

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

PRINCETON DIGITAL IMAGE CORPORATION,

Plaintiff,

v.

ALTICOR, INC. d/b/a AMWAY CORPORATION
d/b/a AMWAY; and QUIXTAR, INC. n/k/a
AMWAY CORP.,

Defendants.

Case No. 1:14-cv-398

HON. JANET T. NEFF

JURY TRIAL DEMANDED

AMENDED COMPLAINT

Princeton Digital Image Corporation (hereafter “Princeton”), Plaintiff, brings this action against: Alticor, Inc. d/b/a Amway Corporation d/b/a Amway; and Quixtar, Inc. n/k/a Amway Corp. (hereafter “Defendants”), and alleges that:

PARTIES

1. Plaintiff Princeton is a corporation organized and doing business under the laws of Texas.
2. Upon information and belief, Defendant Alticor, Inc. d/b/a Amway Corporation d/b/a Amway is a Michigan corporation and has as its agent for service of process: The Corporation Company, 30600 Telegraph Road, Suite 3275, Bingham Farms, MI 48025. Upon information and belief, Defendant Alticor, Inc. d/b/a Amway Corporation d/b/a Amway regularly conducts and transacts business within this Judicial District, and throughout the United States, itself and/or through one or more subsidiaries, affiliates, business divisions, or business units.

3. Upon information and belief, Defendant Quixtar, Inc. n/k/a Amway Corp. is a Virginia corporation and has as its agent for service of process: CT Corporation System, 4701 Cox Road, Suite 301, Glen Allen, VA 23060-6802. Upon information and belief, Defendant Quixtar, Inc. n/k/a Amway Corp. regularly conducts and transacts business within this Judicial District, and throughout the United States, itself and/or through one or more subsidiaries, affiliates, business divisions, or business units.

JURISDICTION AND VENUE

4. This is an action for patent infringement arising under the patent laws of the United States, 35 U.S.C. § 271, *et seq.*

5. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

6. This Court has personal jurisdiction over Defendants since, on information and belief, each Defendant has transacted business in this judicial district, directly or through intermediaries, and/or committed acts of infringement in this judicial district.

7. Venue in this district over Defendants is proper under 28 U.S.C. § 1391(c) and (d) and 1400(b).

BACKGROUND

8. On March 14, 1989, United States Patent No. 4,813,056 (hereafter “the ‘056 Patent”) was duly and legally issued to Nicola J. Fedele, as the inventor thereof, and at all applicable times was valid and subsisting. A copy of the ‘056 Patent, which is entitled “Modified Statistical Coding of Digital Signals,” is attached hereto as Exhibit “A”.

9. Nicola J. Fedele originally assigned his rights to the ‘056 Patent to General Electric Company, which assigned all rights, title and interest in and to the ‘056 Patent to

Princeton Digital Image Compression, LLC. Princeton Digital Image Compression, LLC has assigned all of its rights, title and interest in and to the '056 Patent to Princeton Digital Image Corporation, Plaintiff herein, the current holder of the '056 Patent.

HISTORY OF THIS CASE

10. On April 2, 2013, Princeton filed suit in the U.S. District Court for the District of Delaware against Alticor, Alticor Global Holdings, Inc., Quixtar.com, Inc., and Amway Corp., for patent infringement. (Del. Case No.: 13-512 (LPS)).

11. On July 29, 2013, Alticor was served a copy of the Complaint in the Delaware case. Subsequently, Defendants Alticor and Alticor Global Holdings, Inc. filed a motion to transfer to the Western District of Michigan (“Motion to Transfer”).

12. On September 27, 2013, Princeton sought leave of Court to amend its Complaint (“Amended Complaint”) to add Amway International and Quixtar, while dismissing Alticor Global Holdings, Inc. and Quixtar.com.

13. The Court heard the parties Motions on March 31, 2014, and ruled, *inter alia*, that Plaintiff was permitted to amend its Complaint to add infringement allegations against Quixtar as a Defendant. The Court also allowed Plaintiff to amend the Complaint to add infringement allegations against the website www.alticor.com. Plaintiff’s Motion to add Amway International Inc. as a Defendant was denied without prejudice to renew the Motion to the Western District of Michigan.

14. Also on March 31, 2014, the Delaware Court granted Defendants’ Motion to transfer this case to the U.S. District Court for the Western District of Michigan.

INFRINGEMENT OF THE '056 PATENT

15. Upon information and belief, Defendants infringed the '056 patent in violation of 35 U.S.C. § 271(a) by using the patented invention to, *inter alia*, encode images in a manner that infringed at least claims 18, 19, 20, 21 and 23 of the '056 patent. For example, upon information and belief, Defendants encoded image data into JPEG files for purposes of producing JPEG images of products displayed by and sold through Defendants' websites and/or converting existing images of such products into JPEG images of said products having different sizes and/or image quality, all for display on Defendants' websites (including, for example, www.amway.com, www.alticor.com and www.quixtar.com) for the purpose of selling said products.

16. Princeton is entitled to recover from Defendants damages as a result of Defendants' acts of infringement of the '056 Patent in an amount subject to proof at trial.

PRAAYER AND RELIEF

WHEREFORE, Princeton prays for judgment against Defendants and for the following relief:

- A. a judgment declaring that Defendants infringed the '056 patent;
- B. an accounting for damages under 35 U.S.C. § 284 from Defendants for its infringement of the '056 patent, and an award of damages ascertained against Defendants in favor of Princeton, together with interest and costs thereon; and
- C. such other and further relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff Princeton demands a trial by jury of all issues properly triable by jury in this action.

Respectfully submitted,

O'KELLY ERNST & BIELLI, LLC

Dated: October 7, 2014

s/ Sean T. O'Kelly
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