

**IN THE UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF TEXAS  
TYLER DIVISION**

CHRIMAR SYSTEMS, INC. d/b/a CMS  
TECHNOLOGIES and CHRIMAR HOLDING  
COMPANY, LLC,

Plaintiffs,

v.

GRANDSTREAM NETWORKS, INC.,

Defendant.

Case No. 6:13-cv-882

**PATENT CASE**

**JURY TRIAL DEMANDED**

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**COMPLAINT**

ChriMar Systems, Inc. d/b/a CMS Technologies (“ChriMar”) and Chrimar Holding Company, LLC (“Holding”) (collectively referred to as “CMS”) files this Complaint against Grandstream Networks, Inc. (“Grandstream” or “Defendant”) for infringement of U.S. Patent No. 8,155,012 (the “’012 patent” or “Asserted Patent”).

**THE PARTIES**

1. ChriMar is a Michigan Corporation with its principal place of business at 36528 Grand River Ave., Suite A-1, Farmington Hills, Michigan 48335.

2. Holding is a Texas limited liability company with its principal place of business at 303 South Washington Avenue, Marshall, Texas 75670.

**GRANDSTREAM NETWORKS, INC.**

3. Grandstream Networks, Inc. is a Delaware corporation with its principal place of business located at 126 Brookline Avenue, 3<sup>rd</sup> Floor, Brookline, MA 02215. This Court has personal jurisdiction over Grandstream because Grandstream has committed, and continues to

commit, acts of infringement in the state of Texas, has conducted business in the state of Texas, and/or has engaged in continuous and systematic activities in the state of Texas.

**JURISDICTION AND VENUE**

4. This is an action for patent infringement under Title 35 of the United States Code. CMS is seeking injunctive relief as well as damages.

5. Jurisdiction is proper in this Court pursuant to 28 U.S.C. §§ 1331 (Federal Question) and 1338(a) (Patents) because this is a civil action for patent infringement arising under the United States' patent statutes, 35 U.S.C. § 101 *et seq.*

6. Venue is proper under 28 U.S.C. §§ 1391(c) and 1400(b) because Grandstream has committed acts of infringement in this district and/or are deemed to reside in this district.

7. This Court has personal jurisdiction over Grandstream and venue is proper in this district because Grandstream has committed, and continues to commit acts of infringement in the state of Texas, including in this district and/or have engaged in continuous and systematic activities in the state of Texas, including in this district.

**COUNT I**  
**(INFRINGEMENT OF U.S. PATENT NO. 8,155,012)**

8. CMS incorporates paragraphs 1 through 7 herein by reference.

9. This cause of action arises under the patent laws of the United States, and in particular, 35 U.S.C. §§ 271, *et seq.*

10. ChriMar is the owner and assignee of the '012 patent, entitled "System and Method for Adapting a Piece of Terminal Equipment" and Holding is the exclusive licensee of the '012 patent. CMS has ownership of all substantial rights in the '012 patent, including the right to exclude others and to enforce, sue and recover damages for past and future infringement. A true and correct copy of the '012 patent is attached as Exhibit A.

11. The '012 patent is valid, enforceable and was duly issued in full compliance with Title 35 of the United States Code.

12. CMS has been damaged as a result of Grandstream's infringing conduct described in this Court. Grandstream is, thus, liable to CMS in an amount that adequately compensates it for their infringement, which by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

**GRANDSTREAM (Direct Infringement)**

13. On information and belief, Grandstream has and continues to directly infringe one or more claims of the '012 patent in this judicial district and/or elsewhere in Texas and the United States, including at least claim 31, by, among other things, making, using, offering for sale, selling and/or importing Grandstream's products, including but not limited to products with model numbers GXP1105, GXP1165, GXP1405, GXP2100, GXP2120, GXP2200, GXV3140 and GXV3601. Grandstream is thereby liable for infringement of the '012 patent pursuant to 35 U.S.C. § 271.

**GRANDSTREAM (Indirect Infringement – Inducement)**

14. Based on the information presently available to CMS, absent discovery, and in the alternative to direct infringement, CMS contends that Grandstream has and continues to indirectly infringe one or more claims of the '012 patent, including at least claim 31, by inducing others, including end users of Grandstream's products, including but not limited to model numbers GXP1105, GXP1165, GXP1405, GXP2100, GXP2120, GXP2200, GXV3140 and GXV3601 to use infringing devices in violation of one or more claims of the '012 patent, including at least claim 31.

15. Grandstream has been on notice of the '012 patent since at least service of this action. In accordance with Fed. R. Civ. P. 11(b)(3), CMS will likely have additional evidentiary support after a reasonable opportunity for further investigation or discovery on this issue.

16. On information and belief, since Grandstream has been on notice of the '012 patent, Grandstream has knowingly induced infringement of the '012 patent, including at least claim 31 of the '012 patent, and possessed specific intent to encourage others' infringement.

17. On information and belief, since Grandstream has been on notice of the '012 patent, Grandstream knew or should have known that its action would induce actual infringement of the '012 patent, including at least claim 31 of the '012 patent, by end users of Grandstream's products, including but not limited to model numbers GXP1105, GXP1165, GXP1405, GXP2100, GXP2120, GXP2200, GXV3140 and GXV3601.

18. For example, since Grandstream has been on notice of the '012 patent, Grandstream has purposefully and voluntarily placed infringing products in the stream of commerce with the expectation that its products will be purchased by end users in the United States, including end users in the Eastern District of Texas, and used in a way that infringes at least claim 31 of the '012 patent.

19. Since Grandstream has been on notice of the '012 patent, Grandstream has also provided support to users of Grandstream's products, model numbers GXP1105, GXP1165, GXP1405, GXP2100, GXP2120, GXP2200, GXV3140 and GXV3601 in the United States, including users in the Eastern District of Texas.

20. Grandstream has not produced or relied upon an opinion of counsel suggesting that the '012 patent is invalid or is not infringed by Grandstream's products, including but not limited to Grandstream's products with model numbers GXP1105, GXP1165, GXP1405,

GXP2100, GXP2120, GXP2200, GXV3140 and GXV3601. In accordance with Fed .R. Civ. P. 11(b)(3), CMS will likely have additional evidentiary support after a reasonable opportunity for discovery on this issue.

21. Grandstream has not produced any evidence as to any investigation, design around or that any remedial action was taken with respect to the '012 patent. In accordance with Fed .R. Civ. P. 11(b)(3), CMS will likely have additional evidentiary support after a reasonable opportunity for discovery on this issue.

### **ADDITIONAL ALLEGATIONS**

22. CMS has been damaged as a result of Defendant's infringing conduct described herein. Defendant is, thus, liable to CMS in an amount that adequately compensates CMS for Defendant's infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by the Court under 35 U.S.C. § 284.

23. Defendant's actions complained of herein will continue unless Defendant is enjoined by this Court.

24. CMS has complied with 35 U.S.C. § 287.

25. Defendant's actions complained of herein are causing irreparable harm and monetary damage to CMS and will continue to do so unless and until Defendant is enjoined and restrained by this Court.

### **JURY DEMAND**

CMS hereby requests a trial by jury pursuant to Rule 38 of the Federal Rules of Civil Procedure.

**PRAYER FOR RELIEF**

CMS requests that this Court find in its favor and against Defendant, and that this Court grant CMS the following relief:

- a. Enter judgment for Plaintiff on this Complaint;
- b. Enter judgment that one or more claims of the '012 patent has been infringed, either directly or indirectly by Defendant;
- c. Enter judgment that Defendant account for and pay to CMS all damages to and costs incurred by CMS because of Defendant's infringing activities and other conduct complained of herein;
- d. Award Plaintiff damages resulting from Defendant's infringement in accordance with 35 U.S.C. § 284;
- e. Enter a permanent injunction enjoining Defendant and their officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert or participation with them, from infringing or inducing infringement of the '012 patent, or, in the alternative, judgment that Defendant account for and pay to CMS a reasonable royalty and an ongoing post judgment royalty because of Defendant's past, present and future infringing activities and other conduct complained of herein;
- f. That CMS be granted pre-judgment and post-judgment interest on the damages caused by Defendant's infringing activities and other conduct complained of herein;
- g. That CMS be granted such other and further relief as the Court may deem just and proper under the circumstances.

Dated: November 8, 2013

Respectfully submitted,

**THE SIMON LAW FIRM, P.C.**

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