



TASER'S FINAL CHALLENGE TO THE VALIDITY OF DIGITAL'S AUTO-ACTIVATION '452 PATENT REJECTED BY THE PATENT OFFICE

The Patent Office denied Taser's request to reconsider its IPR loss

Lenexa, KS | February 28, 2019

Digital Ally, Inc. (NASDAQ: DGLY) which develops, manufactures and markets advanced video surveillance products for law enforcement, homeland security and commercial applications is pleased to announce yet another major victory in its legal battles against Axon Enterprise, Inc. (the company formerly known as TASER). On February 25, 2019, the Patent Office again rejected TASER's attempts to invalidate Digital Ally's Patent No. 9,253,452 ("the '452 Patent").

On December 20, 2016, TASER filed a petition for *inter partes* review with the Patent Office seeking to invalidate the '452 Patent, which has revolutionized the body-camera industry. On July 6, 2017, the Patent Office rejected TASER's request finding that it was so deficient that it did not even warrant institution for closer inspection. Obviously frustrated with this result, TASER requested that the Patent Office reconsider its ruling. In its request, TASER argued that the Patent Office overlooked TASER's evidence and misapplied the law. Earlier this week the Patent Office rejected TASER's request finding that TASER was improperly using it as "an opportunity to present new argument or evidence" and that it was an "attempt to address the deficiencies" in TASER's original petition.

TASER began challenging the validity of Digital Ally's auto-activation patents at the Patent Office through four separate IPR challenges over two years ago. Every one of those attempts has been unsuccessful. This denial of its Rehearing Request represents the final nail in the coffin for TASER's IPR challenges. There are no longer any pending IPRs on which TASER can invalidate Digital Ally's auto-activation patents. Additionally, TASER is now barred from filing any further IPRs against these patents.

Because Enforcement Video, LLC (d/b/a WatchGuard Video) ("WatchGuard") had agreed to be bound by the result of Axon's attempt to invalidate the '452 Patent, the Patent Office's denial also means that WatchGuard's ability to challenge the validity of the '452 Patent is now severely limited. Like Axon, WatchGuard is barred from filing any further IPRs challenging any of the patents asserted against it.

"This decision represents another confirmation of the validity of our auto-activation patents," said Digital Ally's CEO, Stanton Ross. "To date, every court and every judge

that has examined the validity of these auto-activation patents has confirmed their strength and found them valid,” continued Ross. “The finish line is finally near and we look forward to a jury confirming what we have alleged all along; TASER has willfully infringed our ‘452 Patent and is benefiting in the marketplace at our expense,” concluded Ross.

About Digital Ally

[Digital Ally](#)®, 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.

For additional news and information please visit www.digitalallyinc.com or follow us on Twitter @digitalallyinc and Facebook www.facebook.com/DigitalAllyInc

Follow additional Digital Ally Inc. social media channels here:

[Linkedin](#) | [Instagram](#) | [Google+](#) | [Pinterest](#)

Contact Information

Stanton Ross, CEO

Tom Heckman, CFO

Digital Ally, Inc

913-814-7774

info@digitalallyinc.com

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934. These forward-looking statements are based largely on the expectations or forecasts of future events, can be affected by inaccurate assumptions, and are subject to various business risks and known and unknown uncertainties, a number of which are beyond the control of management. Therefore, actual results could differ materially from the forward-looking statements contained in this press release. A wide variety of factors that may cause actual results to differ from the forward-looking statements include, but are not limited to, the following: whether the Company will achieve positive outcomes in its litigation with Axon and WatchGuard including the time frames for such litigation; competition from larger, more established companies with far greater economic and human resources; its ability to attract and retain customers and quality employees; and the effect of changing economic conditions. These cautionary statements should not be construed as exhaustive or as any admission as to the adequacy of the Company's disclosures. The Company cannot predict or determine after the fact what factors would cause actual results to differ materially from those indicated by the forward-looking statements or other statements. The reader should consider statements that include the words "believes," "expects," "anticipates," "intends," "estimates," "plans," "projects," "should," or other expressions that are predictions of or indicate future events or trends, to be uncertain and forward-looking. The Company does not undertake to publicly update or revise forward-looking statements, whether because of new information, future events or otherwise. Additional information respecting factors that could materially affect

the Company and its operations are contained in its annual report on Form 10-K for the year ended December 31, 2017 and quarterly report on Form 10-Q for the three and nine months ended September 30, 2018, filed with the Securities and Exchange Commission