



COURT ORDER DETAILS DIGITAL ALLY'S LITIGATION AGAINST TASER

*The Pre-Trial Order Sets Forth the Parties' Theories and Damages
Requests to be Presented to a Jury*

Lenexa, KS | January 29, 2019

Digital Ally, Inc. (NASDAQ: DGLY), which develops, manufactures and markets advanced video surveillance products for law enforcement, homeland security and commercial applications, announces a development in its legal battle against Axon Enterprise, Inc. ("Axon," formerly TASER International, Inc.). On January 23, 2019, the U.S District Court for the District of Kansas issued the Pretrial Order in Digital Ally's litigation against Axon. The Pretrial Order details each party's theories and defines the scope of the case that will be presented to the jury after the Court deals with each party's expected summary judgment motion.

As noted in the Pretrial Order, Digital is asserting that Axon has infringed, and is infringing, claims 10, 14, 15, 16, and 20 of the '452 Patent by making cameras (both the Axon Body body-worn cameras and the Axon Fleet in-car cameras) that are compatible with the auto-activation technology in the Axon Signal Unit ("ASU"). The Pretrial Order also notes that Digital Ally believes Axon will be unable to meet its high burden of establishing invalidity and inequitable conduct, not least because Axon failed in its previous attempts with the U.S. Patent Office to invalidate the '452 Patent.

The Pretrial Order further notes that Digital Ally is seeking "reasonable royalty damages ... as a result of TASER's infringement of the '452 Patent from February 2, 2016 through August 17, 2018 [of] \$68,456,524" and that "[p]rior to trial in this matter, Digital Ally will supplement its damages calculations." Digital Ally's damages calculations apply the reasonable royalty to "TASER's accused ASUs, Axon Signal-compatible cameras and their associated docks, and related purchases of Evidence.com." Because Digital Ally has alleged that Axon's infringement is willful, it also will be seeking to have any damages award trebled—a legal doctrine that, if successful, permits the Court to triple the damages awarded by a jury. Finally, and of particular importance for the body-worn camera marketplace, Digital Ally is seeking a permanent injunction that will seek to remove from the marketplace Axon's auto-activation products, including the Axon Signal Unit as well as the Axon Body and Fleet cameras. Axon argues that any awarded

damages should be “no more than 500,000” and should be limited to “ASU sales only.”

“We have been exceedingly patient as this legal process has played out and we are excited that the issuance of this Pretrial Order puts us one step closer to trial,” said Digital Ally’s CEO, Stanton Ross. “We are confident the jury will see Axon’s conduct for what it is—an attempt to capture the marketplace and drive us out through the willful infringement of our patented auto-activation technology,” 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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