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Patent settlement gives LunarEYE technology a clear vision

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A small Liberty-based technology firm has won vindication for its mobile tracking technology through the settlement of a patent infringement suit brought against a Salt Lake City company and Houston-based BP America Inc.

LunarEYE Inc. has developed and patented hardware which, combined with the “black box” data recorders designed by Salt Lake City-based Independent Witness Inc., allows operators of vehicle fleets — such as BP — to track the vehicles and respond to various situations.

In a case filed in U.S. District Court in Lufkin in September 2005, LunarEYE alleged that IWI and two of IWI’s customers — Houston-based BP America Production Co. and BP America Inc. — breached a partnership contract and infringed on LunarEYE’s patent.

BP settled with LunarEYE a month before the case went to trial in March. And three days into last month’s trial, IWI settled its portion of the suit. Although specific terms of the settlements are being kept confidential, both companies agreed to license LunarEYE’s patented technology for both past and future sales and use.

Chuck Allen, LunarEYE’s founder and the inventor of the technology, says the firm is now discussing license and royalty arrangements with other companies.

LunarEYE “will be filing more lawsuits on this patent,” says the company’s attorney, Armistead Easterby of Houston’s Williams Bailey Law Firm LLP.

“A lot of companies are using this technology — this was a test case,” Easterby says. “We needed to get relief from IWI, but we also wanted to see how the patent would hold up in court, and it wasn’t knocked out.”

Easterby says the case was significant because the patent is “powerful, with wide applications in an industry that is exploding right now.”

He says a lot of car fleet owners, such as rental car companies, are currently installing the LunarEYE technology. Volkswagen is also negotiating to include the technology in its vehicles, according to Easterby.

“Eventually they will be in almost every vehicle as well as shipping containers and anything that has something of value that somebody wants to track,” he says. “It has huge security implications.”



Easterby

LOCATION, LOCATION, LOCATION

LunarEYE’s technology works in conjunction with Global Positioning System satellite, or GPS, and other location technologies plus cellular and wireless telecommunications systems to monitor and transmit data to a location where it can be reviewed and responded to.

Easterby says LunarEYE and IWI first decided to meld their technologies after executives from both companies met at a 2001 trade show. LunarEYE has a GPS device that can be triggered remotely and sends information from a vehicle. Meanwhile, IWI’s black box measures collision forces but does not have remote capability, which means a person has to physically remove the box from the vehicle in order to read the data, according to Easterby.

The result of the collaboration between LunarEYE and IWI was a power management package that controls the black box, which is the sensor, according to Bryan Allen, vice president of research and development for LunarEYE.

“There was nothing like it on the market then, and there really isn’t now,” Easterby says.

LunarEYE’s technology can put portions of the black box into hibernation — like a computer — until a triggering event reactivates it, a situation which helps save on battery power. The LunarEYE technology

also enables the instant transmission of real-time data from the sensor.

The information relayed could relate to such things as a change in load or speed or windows or doors being opened or broken. It also could actuate an alert or other responses.

Since its inception in 1998, LunarEYE has designed such systems for various branches of the military as well as for other markets.

LunarEYE and IWI signed a written partnership agreement in 2002 to jointly develop their technologies, and Easterby says the two companies agreed that if either of them sold the joint technology, the proceeds would be shared.

About that time, BP was searching the market for such a data box to install in its fleet of 17,000 company cars. In mid-2003 LunarEYE and IWI presented their technology to BP under the partnership name Guardian Technology, and BP contracted for a 100-unit test installation.

“It was a huge opportunity,” Easterby says.

But things began going south between LunarEYE and IWI at that point.

One of LunarEYE’s allegations was that IWI reverse-engineered LunarEYE’s technology, duplicating its function in order to produce IWI’s own expanded black box system.

IWI contends that it did not infringe LunarEYE’s patent but developed the technology on its own, according to Larry Germer of Beaumont law firm Germer Gertz LLP, who represents IWI.

After LunarEYE’s Allen was cross-examined in court, IWI settled with LunarEYE. That settlement followed BP’s settlement by a few weeks.

Germer says his client was “pleased” with the outcome of the case.

Easterby termed the settlement a “win-win” for both sides.

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