

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS

MI-JACK SYSTEMS AND )  
TECHNOLOGY, LLC, an Illinois )  
limited liability company, )  
Plaintiff, ) Case No. 12-cv-05448

v. )

BABACO ALARM SYSTEMS, INC., a ) AMENDED COMPLAINT FOR  
New Jersey corporation, ROAD SCHOLAR ) PATENT INFRINGEMENT  
TRANSPORT, INC., a Pennsylvania ) JURY DEMAND  
corporation, ROAD SCHOLAR )  
TRANSPORT, LLC, a Pennsylvania limited )  
liability company, UNITED PRECIOUS )  
METALS REFINING, INC., a New York )  
corporation, and LIBERTY TECHNOLOGY )  
(SHANGHAI) CO., LTD, a foreign )  
corporation. )  
Defendants.

**AMENDED COMPLAINT FOR PATENT INFRINGEMENT**

In accordance with the Scheduling Order dated February 19, 2013 (Docket #44), Plaintiff Mi-Jack Systems and Technology, LLC ("MJST"), by and through its undersigned attorneys, amends its complaint filed July 10, 2012 (Docket #1), and hereby sues Defendants, Babaco Alarm Systems, Inc. ("Babaco"), Road Scholar Transport, Inc., Road Scholar Transport, LLC, United Precious Metals Refining, Inc. ("UPMR"), and Liberty Technology (Shangahi) Co., Ltd. ("Liberty Technology"), and alleges as follows.

**THE PARTIES**

1. MJST is a limited liability company organized and existing under the laws of Illinois, having its principal place of business at 3111 W. 167th Street, Hazel Crest, Illinois, 60429.

2. Babaco is a corporation organized and existing under the laws of New Jersey, having its principal place of business at 110 West Commercial Avenue, Moonachie, New Jersey, 07074.

3. Road Scholar Transport, Inc. is a corporation organized and existing under the laws of Pennsylvania, having a principal place of business at 130 Monahan Avenue, Dunmore, PA 18512.

4. Road Scholar Transport, LLC is a limited liability company organized and existing under the laws of Pennsylvania, having a principal place of business at 130 Monahan Avenue, Dunmore, PA 18512.

5. Hereinafter, Road Scholar Transport, Inc. and Road Scholar Transport, LLC will be collectively referred to as “Road Scholar.”

6. UPMR is a corporation organized and existing under the laws of New York, having a principal place of business at 2781 Townline Road, Alden, NY 14004.

7. Liberty Technology (Shanghai) Co., Ltd. is a foreign corporation, which upon information and belief, is organized and existing under the laws of China and located in Shanghai, China.

8. The Defendants may be joined pursuant to 35 U.S.C. § 299 because the claims against the Defendants arise out of: “the same transaction, occurrence, or series of transactions, or occurrences relating to the making, using, importing into the United States, offering for sale, or selling of the same accused product or process, and the questions of fact common to all defendants ... will arise in the action.”

**JURISDICTION AND VENUE**

9. This action involves claims for patent infringement arising under patent laws of the United States, 35 U.S.C. § 1 et seq.

10. This Court has exclusive jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a), and the Illinois long arm statute ILCS 5/2-209.

11. This Court has personal jurisdiction over Babaco because Babaco has regularly and continuously conducted business and sold products in this judicial district.

12. This Court has personal jurisdiction over Road Scholar because Road Scholar has regularly and continuously conducted business and sold its services in this judicial district.

13. This Court has personal jurisdiction over UPMR because UPMR has regularly and continuously conducted business and sold its products in this judicial district.

14. This Court has personal jurisdiction over Liberty Technology because Liberty Technology has transacted business and offered to sell its products into this district through its website <http://liberty-technology.en.ywsp.com>.

15. Venue is proper in this Federal Circuit pursuant to 28 U.S.C. § 1391(b)-(d) and 1400(b).

**FACTUAL BACKGROUND**

16. On June 13, 2006, United States Patent No. 7,059,159 (“the ’159 patent”) was duly and legally issued for an invention entitled “Security System for Cargo Trailers.” MJST was assigned the ’159 patent and continues to hold all rights and interest in the ’159 patent, including the exclusive right to enforce the ’159 patent.

17. On August 15, 2006, United States Patent No. 7,091,857 (“the ’857 patent”) was duly and legally issued for an invention entitled “Electronic Control System Used in Security System for Cargo Trailers.” MJST was assigned the ’857 patent and continues to hold all rights and interest in the ’857 patent, including the exclusive right to enforce the ’857 patent.

18. MJST has marked all products it has sold that embody the technology claimed in the ’159 and ’857 patents pursuant to 35 U.S.C. § 287.

19. Babaco manufactures, offers for sale, and sells truck alarms and locks.

20. Liberty Technology manufactures, offers for sale, and sells a variety of products including relays, winch controllers, remote controls, alarms, and pressure boosters.

21. Road Scholar is a trucking company that provides a variety of services including truckload freight services, auto hauling, and high security shipping.

22. UPMR is a global supplier of master alloys for the manufacturing of gold, silver, platinum, and palladium jewelry. UPMR is also a primary refiner specializing in processing a variety of materials from scrap to bench grindings and sweeps.

23. On or about February 9, 2012, Road Scholar posted a news release on its website, <http://www.roadscholar.com/blog/>, announcing that it was testing: “an internal lock manufactured by Babaco [hereinafter ‘the Babaco lock’] ... that would remove a driver’s access to your freight, guaranteeing that no one tampered with your products during transport.... The [Babaco] lock is located on the inside of the trailer so thieves cannot gain access via bolt cutters, sledgehammers, chisels, and other tools used to overcome external locks.”

24. Road Scholar included two video links of the Babaco lock within the February 9, 2012, news release. The video links in the news release direct the browser to the Babaco videos on the YouTube website.

25. The first video entitled “Truck Lock Electronic 6” provides a demonstration of the remote actuation of Babaco’s lock mounted on the interior of a trailer. The video is shot from the interior of the trailer. On or about March 13, 2012, the video was viewable at:

<http://www.YouTube.com/watch?v=HYUj9ZwkyvQ&feature=related>

26. The second video entitled “Truck Lock Electronic” provides a demonstration of the remote actuation of the Babaco lock mounted on the interior of a trailer. The video is shot from the exterior of the trailer. On or about March 13, 2012, the video was viewable at:

[http://www.YouTube.com/watch?v=KB\\_aYXydCII&feature=related](http://www.YouTube.com/watch?v=KB_aYXydCII&feature=related)

27. As of March 13, 2012, Babaco has posted at least eight videos that show the Babaco lock through its YouTube account available at:

<http://www.YouTube.com/user/babacoalarmssystemsf?feature=watch>

28. Four additional videos entitled “Truck Lock Electronic 2,” “Truck Lock Electronic 3,” “Truck Lock Electronic 4,” and “Truck Lock Electronic 5” feature the Babaco lock as shown in the first and second videos referred to in paragraphs 25 and 26.

29. Two additional videos entitled “van lock” and “van lock inside” demonstrate the use of the Babaco lock positioned within a rear door frame of a service van.

30. On or about April 24, 2012, Road Scholar posted a second news release on its website announcing that it was: “one of the first carriers to test a new internal electronic lock manufactured and still under development by Babaco.... What’s innovative about this lock is that it is located on the inside of the trailer, so thieves cannot gain access via bolt cutters, sledgehammers, chisels, and other tools used to overcome external locks. On top of that, it would also remove a driver’s access to your freight, guaranteeing that no one tampered with your products during transport.”

31. Road Scholar includes a video in the April 24, 2012 news release to: “[show] how the [Babaco] lock works.” The video link in the April 24, 2012 news release directs the browser to a video entitled “remotelocking2.wmv” on the YouTube website. As of June 29, 2012, the video can be viewed at:

<http://www.youtube.com/watch?v=8HYf2UYfjFs&feature=youtu.be>

32. On or about May 25, 2012, Road Scholar posted a third news release on its website announcing that it was using: “a new internal remote lock manufactured by Babaco.... The trailer is locked by a member within our terminal and unlocked by a special pin number given to the consignee or unlocked by terminal once the location is verified after the driver calls in. The driver has NO access to your freight.”

33. Each of Babaco’s videos shows a cargo transport vehicle including a cargo container and a method for securing the cargo thereof.

34. Babaco’s videos show that the purpose of the Babaco lock is to provide a method for securing cargo of a trailer, a method of using a latching device for securing a cargo door of a cargo trailer, and a method for controlling a cargo security system.

35. The container comprises a cargo door and a latching device on the inside of the container.

36. The Babaco lock has a latch that is moved between an unlocked position and a locked position.

37. As evidenced by the audio portion of each of Babaco's videos referred to in paragraphs 25-29, a motor is actuated to move the latch between an unlocked position and a locked position.

38. The Babaco lock utilizes a screw drive to move the latch between an unlocked position and a locked position.

39. The motor or drive mechanism of Babaco's lock turns the screw in one direction and thereby moves the latch from the unlocked position to the locked position and the motor turns the screw in the direction opposite of the one direction and thereby moves the latch from the locked position to the unlocked position.

40. The screw or equivalent thereof of Babaco's lock has threads with a degree of pitch no greater than 5 degrees.

41. The Babaco lock has a pre-compressed spring coupled to the latch and the screw for exerting a force to increase friction and prevent back rotation of the screw.

42. On March 29, 2012, MJST sent Babaco a cease and desist letter (hereinafter "the Cease and Desist Letter") regarding the manufacture, use, sale, offer for sale, renting, and importing of the infringing product. The Cease and Desist Letter advised Babaco that MJST is the owner of, among others, the '159 and '857 patents. Thus, Babaco became aware of the '159 and the '857 patents no later than early April

2012, and is willfully infringing the patents through its continued use, manufacture, sale, offer to sell, and testing of the Babaco lock.

43. Babaco sold the Babaco lock to Road Scholar and UPMR.

44. Road Scholar has used the Babaco lock to secure various types of cargo.

45. Upon information and belief, UPMR has used the Babaco lock to secure cargo.

46. Upon information and belief, Liberty Technology manufactured, offered for sale, sold, or imported into the United States the Babaco lock, which was used by Babaco, Road Scholar, and UPMR.

47. Discovery may show that Liberty Technology had knowledge of the '159 and the '857 patents and is willfully infringing the patents through its continued manufacture, sale, offer to sell, or importation of the Babaco lock into the United States.

**FIRST CLAIM FOR RELIEF**  
**(Infringement of the '159 Patent – Babaco)**

48. MJST incorporates by reference the allegations contained in paragraphs 1-47 above as if fully set forth herein.

49. Babaco has directly infringed and is currently directly infringing the '159 patent by using the Babaco lock so as to infringe one or more claims of the '159 patent, and will continue to so infringe the '159 patent unless enjoined by this Court. Such infringement is implemented by past and current uses of the Babaco lock.

50. Babaco has indirectly infringed the '159 patent by actively inducing the infringement of the '159 patent, and will continue to so induce the infringement of the '159 patent unless enjoined by this Court.



51. With knowledge of the '159 patent as of at least early April 2012, Babaco has and continues to manufacture, offer for sale, sell, import, or provide the Babaco lock to its customers, including Road Scholar and UPMR, with the specific intent to induce those customers to directly infringe the '159 patent.

52. Babaco has actively induced and continues to actively induce Road Scholar and UPMR to use the Babaco lock by manufacturing, offering for sale, selling, importing, or providing the Babaco lock to Road Scholar and UPMR in order for Road Scholar and UPMR to directly infringe the '159 patent.

53. Babaco's infringement of the '159 patent has been willful.

54. By reason of Babaco's infringement of the '159 patent, MJST has been severely injured in its business and property. The injury to MJST is and continues to be immediate and an award of monetary damages alone cannot fully compensate MJST for its injuries. MJST lacks an adequate remedy at law.

**SECOND CLAIM FOR RELIEF**  
**(Infringement of the '159 Patent – Road Scholar)**

55. MJST incorporates by reference the allegations contained in paragraphs 1-54 above as if fully set forth herein.

56. Road Scholar has directly infringed and is currently directly infringing the '159 patent by using the Babaco lock in a cargo transport vehicle and in a method that falls within the scope of one or more claims of the '159 patent, and will continue to so infringe the '159 patent unless enjoined by this Court.

57. By reason of Road Scholar's infringement of the '159 patent, MJST has been severely injured in its business and property. The injury to MJST is and continues

to be immediate and an award of monetary damages alone cannot fully compensate MJST for its injuries. MJST lacks an adequate remedy at law.

**THIRD CLAIM FOR RELIEF**  
**(Infringement of the '159 Patent – UPMR)**

58. MJST incorporates by reference the allegations contained in paragraphs 1-57 above as if fully set forth herein.

59. UPMR has directly infringed and is currently directly infringing the '159 patent by using the Babaco lock in a cargo transport vehicle and in a method that falls within the scope of one or more claims of the '159 patent, and will continue to so infringe the '159 patent unless enjoined by this Court.

60. By reason of UPMR's infringement of the '159 patent, MJST has been severely injured in its business and property. The injury to MJST is and continues to be immediate and an award of monetary damages alone cannot fully compensate MJST for its injuries. MJST lacks an adequate remedy at law.

**FOURTH CLAIM FOR RELIEF**  
**(Infringement of the '159 Patent – Liberty Technology)**

61. MJST incorporates by reference the allegations contained in paragraphs 1-60 above as if fully set forth herein.

62. Liberty Technology has indirectly infringed the '159 patent by actively inducing the infringement of one or more claims of the '159 patent, and will continue to so induce the infringement of the '159 patent unless enjoined by this Court.

63. With knowledge of the '159 patent, Liberty Technology has and continues to manufacture, offer for sale, sell, import, or provide the Babaco lock to Babaco and

indirectly to Road Scholar and UPMR with the specific intent to induce those parties to directly infringe the '159 patent. Liberty Technology has actively induced and continues to actively induce Babaco, Road Scholar, and UPMR to use the Babaco lock by manufacturing, offering for sale, selling, importing, or providing the Babaco lock to Babaco and indirectly to Road Scholar and UPMR in order for Babaco, Road Scholar, and UPMR to directly infringe the '159 patent.

64. Upon information and belief, Liberty Technology's infringement of the '159 patent has been willful.

65. By reason of Liberty Technology's infringement of the '159 patent, MJST has been severely injured in its business and property. The injury to MJST is and continues to be immediate and an award of monetary damages alone cannot fully compensate MJST for its injuries. MJST lacks an adequate remedy at law.

**FIFTH CLAIM FOR RELIEF**  
**(Infringement of the '857 Patent – Babaco)**

66. MJST incorporates by reference the allegations contained in paragraphs 1-65 above as if fully set forth herein.

67. Babaco has directly infringed and is currently directly infringing the '857 patent by using a method that falls within the scope of one or more claims of the '857 patent, and will continue to so infringe the '857 patent unless enjoined by this Court. Such method is implemented by past and current uses of the Babaco lock.

68. Babaco has indirectly infringed the '857 patent by actively inducing the infringement of the '857 patent, and will continue to so induce the infringement of the '857 patent unless enjoined by this Court.

69. With knowledge of the '857 patent as of at least early April 2012, Babaco has and continues to manufacture, offer for sale, sell, import, or provide the Babaco lock to its customers, including Road Scholar and UPMR, with the specific intent to induce those customers to directly infringe the '857 patent.

70. Babaco has actively induced and continues to actively induce Road Scholar and UPMR to use the Babaco lock by manufacturing, offering for sale, selling, importing, or providing the Babaco lock to Road Scholar and UPMR in order for Road Scholar and UPMR to directly infringe the '857 patent.

71. Babaco's infringement of the '857 patent has been willful.

72. By reason of Babaco's infringement of the '857 patent, MJST has been severely injured in its business and property. The injury to MJST is and continues to be immediate and an award of monetary damages alone cannot fully compensate MJST for its injuries. MJST lacks an adequate remedy at law.

**SIXTH CLAIM FOR RELIEF**  
**(Infringement of the '857 Patent – Road Scholar)**

73. MJST incorporates by reference the allegations contained in paragraphs 1-72 above as if fully set forth herein

74. Road Scholar has directly infringed and is currently directly infringing the '857 patent by using a method that falls within the scope of one or more claims of the '857 patent, and will continue to so infringe the '857 patent unless enjoined by this Court.

75. By reason of Road Scholar's infringement of the '857 patent, MJST has been severely injured in its business and property. The injury to MJST is and continues

to be immediate and an award of monetary damages alone cannot fully compensate MJST for its injuries. MJST lacks an adequate remedy at law.

**SEVENTH CLAIM FOR RELIEF**  
**(Infringement of the '857 Patent – UPMR)**

76. MJST incorporates by reference the allegations contained in paragraphs 1-75 above as if fully set forth herein

77. UPMR has directly infringed and is currently directly infringing the '857 patent by using a method that falls within the scope of one or more claims of the '857 patent, and will continue to so infringe the '857 patent unless enjoined by this Court.

78. By reason of UPMR's infringement of the '857 patent, MJST has been severely injured in its business and property. The injury to MJST is and continues to be immediate and an award of monetary damages alone cannot fully compensate MJST for its injuries. MJST lacks an adequate remedy at law.

**EIGHTH CLAIM FOR RELIEF**  
**(Infringement of the '857 Patent – Liberty Technology)**

79. MJST incorporates by reference the allegations contained in paragraphs 1-78 above as if fully set forth herein

80. Liberty Technology has indirectly infringed the '857 patent by actively inducing the infringement of one or more claims of the '857 patent, and will continue to so induce the infringement of the '857 patent unless enjoined by this Court.

81. With knowledge of the '857 patent, Liberty Technology has and continues to manufacture, offer for sale, sell, import, or provide the Babaco lock to Babaco and

indirectly to Road Scholar and UPMR with the specific intent to induce those parties to directly infringe the '857 patent.

82. Liberty Technology has actively induced and continues to actively induce Babaco and indirectly to Road Scholar and UPMR to use the Babaco lock by manufacturing, offering for sale, selling, importing, or providing the Babaco lock to Babaco and indirectly to Road Scholar and UPMR in order for Babaco, Road Scholar, and UPMR to directly infringe the '857 patent.

83. Upon information and belief, Liberty Technology's infringement of the '857 patent has been willful.

84. By reason of Liberty Technology's infringement of the '857 patent, MJST has been severely injured in its business and property. The injury to MJST is and continues to be immediate and an award of monetary damages alone cannot fully compensate MJST for its injuries. MJST lacks an adequate remedy at law.

#### **PRAYER FOR RELIEF**

MJST requests entry of judgment in its favor and against Defendants as follows:

a) An injunction preliminarily and permanently enjoining the Defendants, their agents, attorneys, successors, and assigns, and all persons in active concert with the Defendants acting on the Defendants' behalf or within their control, from making, using, selling, offering to sell, importing, or otherwise engaging in acts of infringement or inducing the infringement of the '159 and '857 patents;

b) An award of damages adequate to compensate MJST for the Defendants' acts of infringement of the '159 and '857 patents;

c) An accounting and disgorgement of profits derived by the Defendants from their acts of infringement of the '159 and '857 patents;

d) Trebling of damages and profits derived from the Defendants' acts of infringement and willful infringement of the '159 and '857 patents pursuant to 35 U.S.C. § 284;

e) MJST's attorney's fees, costs, and expenses incurred in pursuing this action in accordance with 35 U.S.C. § 285;

f) Prejudgment and post-judgment interest at the highest rates authorized by law;

g) Costs of court; and

h) Such other and further relief, equitable or otherwise, as the Court shall deem appropriate.

#### **JURY DEMAND**

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, MJST respectfully demands a trial by jury of all issues so triable that are raised herein or which hereinafter may be raised in this action.

Dated: June 7, 2013

Respectfully submitted,

/s/ David A. Frey

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