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J. David Nelson (2385)
Robert D. Dahle (4819)
NELSON, SNUFFER, DAHLE & POULSEN, P.C.
10885 South State Street
Sandy, Utah 84070
(801) 576-1400
Attorneys for Plaintiff

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH
CENTRAL DIVISION

INTERNATIONAL AUTOMATED
SYSTEMS, INC.;

Plaintiff,

vs.

MICROSOFT CORPORATION; and JOHN
DOES 1-20;

Defendants.

**AMENDED COMPLAINT
(JURY TRIAL DEMANDED)**

Civil No.: 2:06-cv-00114

Judge: Tena Campbell

Plaintiff International Automated Systems, Inc., ("IAS") complains and for its cause of action against defendants, alleges as follows:

THE PARTIES

1. Plaintiff IAS is a Utah corporation with principal offices in Utah County, State of Utah, whose address is 326 North Highway 6, Salem, Utah 84653.
2. Upon information and belief, Defendant Microsoft Corporation ("MICROSOFT") is a Washington Corporation with principal offices at One Microsoft Way, Redmond, Washington 98052, which is authorized to transact business in the

of Utah and which is doing business in the State of Utah.

3. Defendants John Does 1-20 are individuals or entities whose identities are presently unknown to Plaintiff.

JURISDICTION AND VENUE

4. This is a civil action for patent infringement arising under the patent laws of the United States, and more specifically, under Title 35, U.S.C., §§ 271, 281, 283, 284, and 285, and jurisdiction in this Court is founded upon Title 28, U.S.C. §§ 1331 and 1338(a).
5. Venue is proper in this District pursuant to Title 28, U.S.C., §§ 1391 and 1400(b).

COUNT I- U.S. PATENT INFRINGEMENT BY MICROSOFT AND JOHN DOES 1-20

6. United States Patent No. 5,598,474 ("Patent") entitled PROCESS FOR ENCRYPTING A FINGERPRINT ONTO AN I.D. CARD was duly and legally issued on January 28, 1997, to Neldon P. Johnson, the patentee, and thereafter assigned to Plaintiff pursuant to assignment from the patentee. A copy of the Patent accompanies this Complaint as Exhibit "A".
7. The Patent is valid, subsisting, in full force and effect, and is owned by Plaintiff, pursuant to the assignment from the patentee.
8. Defendants MICROSOFT and JOHN DOES 1-20 have made, offered for sale, sold and used, and continue to make, offer for sale, sell, and use, certain products,

including fingerprint readers, that come within the scope of the claims of the Patent, without authority or license from IAS, and in violation of IAS's rights, thereby directly infringing the Patent, contributing to the infringement of the Patent by others, and inducing others to infringe the Patent, and will continue to do so unless enjoined by this Court.

9. Defendants MICROSOFT and JOHN DOES 1-20 have infringed the Patent within the State of Utah and in particular in Salt Lake County, Utah, which is within the District of Utah, Central Division.
10. On information and belief, the infringement, contributory infringement, and inducement of infringement by Defendants MICROSOFT and JOHN DOES 1-20 is willful, considering a totality of the circumstances, including without limitation, that Defendants have acted in disregard of the Patent, have engaged in a deliberate and conscious effort to appropriate IAS's invention as claimed in the Patent, beginning at least as early as the time that Defendants became aware of the filing of this action, and Defendants have continued to infringe the Patent after having become aware of the filing of this action, and, further, in the event that Defendants MICROSOFT and JOHN DOES 1-20 continue to infringe, contributorily infringe, or induce infringement of the Patent during the pendency of this action, such infringement will be willful.

11. IAS has suffered monetary damages, including but not limited to lost profits, and will continue to suffer monetary damages, because of defendants' acts of infringement of the Patent. The actual amount of money damages suffered by IAS because of defendants' acts of infringement cannot be determined without an accounting, and is thus subject to proof at trial.
12. Notwithstanding the payment of monetary damages, the harm to IAS arising from defendants' acts of infringement of the Patent is not fully compensable by monetary damages, but further results in irreparable harm to IAS, and such harm *will continue unless and until defendants are enjoined from further acts of infringement of the Patent.*
13. IAS has no adequate remedy at law.

WHEREFORE, Plaintiff IAS prays for Judgment against Defendants MICROSOFT and JOHN DOES 1-20:

- A. For a judgment that defendants have infringed, contributorily infringed, and induced others to infringe the Patent.
- B. For preliminary and permanent injunctions, enjoining defendants, their respective *officers, agents, subsidiaries, servants, employees, directors, attorneys, privies, successors, and assigns, and all other persons in active concert or participation with them or any of them, from further infringement of the Patent.*

- C. For an award to plaintiff IAS of its actual damages, including but not limited to lost profits, and that such actual damages be trebled if the finder of fact determines that Defendants' acts and omissions were willful under the totality of circumstances of this case.
- D. For an award of plaintiff's costs and disbursements of this action.
- E. That this be declared to be an exceptional case, and that plaintiff be awarded its attorney's fees, pursuant to 35 U.S.C. §285.
- F. For pre-judgement and post-judgement interest, compounded to the extent provided by law.
- G. For such other and further preliminary and permanent relief to which plaintiff may be entitled in law and equity.

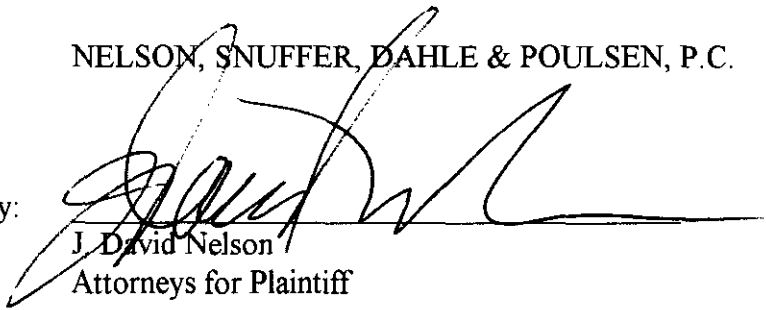
JURY DEMAND

Pursuant to Rule 38 of the *Federal Rules of Civil Procedure*, plaintiff hereby demands a trial by jury of all issues so triable.

DATED this 12 day of April, 2006

NELSON, SNUFFER, DAHLE & POULSEN, P.C.

By:


J. David Nelson
Attorneys for Plaintiff

Plaintiff's Address:

326 North Highway 6
Salem, Utah 84653.

Court's Address:

United States District Court for the District of Utah
350 South Main
Salt Lake City, Utah 84101