

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

HYOSUNG TNS INCORPORATED,

Plaintiff,

v.

DIEBOLD NIXDORF, INCORPORATED,

Defendant.

Civil Action No. 3:16-cv-364

Jury Trial Demanded

FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Hyosung TNS Inc. for its Complaint allege as follows:¹

THE PARTIES

1. Plaintiff Hyosung TNS Inc. (“Hyosung”), formerly known as Nautilus Hyosung Inc., is a corporation organized under the laws of South Korea, having a principal place of business at 281 Gwangpyeong-ro, Gangnam-Gu, Seoul, South Korea. Hyosung is a global technology company that is a leader in the design, development, manufacture and support of a wide range of self-service banking solutions including ATMs and modules thereof.

2. On information and belief, Defendant Diebold Nixdorf, Incorporated (“Diebold”), formerly known as Diebold, Incorporated, is an Ohio corporation having a principal place of business at 5995 Mayfair Road, North Canton, OH 44720. According to its website (www.diebold.com), Diebold offers a broad range of ATMs, ATM modules, and components

¹ This First Amended Complaint is being filed pursuant to Fed. R. Civ. P. 15(a)(2), which provides that “a party may amend its pleading ... with the opposing party's written consent....” Defendant provided its consent to amend on March 25, 2019.

thereof, including but not limited to the ActivMedia module, Cash/Check Deposit Module v2 (“CCDM v2”) and ATMs containing the same.

JURISDICTION AND VENUE

3. This action arises under the patent laws of the United States, 35 U.S.C. § 1 *et seq.*, and thus this Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

4. This Court has personal jurisdiction over Defendant Diebold for at least the following reasons: (i) Diebold has committed acts of patent infringement and/or contributed to or induced acts of patent infringement by others in this District and continues to do so; (ii) Diebold regularly does business or solicits business, engages in other persistent courses of conduct, and/or derives substantial revenue from products and/or services provided to individuals in this District and in this State; and (iii) Diebold has purposefully established substantial, systematic and continuous contacts with this District and expects or should reasonably expect to be subjected to this Court’s jurisdiction.

5. Venue is proper in this District under 28 U.S.C. §§ 1391 and 1400(b). Diebold is subject to personal jurisdiction in this District, and has made, used, sold, and/or offered for sale ATMs, including Diebold Nixdorf CS 7700, Diebold Nixdorf CS 7750, Diebold Nixdorf CS 7780, Diebold Nixdorf CS 7790, Diebold Nixdorf CS 9900, and other models that contain Diebold’s ActivMedia module, CCDM v2 module, or other cash and check depositing modules in this District thus committing acts of patent infringement in this District. Diebold also has a regular and established place of business in this District, as detailed below.

6. On information and belief, Diebold maintains a regular and established place of business at 8700 Freeport Parkway, Irving, Texas, 75063, in this District. (**Exhibit A**, Certificate of Occupancy). On information and belief, that location serves as the primary or exclusive place

of business for approximately twenty Diebold employees, including personnel who manage sales, repairs, and maintenance for Diebold ATMs located within this District. On information and belief, that location is also used to store components and literature used by Diebold employees to operate, repair, and maintain Diebold ATMs located within this District.

7. Moreover, Nautilus Hyosung America Inc. (“NHA”)—a wholly-owned subsidiary of Hyosung TNS Inc.—has its principal place of business in this district.

GENERAL ALLEGATIONS

8. For more than thirty years since its founding in 1979, Hyosung has been known as a total financial solutions provider in the market. In particular, it has designed, developed, manufactured and supported a wide range of self-service banking solutions, including automatic teller machines (“ATMs”) and modules and components thereof. Hyosung retains numerous intellectual property rights covering hardware, software, and mechatronics technologies relating to financial automation solutions.

9. Among Hyosung’s innovative ATM technologies are enhanced deposit automation, efficient cash handling, and simplified paper media transport. Hyosung’s ATM modules that implement its enhanced deposit technology include, but are not limited to, the Cash and Check in Module (“CCiM”) that is capable of accepting cash and checks in a bundle together. As a result of these innovations, Hyosung’s ATMs have enjoyed success in the global marketplace.

10. Plaintiff Hyosung owns all rights, titles, and interests in and to United States Patent 8,523,235 (“the ’235 Patent” or “the Asserted Patent”). The ’235 Patent is valid and enforceable.

11. The Asserted Patent relates generally to various aspects of an automated teller machine, and in particular is directed generally to depositing mixed bundles of cash and checks.

12. Diebold directly infringes at least claims 1, 2, 3, 6, 8, and 9 of the '235 Patent (collectively "the Asserted Claims"), by acting without authority to make, have made, use, offer to sell, sell within the United States, or import into the United States, ATMs, ATM modules and components thereof, and products containing the same, including but not limited to Diebold's ActivMedia module, CCDM v2 module, and ATMs containing the same ("the Accused Products").

13. Diebold also induces, and continues to induce, infringement of the Asserted Claims with the specific intent that these acts infringe the Asserted Claims. On information and belief, Diebold actively induces others to infringe one or more of the Asserted Claims through its sale of the Accused Products to customers in the United States. Diebold encourages and facilitates the infringement of the Asserted Claims by offering and distributing directions, demonstrations, guides, manuals, training for use, and other materials with the Accused Products that encourage the infringing use of the Accused Products.

14. Diebold induced such infringing acts and knew or should have known that its actions would induce actual infringement of the Asserted Patent. Upon information and belief, Diebold had actual notice of the Asserted Patent no later than February 9, 2016 when Hyosung provided Diebold with copies of the Asserted Patent and provided claim charts for the Asserted Patent explaining how Diebold infringed and/or induced its customers and users to infringe the Asserted Patent.

15. Diebold also contributorily infringes certain Asserted Claims through its sale and offers to sell within the United States and/or import into the United States components of the Accused Products, constituting a material part of the Asserted Claims, knowing the same to be especially made or especially adapted for use in an infringement of the Asserted Patent, and not a

staple article or commodity of commerce suitable for substantial non-infringing use. For example, on information and belief, the Accused Products and/or components thereof are specifically designed for automated banking transactions such as a deposit or withdrawal of paper money. Due to their specific designs, the Accused Products and/or components thereof do not have any substantial non-infringing uses.

16. Diebold sells the Accused Products with the knowledge that the devices infringe. Upon information and belief, Diebold had actual notice of the Asserted Patent no later than February 9, 2016 when Hyosung provided Diebold with copies of the Asserted Patent and provided claim charts for the Asserted Patent explaining how Diebold infringed and/or induced its customers and users to infringe the Asserted Patent.

FIRST CLAIM FOR RELIEF
Infringement of U.S. Patent No. 8,523,235

17. Plaintiff incorporates by reference the allegations set forth in paragraphs 1 through 16 above as if specifically set forth herein.

18. The '235 Patent is entitled "Cash and Cheque Automatic Depositing Apparatus" and duly and legally issued on September 3, 2013. The '235 Patent issued from U.S. Patent Application Serial No. 11/588,357, filed on October 27, 2006. The inventors of the '235 Patent are Jae Hoon Kwak and Woo Ho Lee. A true and correct copy of the '235 Patent is attached to this Complaint as **Exhibit B**.

19. Plaintiff Hyosung is the owner, by valid assignment, of the entire right, title and interest in and to the '235 Patent. This assignment is recorded at the United States Patent and Trademark Office at Reel/Frame 018483/0680. The change of name from Nautilus Hyosung Inc. to Hyosung TNS Inc. is recorded at the United States Patent and Trademark Office at Reel/Frame 046969/0452. The '235 Patent is valid, enforceable, and is currently in full force and effect.

20. Diebold has directly infringed at least claims 1, 2, 3, 6, 8, and 9 of the '235 Patent, literally and/or under the doctrine of equivalents, in violation of 35 U.S.C. § 271. The infringing products include, but are not limited to ATMs including Diebold Nixdorf CS 7700, Diebold Nixdorf CS 7750, Diebold Nixdorf CS 7780, Diebold Nixdorf CS 7790, Diebold Nixdorf CS 9900, and other models containing Diebold's ActivMedia module, CCDM v2 module, or other cash and check depositing modules. The infringement remains ongoing.

21. In the interest of providing detailed averments of infringement, Hyosung has provided a claim chart demonstrating infringement of exemplary claim 1 of the '235 patent by one exemplary Accused Product. That exemplary claim chart is attached to this Complaint as **Exhibit C**. The selection of an exemplary claim and an exemplary Accused Product should not be considered limiting, and any additional infringing Accused Products and/or infringed claims of the '235 patent will be disclosed in compliance with the Court's rules related to infringement contentions.

22. In addition to its direct infringement, Diebold has been and is now indirectly infringing by way of inducing infringement and/or contributing to the infringement of one or more claims of the '235 Patent. As a non-limiting example, Diebold markets its ATMs with ActivMedia and/or CCDM v2 modules to the public, including in advertising materials for its Diebold Nixdorf CS 7700, Diebold Nixdorf CS 7750, Diebold Nixdorf CS 7780, and Diebold Nixdorf CS 7790 ATMs.

ActivMedia Mixed Media Deposit Module

- Mixed bundle deposit, up to 75 notes/checks
- MICR and OCR recognition
- Banknote validation in compliance with ECB Article 6
- Options: fit/unfit test

(**Exhibit D**, Diebold Nixdorf CS 7700 / CS 7750, <https://www.dieboldnixdorf.com/en-us/financial-institutions/systems/intelligent-deposits/cs-7700-cs-7750>. See also **Exhibit E**, Diebold Nixdorf CS 7780, <https://www.dieboldnixdorf.com/en-us/financial-institutions/systems/intelligent-deposits/cs-7780>; **Exhibit F**, Diebold Nixdorf CS 7790, <https://www.dieboldnixdorf.com/en-us/financial-institutions/systems/intelligent-deposits/cs-7790>.)

23. In addition to marketing ATMs containing these modules, Diebold provides documentation to customers instructing them how to install these infringing products. (See **Exhibit G**, ActivMedia Side Car For Installation Next To Diebold Nixdorf 9900, http://www2.diebold.com/pas/cut_sheets/cut_sheet_files/Self%20service%20terminals%20-%20ATMs/DieboldPerformance/177641r02.pdf; **Exhibit H**, Product Cut Sheets, Self Service Terminals: Intelligent Deposit, http://www2.diebold.com/pas/cut_sheets/self_service_terminals/DNIntelligentDeposit.htm.)

24. As a consequence of Diebold's infringement, Plaintiff is entitled to recover damages adequate to compensate it for the injuries complained of herein, but in no event less than a reasonable royalty.

25. On information and belief, Diebold's infringement is willful, deliberate, and intentional, because it has had actual and/or constructive knowledge of the '235 Patent before the filing of this Complaint, and it has no good faith belief in non-infringement.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in Plaintiff's favor against Defendant and issue an order that includes:

- A. Enter judgment that Defendant has infringed one or more claims of the '235 patent;
- B. Enter judgment that Defendant's infringement of the patent-in-suit has been willful, deliberate, and intentional;

C. Enter an order, pursuant to 35 U.S.C. § 284, awarding to Plaintiff damages adequate to compensate for Defendant's infringement of the Asserted Patent in an amount to be determined at trial, but not less than a reasonable royalty;

D. Enter an order, pursuant to 35 U.S.C. § 284, trebling damages awarded to Plaintiff to the extent Defendant's infringement of the patents-in-suit is determined to have been willful;

E. Enter an order, pursuant to 35 U.S.C. § 285, deeming this to be an "exceptional case" and thereby awarding to Plaintiff its reasonable attorneys' fees, costs, and expenses;

F. Enter an order that Defendant account for and pay to Plaintiff the damages to which Plaintiff is entitled as a consequence of the infringement, including any damages not covered by the jury verdict;

G. Enter an order awarding to Plaintiff pre- and post-judgment interest at the maximum allowable rates allowable under the law;

H. A permanent injunction enjoining Defendant, its officers, agents, servants, employees, attorneys, and those persons in active concert or participation with any of them, from infringing in any manner the patents-in-suit; and

I. Enter an order awarding to Plaintiff such other and further relief, whether at law or in equity, that this Court deems just and proper.

JURY DEMAND

Plaintiff hereby demands a trial by jury for all issues so triable.

Date: March 27, 2019

Respectfully submitted,

/s/ Eric W. Pinker, P.C.

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COUNSEL FOR PLAINTIFF

CERTIFICATE OF SERVICE

I hereby certify that on March 27, 2019, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF System, which will send notification of such filing to all CM/ECF participants. I further certify that I have served via e-mail PDF to all non-CM/ECF participants.

/s/ Eric W. Pinker, P.C.

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