# UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

KARL STORZ ENDOSCOPY-AMERICA, INC.	) ) )
Plaintiff,	) Civil Action No. 1:17-cv-05607
v.	) COMPLAINT
SYNAPTIVE MEDICAL, INC.,	) )
Defendant.	) JURY TRIAL DEMANDED
	)

## **COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiff Karl Storz Endoscopy-America, Inc. ("KSEA" or "Plaintiff") brings this action against Defendant Synaptive Medical, Inc. ("Synaptive" or "Defendant") and alleges as follows:

## **STATEMENT OF THE CASE**

- 1. This is an action for patent infringement in violation of the Patent Laws of the United States, 35 U.S.C. § 271 *et seq.*, and seeking injunctive relief and damages under 35 U.S.C. §§ 283 285, arising from Synaptive's unauthorized use of KSEA's patented technology in connection with Synaptive's making, using, actively inducing others to use, importing, offering to sell, and/or selling infringing products.
- 2. KSEA brings this action to protect its reputation as an innovator, retain control over its intellectual property, prevent its technology from being unlawfully exploited by Synaptive, and to avoid irretrievably lost sales.
- 3. KSEA hereby seeks: (1) injunctive relief against Synaptive's continued unauthorized, improper and willful commercial use and exploitation of its patented technology;

and (2) all damages arising from Synaptive's past and present infringement, including all statutory damages, and KSEA's attorneys' fees and costs for having to bring this suit to enforce its rights.

#### **PARTIES**

- KSEA is a California corporation having a principal place of business at 2151 E.
  Grand Avenue, El Segundo, California 90245.
- 5. Upon information and belief, Synaptive is a Canadian corporation having a principal place of business at 555 Richmond Street West, Suite 800, Toronto, Ontario M5V 3B1, Canada.

## **JURISDICTION AND VENUE**

- 6. This Court has jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338. This Court also has diversity jurisdiction under 28 U.S.C. § 1332 because KSEA is a California corporation and Synaptive is a foreign corporation, and because the amount in controversy exceeds \$75,000.00, exclusive of interest and costs.
- 7. Synaptive has been doing business in this District, and has been and is advertising, distributing, offering for sale, and selling products that infringe KSEA's patent rights to persons located within this District.
- 8. Synaptive markets its products through physical sales and its operation of an interactive website, available at <a href="https://www.synaptivemedical.com">www.synaptivemedical.com</a>. Synaptive's website is publicly accessible to consumers in New York and those throughout the U.S. Synaptive attends tradeshows in New York and sells its products to consumers in New York, including the infringing products at issue in this litigation.
  - 9. This Court has personal jurisdiction over Synaptive because, *inter alia*, Synaptive:

- (1) transacts business within this District; (2) contracts to supply goods or services in this District; (3) has committed a tortious act within this District; (4) has committed a tortious act causing injury to KSEA within this District; (5) regularly does or solicits business, or engages in other persistent course of conduct, or derives substantial revenue from goods used or consumed or services rendered, in this District; (6) expects or should reasonably expect their acts to have consequences in this District and derives substantial revenue from interstate or international commerce; (7) has systematic and continuous contacts with this District; (8) continues to transact and do business in this District; and (9) has websites and social media accounts that are accessible in this District.
- 10. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b) and (c) and/or 1400(b). Furthermore, Synaptive has committed acts of infringement in this District and has a regular and established place of business in this District.

#### FACTS COMMON TO ALL CLAIMS FOR RELIEF

## **The Infringing BrightMatter Servo Products**

- 11. In or about 2012, Synaptive began selling its BrightMatter Servo System in the U.S.
- 12. BrightMatter Servo System includes several products marketed by Synaptive under the BrightMatter name, including the BrightMatter Drive and BrightMatter Vision products.
- 13. Synaptive has sold and offered for sale, and continues to sell and offer for sale the BrightMatter Servo System to KSEA's past and potential customers.
- 14. The BrightMatter Servo System, including the BrightMatter Drive and BrightMatter Vision products, is manufactured by Synaptive.

15. Upon information and belief, Synaptive is the sole distributor in the U.S. of the BrightMatter Servo System, including the BrightMatter Drive and Vision products.

# The '360 Patent and KSEA's Products

- 16. KSEA is the owner of U.S. Pat. No. 9,468,360 ("the '360 patent"), attached hereto as Exhibit A, entitled "Video System For Viewing An Object On A Body," which was duly and legally issued by the U.S. Patent and Trademark Office on October 18, 2016 from U.S. Pat. App. No. 14/535,095.
- 17. U.S. Pat. App. No. 14/535,095 published on March 5, 2015 as U.S. Pat. Pub. No. 2015/0062317.
- 18. The '360 patent claims priority to U.S. Pat. App. No. 11/758,962, filed on June 6, 2007, now U.S. Pat. No. 8,982,203 (the "'203 patent"). U.S. Pat. App. No. 11/758,962 published on December 11, 2008 as U.S. Pat. Pub. No. 2008/0303899.
- 19. The '203 patent is currently the subject of Reissue App. No. 15/459,782, filed on March 15, 2017 with the U.S. Patent and Trademark Office.
- 20. International Pat. App. No. PCT/US08/007160, filed on June 6, 2008, which published on December 18, 2008 as International Pat. Pub. No. WO 2008/153969, claims the priority to the '203 patent.
- 21. Upon information and belief, Synaptive copied the technology of the '360 patent when developing the BrightMatter Servo system, including the BrightMatter Drive and BrightMatter Vision products.
- 22. Upon information and belief, Synaptive was aware of the '360 patent at the time of its issuance.
  - 23. Upon information and belief, Synaptive was aware of the U.S. application that

matured into the '360 patent at the time of its publication in March 2015.

- 24. Upon information and belief, Synaptive was aware of the '203 patent at the time of its issuance.
- 25. Upon information and belief, Synaptive was aware of the U.S. application that matured into the '203 patent as early as the time of its publication in December 2008.
- 26. Upon information and belief, Synaptive was aware of International Pat. App. No. PCT/US08/07160 as early as the time of its publication in December 2008.

# COUNT I Infringement of the '360 Patent

- 27. KSEA repeats and re-alleges each and every allegation in the foregoing paragraphs as if fully set forth herein.
  - 28. Synaptive is not authorized by KSEA to use the technology of the '360 patent.
- 29. Upon information and belief, Synaptive has been and still is directly infringing one or more claims of the '360 patent under 35 U.S.C. § 271(a) by making, using, selling, offering for sale, and/or importing infringing products without the authorization of KSEA.
- 30. Upon information and belief, Synaptive has been and still is actively inducing others to infringe one or more claims of the '360 patent under 35 U.S.C. § 271(b) through the sale, promotion, and/or instruction for use of infringing products. Upon information and belief, Synaptive's sale, promotion, and/or instruction for use of infringing products have been and are made with the specific intent that those products be used to infringe the '360 patent.
- 31. Synaptive is jointly and severally liable with end-users who use Synaptive's infringing products to infringe the '360 patent.
- 32. Upon information and belief, Synaptive has not indemnified end-users for their infringement.

- 33. Upon information and belief, Synaptive has purposefully and voluntarily placed infringing products in the stream of commerce with the expectation that those products will be purchased by end users in this District and elsewhere in the U.S.
- 34. Upon information and belief, Synaptive has been and still is contributing to the infringement of one or more claims of the '360 patent by others under 35 U.S.C. § 271(c) through the sale, promotion, and/or instruction for use of infringing products. Upon information and belief, Synaptive's infringing products are material to practicing the invention of the '360 patent, have no substantial non-infringing uses, and are known to Synaptive to be especially made or especially adapted for use in infringing the '360 patent.
- 35. These allegations are based on KSEA's current understanding of Synaptive's products and KSEA reserves to the right to amend them as more information becomes available.
- 36. Synaptive's infringing products include the BrightMatter Servo System. Regarding representative claim 9 of the '360 patent, on information and belief, the BrightMatter Servo System is a video system for viewing an object on a body. On information and belief, the BrightMatter Servo System has an image receiving device having a lens for capturing an image and an eyepiece located at a proximal end of said image receiving device, the image transmitted through said eyepiece. On information and belief, BrightMatter Servo System has a camera attachable to said eyepiece for receiving the image and generating an image signal. On information and belief, the BrightMatter Servo System has a camera control unit attached to said camera head for receiving the image signal. On information and belief, in the BrightMatter Servo System, said image receiving device held at a distance ranging from 100 mm to 300 mm away from the object. On information and belief, the BrightMatter Servo System has at least one light port attached to said image receiving device for transmitting illuminating light. On information and

belief, in the BrightMatter Servo System, illuminating light is transmitted through said light port for illuminating the object.

- 37. Synaptive's infringement continues in willful disregard of KSEA's rights, making this case exceptional under 35 U.S.C. § 285.
  - 38. Synaptive had notice of the '360 patent since it issued on October 18, 2016.
- 39. Synaptive had notice of the patent applications underlying the '360 patent since before their infringement began. Under 35 U.S.C. §154(d), Synaptive is liable for a reasonable royalty that adequately compensates KSEA for infringements during the period between the dates of publication of the underlying patent applications and the issuance of the '360 patent.
- 40. KSEA has suffered and continues to suffer damage from loss of sales and customers by Synaptive's infringement of the '360 patent, and claims all damages to which it is entitled, including but not limited to lost sales and profits and reasonable royalties.
- 41. The harm to KSEA resulting from the infringing acts of Synaptive is irreparable, continuing, not fully compensable by money damages, and will continue unless permanently enjoined by this Court.

#### PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment as follows:

- A. That judgment be entered in favor of Plaintiff and against Synaptive on each and every Claim in this Complaint;
- B. That Synaptive be adjudicated and decreed to have infringed, contributed to the infringement of, and/or induced the infringement of the '360 patent;
- C. That a permanent injunction be entered against Synaptive, its officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with

Synaptive who receive actual notice of the injunction by personal service or otherwise, from any further infringement of the '360 patent pursuant to 35 U.S.C. § 283;

- D. That Plaintiff be awarded its damages, suffered by reason of the infringements by Synaptive, together with prejudgment interest;
- E. That the damages awarded to Plaintiff be trebled pursuant to 35 U.S.C. § 284 due to the willful acts of infringement complained of herein;
  - F. That this be declared an exceptional case pursuant to 35 U.S.C. § 285;
  - G. That Plaintiff be awarded its attorneys' fees and costs; and
- H. That Plaintiff be awarded any other and further relief that this Court may deem just and proper or otherwise permitted by law.

#### **JURY DEMAND**

Plaintiff demands a trial by jury on all claims and issues so triable.

Respectfully submitted,

Date: July 24, 2017 /s/ Wesley W. Whitmyer, Jr.

Wesley W. Whitmyer (Bar No. WW2773) Michael J. Kosma (Bar No. MK1979) Robert D. Keeler (Bar No. RK1343)

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