

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

<p>LASERDYNAMICS USA, LLC,</p> <p style="text-align: center;">Plaintiff,</p> <p style="text-align: center;">-against-</p> <p>DELUXE MEDIA INC. and DELUXE ENTERTAINMENT SERVICES GROUP, INC.,</p> <p style="text-align: center;">Defendants.</p>
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Civil Action No.: 16-cv-1221

**COMPLAINT AND DEMAND
FOR JURY TRIAL**

Plaintiff LaserDynamics USA, LLC (“LDUSA”), by and through its attorneys Kheyfits P.C., as and for its complaint against Defendants Deluxe Media Inc. (“DELUXE MEDIA”) and Deluxe Entertainment Service Group (“DELUXE GROUP”) (collectively, “DELUXE”), hereby alleges as follows:

NATURE OF THE ACTION

1. This is an action under the patent laws of the United States, 35 U.S.C. §§ 1, *et seq.*, for infringement by DELUXE of one or more claims of U.S. Patent No’s. 6,426,927 (the “’927 patent”), 6,529,469 (the “’469 patent”), and 7,116,629 (the “’629 patent”) (collectively, the ’927 patent, the ’469 patent, and the ’629 patent are referred to herein as the “Patents-in-Suit”).

PARTIES

2. Plaintiff LDUSA is a limited liability company organized and existing under the laws of the State of Delaware, having its principal place of business at 75 Montebello Road, Suffern, New York 10901.

3. On information and belief, Defendant DELUXE GROUP is a corporation organized and existing under the laws of the State of Delaware, having its principal place of business at 2400

West Empire Avenue, Burbank, CA 91504.

4. On information and belief, DELUXE GROUP maintains offices at 435 Hudson Street, 9th Floor, New York, New York 10014.

5. On information and belief, Defendant DELUXE MEDIA is a corporation organized and existing under the laws of the State of Delaware, having its principal place of business at 2400 West Empire Avenue, Burbank, CA 91504. On information and belief, DELUXE MEDIA is a wholly-owned subsidiary of DELUXE GROUP.

6. On information and belief, DELUXE MEDIA maintains offices, among others, at 435 Hudson Street, 9th Floor, New York, New York 10014.

7. On information and belief, DELUXE MEDIA and DELUXE GROUP are each registered with the New York State Department of State to do business in New York.

JURISDICTION AND VENUE

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

9. This Court has personal jurisdiction over DELUXE pursuant to N.Y. C.P.L.R. §§ 301 and 302(a)(1)-(3). On information and belief, this Court has general jurisdiction over DELUXE based on its continuous and systematic conduct within New York State, including, *inter alia*, both DELUXE MEDIA and DELUXE GROUP being registered to do business in New York State, DELUXE's continuous contacts with, and sales to, customers in New York, importation of products into New York, and maintenance of the office within the State of New York. On information and belief, DELUXE is also subject to specific jurisdiction of this Court because, *inter alia*, DELUXE has committed acts of patent infringement alleged in the Complaint within the state of New York and elsewhere, causing injury within the state.

10. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391(b), 1391(c) and 1400(b)

because, *inter alia*, Plaintiff LDUSA's principal place of business is located in this judicial district, the Patents-in-Suit are assigned to Plaintiff, and infringement of the Patents-in-Suit has occurred and is occurring in this judicial district.

SINGLE ACTION

11. This suit is commenced against DELUXE MEDIA and DELUXE GROUP pursuant to 35 U.S.C. § 299 in a single action because, *inter alia*, upon information and belief, DELUXE MEDIA and DELUXE GROUP are part of the same corporate structure, share management, share a common ownership, share advertising platforms, share facilities, share distribution platforms, share accused product lines, and the accused products involve related technologies.

12. Accordingly, the claims of this complaint 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 questions of fact common to all Defendants will arise in the action pursuant to 35 U.S.C. § 299.

BACKGROUND

13. The '927 patent is entitled "Data Recording And Reproducing Method For Multi-Layered Optical Disk System."

14. The '469 patent is entitled "Data Recording And Reproducing Technique For Multi-Layered Optical Disk System."

15. The '629 patent is entitled "Data Recording And Reproducing Method For Multi-Layered Optical Disk System."

16. The inventions of the Patents-in-Suit generally relate to optical disk recording and reproducing technologies.

17. Yasuo Kamatani invented the technology claimed in the Patents-in-Suit.

18. On information and belief, DELUXE manufactures, uses, sells, and/or offers for sale dual-layer optical discs for customers in the United States. On information and belief, certain of the dual-layer optical discs manufactured by DELUXE are manufactured in conformance with a format of dual-layer optical discs commonly known in the industry as “DVD-9” discs. On information and belief, DELUXE manufactures DVD-9 discs using a process known in the industry as replication. On information and belief, dual layer optical discs replicated by DELUXE in conformance with the DVD-9 format infringe claims of the Patents-in-Suit. In the alternative and on information and belief, DELUXE causes others to replicate DVD-9 discs that infringe claims of the Patents-in-Suit.

19. On information and belief, in addition to the replication of DVD-9 and other dual-layer optical discs, DELUXE also offers to its customers a range of packaging, distribution, and/or other services relating to the replication of DVD-9 discs. On information and belief, the distribution services offered by DELUXE to its replication customers include but are not limited to the distribution of replicated DVD-9 discs directly to customers located in the United States, including in New York.

20. By correspondence, including the letter dated May 15, 2015, non-party General Patent Corporation (“GPC”), in its role as manager of LDUSA, notified DELUXE MEDIA of the existence of the Patents-in-Suit and DELUXE MEDIA’s infringement thereof.

21. On information and belief, DELUXE MEDIA and DELUXE GROUP share offices, officers and employees in New York and/or other locations and, therefore, DELUXE MEDIA and DELUXE GROUP act as agents for each other for the purposes of receiving notices such as Plaintiff’s letter dated May 15, 2015.

22. Accordingly, and on information and belief, DELUXE MEDIA and DELUXE GROUP

have received notice of the Patents-in-Suit, and of their infringement thereof.

COUNT I: INFRINGEMENT OF THE PATENTS-IN-SUIT BY DELUXE MEDIA

23. Plaintiff incorporates the preceding paragraphs as if fully set forth herein.

24. On July 30, 2002, the United States Patent and Trademark Office duly and lawfully issued the '927 patent, entitled "Data Recording And Reproducing Method For Multi-Layered Optical Disk System," based upon an application filed by the inventor, Yasuo Kamatani. A true and correct copy of the '927 patent is attached hereto as Exhibit A.

25. On March 4, 2003, the United States Patent and Trademark Office duly and lawfully issued the '469 patent, entitled "Data Recording And Reproducing Technique For Multi-Layered Optical Disk System," based upon an application filed by the inventor, Yasuo Kamatani. A true and correct copy of the '469 patent is attached hereto as Exhibit B.

26. On October 3, 2006, the United States Patent and Trademark Office duly and lawfully issued the '629 patent, entitled "Data Recording And Reproducing Method For Multi-Layered Optical Disk System," based upon an application filed by the inventor, Yasuo Kamatani. A true and correct copy of the '629 patent is attached hereto as Exhibit C.

27. LDUSA is the owner by assignment of the Patents-in-Suit, and has the right to sue and recover damages for infringement thereof.

28. DELUXE MEDIA is not licensed under the Patents-in-Suit, yet DELUXE MEDIA knowingly, actively, and lucratively practices the claimed inventions of the patents.

29. On information and belief, DELUXE MEDIA has been and is now directly infringing at least claims 1-4 and 6 of the '927 patent, claims 3 and 12 of the '469 patent, and/or claims 12, 14, 16, 22, 24, and 26 of the '629 patent by making, using, importing, providing, supplying, distributing, selling and/or offering to sell infringing products. DELUXE MEDIA's infringing

products include, but are not limited to, at least dual-layer DVD-9 discs.

30. DELUXE MEDIA is therefore liable for direct infringement of the Patents-in-Suit pursuant to 35 U.S.C § 271(a).

31. The acts of infringement by DELUXE MEDIA have caused and will continue to cause damage to LDUSA. LDUSA is entitled to recover damages from DELUXE MEDIA in an amount not less than a reasonable royalty pursuant to 35 U.S.C. § 284. The full measure of damages sustained as a result of DELUXE MEDIA's wrongful acts will be proven at trial.

COUNT II: INFRINGEMENT OF THE PATENTS-IN-SUIT BY DELUXE GROUP

32. Plaintiff incorporates the preceding paragraphs as if fully set forth herein.

33. LDUSA is the owner by assignment of the Patents-in-Suit, and has the right to sue and recover damages for infringement thereof.

34. DELUXE GROUP is not licensed under the Patents-in-Suit, yet DELUXE GROUP knowingly, actively, and lucratively practices the claimed inventions of the patents.

35. On information and belief, DELUXE GROUP has been and is now directly infringing at least claims 1-4 and 6 of the '927 patent, claims 3 and 12 of the '469 patent, and/or claims 12, 14, 16, 22, 24, and 26 of the '629 patent by making, using, importing, providing, supplying, distributing, selling and/or offering to sell infringing products. DELUXE GROUP's infringing products include, but are not limited to, at least dual-layer DVD-9 discs.

36. DELUXE GROUP is therefore liable for direct infringement of the Patents-in-Suit pursuant to 35 U.S.C § 271(a).

37. The acts of infringement by DELUXE GROUP have caused and will continue to cause damage to LDUSA. LDUSA is entitled to recover damages from DELUXE GROUP in an amount not less than a reasonable royalty pursuant to 35 U.S.C. § 284. The full measure of

damages sustained as a result of DELUXE GROUP's wrongful acts will be proven at trial.

PRAYER FOR RELIEF

WHEREFORE, LDUSA prays for the judgment in its favor against Defendants, individually and jointly and severally, granting LDUSA the following relief:

A. Entry of judgment in favor of LDUSA against Defendants on all counts;

B. Entry of judgment that DELUXE has infringed the Patents-in-Suit;

C. Award of compensatory damages adequate to compensate LDUSA for Defendants' infringement of the Patents-in-Suit, in no event less than a reasonable royalty as provided by 35 U.S.C. § 284;

D. LDUSA's costs;

E. Pre-judgment and post-judgment interest on LDUSA's award; and

All such other and further relief as the Court deems just or equitable.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38 of the Fed. R. Civ. Proc., Plaintiff hereby demands trial by jury in this action of all claims so triable.

Dated: New York, New York
February 17, 2016

Respectfully submitted,

KHEYFITS P.C.

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