

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

PROFOOT, INC.,

Plaintiff,

v.

MERCK & CO., INC.,

Defendant.

Civil No. 1:11-cv-9004

The Honorable John Z. Lee

JURY TRIAL DEMANDED

THIRD AMENDED COMPLAINT

Plaintiff, ProFoot, Inc. ("ProFoot") complains of Defendant Merck & Co., Inc. ("Merck") as follows:

NATURE OF THE SUIT

1. This is a claim for patent infringement arising under the patent laws of the United States, Title 35 of the United States Code. The action was initiated by Eric Ward d/b/a The Foot Foundation, LLC.

PARTIES

2. ProFoot, Inc. is a New York Corporation with a principal place of business in Brooklyn, New York. In January 2014, ProFoot purchased the patent in suit from Eric Ward, including the right to sue for past, present and future infringement.

3. ProFoot is in the business of producing, marketing and selling a broad line of consumer footcare products, including orthotic comfort and support insoles and inserts. ProFoot sells its footcare products through wholesale and retail drug, food chain and mass merchandise outlets under the brand name ProFoot.

4. ProFoot owns all right, title, interest in and has standing to sue for the infringement of United States Patent No. 6,845,568 entitled "High Performance Foot Bed For

Sports Equipment" which issued on January 25, 2005 to Eric Ward ("the '568 Patent"). The '568 Patent pertains to a method of measuring, evaluating, recommending and fitting an individual with right and left foot footwear orthotic inserts. A true and correct copy of the '568 Patent is attached as Exhibit 1.

5. Merck & Co., Inc. ("Merck") is a Delaware corporation engaged in the global health care business with its Company Headquarters located at One Merck Drive, P.O. Box 100, Whitehouse Station, New Jersey. Merck also does business under the name MSD Consumer Care, Inc. ("MSD Consumer Care").

6. Merck maintains offices and regularly and systematically transacts business within this judicial district.

7. Merck delivers health care products through operating segments, one of which is the consumer care products segment known as MSD Consumer Care, which, on information and belief, is a wholly owned subsidiary of Merck.

8. Merck, through MSD Consumer Care, manufactures, markets and sells over-the-counter footcare products through wholesale and retail drug, food chain and mass merchandise outlets under the brand name Dr. Scholl's.

JURISDICTION AND VENUE

9. This Court has exclusive jurisdiction over the subject matter of this case under 28 U.S.C. § 1338(a).

10. Defendant is subject to personal jurisdiction in this Court, and venue is proper in this judicial district under 28 U.S.C. §§ 1391 and 1400(b). Defendant is subject to personal jurisdiction in this Court, because it maintains offices and transacts business in this district, including the infringing use of the patented method and offering of products for sale to customers located in this judicial district.

PATENT INFRINGEMENT

11. Defendant has directly infringed at least claims 1 and 3 of the '568 Patent by performing each of the steps of the claimed method for fitting an individual with right and left footwear inserts.

12. Merck produces, markets and sells Dr. Scholl's Custom Fit Orthotic Inserts.

13. Merck developed the Dr. Scholl's Custom Fit Orthotic Center (shown in Exhibit 2) to provide customers with Dr. Scholl's Custom Fit Orthotic Inserts.

14. Merck sells and/or owns and/or leases Dr. Scholl's Custom Fit Orthotic Center kiosks.

15. Merck has placed Dr. Scholl's Custom Fit Orthotic Center kiosks in retail stores throughout the United States including, but not limited to those owned and/or operated by Walgreens, Sears, CVS Pharmacy and Walmart.

16. Merck controls the distribution of Dr. Scholl's Custom Fit Orthotic Center kiosks. On information and belief, there are more than 10,000 Dr. Scholl's Custom Fit Orthotic Center kiosks in retail stores throughout the United States.

17. Defendant utilizes the Dr. Scholl's Custom Fit Orthotic Center to provide customers with customized right and left foot inserts. (Exhibit 2).

18. The Dr. Scholl's Custom Fit Orthotic Center utilizes methods claimed by the '568 Patent.

19. The Custom Fit Orthotic Center instructs customers to stand on a pressure-measuring device while elevating their left foot off of the device.

20. The Custom Fit Orthotic Center performs this method in order to determine the position necessary to place the individual in a balanced, neutral position.

21. The Custom Fit Orthotic Center further instructs customers to repeat that measuring process for the right foot.

22. The Custom Fit Orthotic Center uses this information in order to direct customers to a predetermined Dr. Scholl's Custom Fit Orthotic.

23. Defendant generates sales and profits through the sale of Dr. Scholl's Custom Fit Orthotic Inserts.

24. On information and belief, since first introduced into the marketplace, Merck has generated profits in excess of \$20,000,000 from the sales of Dr. Scholl's Custom Fit Orthotic Inserts throughout the United States.

25. Merck has at all times owned the website www.footmapping.com.

26. Merck, at all times, controls the content of the www.footmapping.com website.

27. The www.footmapping.com website advertises the Dr. Scholl's Custom Fit Orthotic Center kiosks and Inserts.

28. The www.footmapping.com website demonstrates how to use the Dr. Scholl's Custom Fit Orthotic Center kiosk.

29. The www.footmapping.com website demonstrates how to use the Dr. Scholl's Custom Fit Orthotic Center kiosk in order for a customer to choose a predetermined orthotic insert.

30. At all relevant times, Merck knew of, or was willfully blind to, the '568 Patent.

31. Merck has been aware of ProFoot's inventions since as early as 2001.

32. Over several weeks in 2001, Eric Ward d/b/a The Foot Foundation communicated with Nancy Miller-Rich of Schering-Plough Corporation ("Schering-Plough") (Merck's predecessor in making, distributing, marketing and selling the Dr. Scholl's brand of products)

about entering into a business relationship with Eric Ward ("Ward"), the named inventor of the '568 Patent, relating to his inventions.

33. Further, on July 23, 2003, Ward again contacted Ms. Miller-Rich of Schering-Plough, informing Schering-Plough of U.S. Patent No. 6,564,465B1, and the pending continuation patent application.

34. On July 30, 2003, Schering-Plough sent an e-mail letter to Ward's counsel stating that it did not have interest in the patented technology.

35. On January 25, 2005 the '568 Patent issued.

36. In 2009, Schering-Plough merged with Merck.

37. After the merger, Ms. Miller-Rich became an executive of Merck.

38. In or about late 2010, Merck launched the Dr. Scholl's Custom Fit Orthotics Center and its line of Dr. Scholl's Custom Fit Orthotics.

39. Dr. Scholl's Custom Fit Orthotics Center and its line of Dr. Scholl's Custom Fit Orthotic inserts use the methods claimed in the '568 Patent.

40. On January 27, 2011, Ward, through his counsel, sent a letter to Nancy Miller-Rich, now Group Vice President, Global New Ventures & Strategic Commercial Development for Merck, informing Merck of the '568 Patent.

41. Despite Merck's knowledge of the '568 Patent, Defendant continued to use the methods claimed in the '568 Patent.

42. Merck continues to make, distribute, market and sell Dr. Scholl's custom fit orthotic products.

43. For example, Defendant utilized and continues to utilize the method embodied in at least Claim 1 of the '568 Patent in order to recommend a predetermined Dr. Scholl's Custom Fit Orthotic to the customer, including as follows: (1) instructing a customer to stand on a

pressure-measuring device, while elevating the left foot off of the device; (2) using the Dr. Scholl's Custom Fit Orthotic Center to determine the position necessary to place the individual in a balanced, neutral position; (3) repeating the measuring process for the right foot; and (4) providing a recommended orthotic insert.

44. Further, Defendant infringes claim 3 of the '568 Patent by providing information to its customers to select an insert from fourteen predetermined Dr. Scholl's Custom Fit Orthotic Inserts. Merck had knowledge of the '568 Patent at least by way of the January 27, 2011 letter providing it with actual notice of infringement of the '568 Patent by the Dr. Scholl's Custom Fit Orthotic Center and Inserts. As of at least January 27, 2011, with knowledge of the '568 Patent, Merck performed itself and/or induced the performance of the steps of the method claimed in the '568 Patent, and those steps were performed by Defendant and its customers, partners and end users.

45. Defendant's infringement has injured Plaintiff and it is entitled to recover damages adequate to compensate it for such infringement, but in no event less than a reasonable royalty.

46. Defendant's infringement continues and will continue unless enjoined by this Court. These continuing acts of infringement of the '568 patent are irreparably harming ProFoot for which ProFoot has no adequate remedy at law. The hardships that would be imposed by an injunction are less than those faced by ProFoot should an injunction not issue. The public interest would be served by issuance of an injunction.

47. To the extent required by law, Plaintiff has complied with the provisions of 35 U.S.C. § 287 with respect to the '568 Patent.

COUNT ONE

(Infringement of the '568 Patent by Merck)

48. ProFoot repeats and re-alleges the allegations of paragraphs 1 through 47 above as if fully set forth herein.

49. Merck has been and is infringing one or more claims of the '568 Patent literally and/or under the doctrine of equivalents.

50. Merck infringed and continues to infringe at least claim 1 of the '568 Patent under 35 U.S.C. §271(a) through the foregoing activities and by making, using, operating and conducting business through the Dr. Scholl's Custom Fit Orthotic Center and making, using, offering for sale and selling Dr. Scholl's Custom Fit Orthotic Inserts.

51. Merck also indirectly infringed and continues to indirectly infringe at least claim 1 of the '568 Patent under 35 U.S.C. §271(b) by knowingly and actively inducing infringement. Merck has had knowledge of the '568 Patent at least by the letter dated January 27, 2011. Merck has knowingly and actively induced infringement of at least claim 1, through the foregoing activities and by making, using, operating and conducting business through the Dr. Scholl's Custom Fit Orthotic Center and by performing itself and/or by instructing, aiding, assisting, encouraging, causing and urging the performance by others such as its customers, its partners, and its end users of the steps of the claimed methods in a manner that infringes at least claim 1 of the '568 Patent. Merck knew of the '568 Patent, performed itself and/or induced others to perform of the steps of the methods claimed in the '568 Patent, and those steps were performed by Merck, by and through retail stores, Walgreens, Sears, CVS Pharmacy and Walmart, and their customers, partners and end users.

52. Merck uses the Dr. Scholl's Custom Fit Orthotic Center.

53. Customers of Walgreens, Sears, CVS Pharmacy and Walmart use the Dr. Scholl's Custom Fit Orthotic Center.

54. Merck has knowingly and willfully infringed at least claim 1 of the '568 Patent within the meaning of 35 U.S.C. §271(a) through the foregoing activities including, without limitation, making, using, selling and offering for sale the Dr. Scholl's Custom Fit Orthotic Inserts and utilizing the method of the '568 Patent.

55. ProFoot has and will continue to be damaged by Merck's infringement of the '568 Patent.

56. Merck's acts of infringement will continue unless enjoined by this Court.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, ProFoot, Inc., respectfully requests this Court enter judgment against Defendant granting the following relief:

A. The entry of judgment in favor of ProFoot and against Defendant on the Second Amended Complaint;

B. An award of damages against Defendant adequate to compensate Plaintiff for the infringement that has occurred (together with prejudgment interest from the date the infringement began), but in no event less than a reasonable royalty as permitted by 35 U.S.C. § 284;

C. A permanent injunction prohibiting Defendant, its subsidiaries, divisions, predecessors, successors, parents, affiliates, officers, directors, agents, employees and all persons in active concert with them, from further acts of infringement of the '568 patent;

D. A trebling of damages for Defendant's willful infringement of the '568 Patent;

E. A finding that this case is exceptional pursuant to 35 U.S.C. § 285 and awarding Plaintiff his attorneys' fees, costs, and expenses; and

F. Such other relief that ProFoot is entitled to under law and any other relief that this Court or a jury may deem just and proper.

JURY DEMAND

Plaintiff demands a trial by jury on all issues presented in this Complaint.

ProFoot, Inc.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on January 31, 2014 the foregoing

THIRD AMENDED COMPLAINT

was filed with the Clerk of Court using the CM/ECF system, which will then send a notification of such filing to the following counsel of record.

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