ally](#)<sup>®</sup>, 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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