

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

CANON INC.,

Plaintiff,

v.

OPTIMUM IMAGING TECHNOLOGIES
LLC,

Defendant.

Civil Action No. 1:20-cv-01238-LY

**CANON INC.’S FIRST AMENDED COMPLAINT FOR
DECLARATORY JUDGMENT OF UNENFORCEABILITY**

Plaintiff Canon Inc. (“Canon”) hereby files this first amended complaint for declaratory judgment of unenforceability as to U.S. Patent No. 10,873,685 (“the ’685 Patent”), U.S. Patent No. 10,877,266 (“the ’266 Patent”), and U.S. Patent No. 10,877,267 (“the ’267 Patent”) (collectively, the “Patents-in-Suit”) against Defendant Optimum Imaging Technologies LLC (“OIT”), and in support of its first amended complaint alleges as follows:

NATURE OF THE ACTION

1. This is an action arising under the patent laws of the United States, 35 U.S.C. § 1 *et. seq.* and the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202, seeking a declaratory judgment of unenforceability of the Patents-in-Suit, together with such other relief as the Court deems just and proper.

2. A true and correct copy of the ’685 Patent is attached hereto as Exhibit A.

3. A true and correct copy of the ’266 Patent is attached hereto as Exhibit B.

4. A true and correct copy of the ’267 Patent is attached hereto as Exhibit C.

THE PARTIES

5. Canon is a corporation organized and existing under the laws of Japan. Its principal place of business is located at 30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo 146-8501, Japan.

6. On information and belief, OIT is a limited liability company organized and existing under the laws of Texas, with a principal place of business located at 8701 Shoal Creek Blvd # 401, Austin, Texas 78757.

JURISDICTION AND VENUE

7. This Court has exclusive subject matter jurisdiction over this action pursuant to federal question jurisdiction, 28 U.S.C. §§ 1331 and 1338(a), the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202, and the Patent Laws of the United States, 35 U.S.C. § 1 *et seq.*

8. An actual and justiciable controversy exists between Canon and OIT of sufficient immediacy and reality to warrant a declaration of rights by this Court. As set forth herein, an actual case and controversy exists as to the alleged enforceability of the claims of the Patents-in-Suit.

9. This Court has subject matter jurisdiction over this action based on a real and immediate controversy between Canon and OIT regarding whether the Patents-in-Suit are unenforceable. As described in more detail below, this controversy arises out of OIT's infringement assertions against Canon with respect to patents related to the Patents-in-Suit, where OIT has alleged that its patents cover technologies implemented by Canon's entire line of digital cameras and digital video cameras.

10. This Court has personal jurisdiction over OIT because, on information and belief, OIT is a Texas limited liability company with its principal place of business in Austin, Texas, and a registered agent with an address in Austin, Texas.

11. Venue is proper in this Court under 28 U.S.C. § 1391 because OIT has its principal place of business in this district and is subject to personal jurisdiction in this district.

FACTUAL BACKGROUND

12. The '685 Patent, titled "Digital Imaging System for Correcting Video Image Aberrations," issued on December 22, 2020. The '685 Patent has a filing date of December 2, 2012, and lists Neal Solomon as the sole inventor.

13. The '685 Patent issued from U.S. Patent Application No. 13/691,805 ("the '805 Application").

14. The '805 Application is a continuation of U.S. Patent Application No. 12/586,221, filed on September 18, 2009, which issued as U.S. Patent No. 8,451,339 ("the '339 Patent"), which itself is a continuation of U.S. Patent Application No. 11/825,521, filed on July 6, 2007, which issued as U.S. Patent No. 7,612,805 ("the '805 Patent").

15. The '266 Patent, titled "Digital Camera With Wireless Image Transfer," issued on December 29, 2020. The '266 Patent has a filing date of November 22, 2019, and lists Neal Solomon as the sole inventor.

16. The '266 Patent issued from U.S. Patent Application No. 16/692,972 ("the '972 Application").

17. The '972 Application is a continuation of the '805 Application, filed on December 2, 2012, which issued as the '685 Patent, which itself is a continuation of U.S. Patent Application No. 12/586,221, filed on September 18, 2009, which issued as the '339 Patent,

which itself is a continuation of U.S. Patent Application No. 11/825,521, filed on July 6, 2007, which issued as the '805 Patent.

18. The '267 Patent, titled "Wireless Device With Built-in Camera and Updatable Camera Software for Image Correction," issued on December 29, 2020. The '267 Patent has a filing date of November 25, 2019, and lists Neal Solomon as the sole inventor.

19. The '267 Patent issued from U.S. Patent Application No. 16/694,850 ("the '850 Application").

20. The '850 Application is a continuation of the '805 Application, filed on December 2, 2012, which issued as the '685 Patent, which itself is a continuation of U.S. Patent Application No. 12/586,221, filed on September 18, 2009, which issued as the '339 Patent, which itself is a continuation of U.S. Patent Application No. 11/825,521, filed on July 6, 2007, which issued as the '805 Patent.

21. Each of the '685 Patent, '266 Patent, '267 Patent, '805 Patent, and '339 Patent purport to claim priority to U.S. Provisional Patent Application No. 60/807,065, filed on July 11, 2006.

22. On information and belief, OIT is the sole assignee of the Patents-in-Suit.

23. OIT claims to own both the '339 and '805 Patents as well. *See Optimum Imaging Technologies LLC v. Canon Inc.*, E.D. Tex. Case No. 2:19-cv-00246-JRG, D.I. 1 at ¶ 13.

24. The '805 Patent, titled "Digital Imaging System and Methods For Selective Image Filtration," issued on November 3, 2009. The '805 Patent lists Neal Solomon as the sole inventor.

25. The '339 Patent, titled “Digital Imaging System for Correcting Image Aberrations,” issued on May 28, 2013. The '339 Patent also lists Neal Solomon as the sole inventor.

26. Each of the '685 Patent, '266 Patent, '267 Patent, '805 Patent, and '339 Patent share a common specification.

27. The '685 Patent and '339 Patent also share a common abstract:

A system is disclosed for the automated correction of optical and digital aberrations in a digital imaging system. The system includes (a) digital filters, (b) hardware modifications and (c) digital system corrections. The system solves numerous problems in still and video photography that are presented in the digital imaging environment.

28. The claims of the '685, '266, '267, '805, and '339 Patents relate generally to image correction in digital imaging and/or video systems.

29. On July 8, 2019, OIT filed a complaint against Canon alleging infringement of the '805 and '339 Patents. *See Optimum Imaging Technologies LLC v. Canon Inc.*, E.D. Tex. Case No. 2:19-cv-00246-JRG, D.I. 1. In this litigation (“the E.D. Tex. litigation”), OIT has asserted that Canon’s entire line of digital still cameras and digital video cameras infringe the '805 and '339 Patents due to their incorporation of in-camera aberration correction technology, a specific type of image correction technology. *See Optimum Imaging Technologies LLC v. Canon Inc.*, E.D. Tex. Case No. 2:19-cv-00246-JRG, D.I. 1 at ¶¶ 19-20.

30. The first Canon digital still cameras and digital video cameras with in-camera aberration correction functionality—namely, the PowerShot SD300 Digital ELPH, PowerShot SD200 Digital ELPH, and ZR80, ZR85, and ZR90—were first sold in the United States in 2004. Canon digital still cameras and digital video cameras with in-camera aberration correction functionality remain available for sale in the United States to this day.

31. There are 150+ Canon products at issue in the E.D. Tex. litigation, including Canon digital still cameras that include DIGIC 4, DIGIC 4+, DIGIC 5, DIGIC 5+, DIGIC 6, DIGIC 6+, DIGIC 7, and DIGIC 8 imaging engines, and Canon digital video cameras that include DIGIC DV III, DIGIC DV 4, DIGIC DV 5, DIGIC DV 6, and DIGIC DV 7 imaging engines (collectively, “the E.D. Tex. Products”). *See Optimum Imaging Technologies LLC v. Canon Inc.*, E.D. Tex. Case No. 2:19-cv-00246-JRG, D.I. 163 at 6.

32. Each independent claim of the ’685 Patent requires “a digital video camera,” and OIT’s litigation assertions against Canon with respect to the ’805 and ’339 Patents demonstrate OIT’s intent to enforce the ’685 Patent against, at least, Canon’s digital video camera products that include any of the DIGIC DV III, DIGIC DV 4, DIGIC DV 5, DIGIC DV 6, and DIGIC DV 7 imaging engines (“Canon Digital Video Camera Products”).

33. The Canon Digital Video Camera Products include, at minimum, the VIXIA HF G60, XA55, XA50, XA45, XA40, VIXIA HF G50, XF705, XA15, XA11, VIXIA HF G21, XF405, XF400, VIXIA GX10, VIXIA HF R82, VIXIA HF R800, VIXIA HF R80, XC15, ME200S-SH, VIXIA HF R72, VIXIA HF R700, VIXIA HF R70, VIXIA HF G40, ME20F-SH, XC10, VIXIA mini X, VIXIA HF G20, EOS C700 FF, EOS C700 FF PL, EOS C500 Mark II, EOS C700, EOS C700 PL, EOS C700 GS PL, EOS C300 Mark II, EOS C300 Mark II PL, EOS C200, EOS C200B, and EOS C100 Mark II.

34. OIT’s litigation assertions against Canon with respect to the ’805 and ’339 Patents also demonstrate OIT’s intent to enforce the ’266 and ’267 Patents against, at least, the E.D. Tex. Products, given the relationship between the patents.

35. The foregoing facts and circumstances give rise to a reasonable apprehension of litigation on the part of Canon. There is now existing an actual, substantial justiciable controversy between the parties with respect to the '685 Patent, '266 Patent, and '267 Patent.

COUNT I

**(Declaratory Judgment of Unenforceability of the '685 Patent
Due to Inequitable Conduct)**

36. Canon incorporates by reference the allegations in paragraphs 1 through 35 as though fully set forth herein.

37. An actual and justiciable controversy exists between Canon and OIT concerning the '685 Patent.

38. The '685 Patent is unenforceable due to inequitable conduct that occurred during the prosecution of the '805 Application resulting in the issuance of the '685 Patent.

39. Neal Solomon filed the '805 Application with the U.S. Patent and Trademark Office ("PTO") on December 2, 2012. The '805 Application listed Neal Solomon as the sole inventor.

40. On January 3, 2013, the PTO mailed Mr. Solomon a "Notice To File Missing Parts Of Nonprovisional Application" (hereinafter, the "January 2013 Notice"), attached hereto as Exhibit D, informing Mr. Solomon that he had failed to pay his application fees and failed to include a proper inventor's declaration when filing the '805 Application. The PTO's January 2013 Notice set a two-month deadline for Mr. Solomon to reply with payment of the missing application fees (\$1,260) plus a late-payment surcharge (\$130).

41. On information and belief, Mr. Solomon received the January 2013 Notice shortly after it was mailed, well before the two-month deadline for responding, and made a conscious and deliberate decision not to respond. Accordingly, the '805 Application became abandoned.

42. On September 6, 2013, the PTO mailed to Mr. Solomon a “Notice of Abandonment Under 37 CFR 1.53(f) or (g)” (hereinafter, the “September 2013 Notice”), attached hereto as Exhibit E, advising him that the ’805 Application had been abandoned and that any petition to revive the ’805 Application “must be filed promptly after applicant becomes aware of the abandonment” and must include either a showing that the delay was “unavoidable” or “a statement that the entire delay was unintentional.” On information and belief, Mr. Solomon received the September 2013 Notice shortly after it was mailed.

43. Five years and five months later, on February 11, 2019, Mr. Solomon filed a “Petition for Revival of an Application for Patent Abandoned Unintentionally Under 37 CFR 1.137(b)” for the ’805 Application (hereinafter, the “February 2019 Revival Petition”), attached hereto as Exhibit F. In the February 2019 Revival Petition, Mr. Solomon represented that “[t]he entire delay in filing the required reply from the due date for the required reply until the filing of a grantable petition under 37 CFR 1.137(b) was unintentional.”

44. In a letter filed on the same date as the February 2019 Revival Petition, attached hereto as Exhibit G, Mr. Solomon explained that the ’805 Application was abandoned for lack of payment of application fees and represented that the “reason for the non-payment was economic constraints.”

45. On March 22, 2019, the PTO granted Mr. Solomon’s petition and revived the ’805 Application. In its decision, attached hereto as Exhibit H, the PTO stated:

37 CFR 1.137(b)(4) requires a statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to 37 CFR 1.137(a) was unintentional. Since the statement appearing in the petition varies from the language required by 37 CFR 1.137(b)(4), the statement is being construed as the required statement. Petitioner must notify the Office if this is **not** a correct reading of the statement appearing in the petition.

This application has been abandoned for an extended period of time. The U.S. Patent and Trademark Office is relying on petitioner's duty of candor and good faith and accepting the statement that "the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to 37 CFR 1.137 was unintentional." *See Changes to Representation of Others Before the United States Patent and Trademark Office*, 73 Fed. Reg. 47650 (August 14, 2008), 1334 Off. Gaz. Pat. Office 338 September 9, 2008) (applicant obligated under 37 CFR 11.18 to inquire into the underlying facts and circumstances when providing the statement required by 37 CFR 1.137 to the U.S. Patent and Trademark Office).

46. Mr. Solomon did not advise the PTO that its understanding of his petition was inaccurate. He, through his attorneys, thereafter prosecuted the '805 Application through to issuance as the '685 Patent.

47. On information and belief, and contrary to Mr. Solomon's representations to the PTO, neither Mr. Solomon's initial decision to let the '805 Application become abandoned, nor Mr. Solomon's nearly six-year delay in between the '805 Application becoming abandoned and his filing of the February 2019 Revival Petition, was unintentional. Rather, on information and belief, Mr. Solomon made a conscious and deliberate decision to allow the '805 Application to go abandoned in early 2013 and his delay in paying the application fees until February 2019 was intentional, as Mr. Solomon had adequate funds to make such payment well before filing his February 2019 Revival Petition.

48. On information and belief, Mr. Solomon knowingly and deliberately made affirmative misrepresentations to the PTO in his February 2019 Revival Petition and accompanying letter about the entire delay being "unintentional" and the non-payment being due to "economic constraints." Moreover, on information and belief, after receiving the PTO's March 22, 2019 Decision, Mr. Solomon knowingly and deliberately failed to disclose to the PTO that its understanding regarding the circumstances surrounding the duration of Mr. Solomon's delay in paying the missing application fee was inaccurate.

49. On information and belief, Mr. Solomon's statement of unintentional delay in his February 2019 Revival Petition and accompanying letter and his failure to disclose that his six-year delay in replying to the PTO's January 2013 Notice was not unintentional were material to the decision of the PTO to reinstate the '805 Application. Thus, Mr. Solomon's misrepresentations were also material to the decision of the PTO to issue the '685 Patent. But for Mr. Solomon's knowing and deliberate mispresentations, the PTO would not have accepted Mr. Solomon's revival petition, and the '805 Application would not have issued as the '685 Patent.

50. On information and belief, Mr. Solomon's statement of unintentional delay was knowingly false and intended to deceive the PTO, as Mr. Solomon's decision to abandon the '805 Application and his nearly six-year delay in reviving the '805 Application were not unintentional.

51. The application fees for the '805 Application could have been timely paid at anytime between December 2, 2012, when the '805 Application was filed, and March 3, 2013, when a response to the January 2013 Notice was due. On information and belief, Mr. Solomon had ample funds with which to pay the application fees during and after that window, but he decided not to, as shown by Mr. Solomon's payment of other prosecution-related fees for other patents in the same time frame (as discussed below). On information and belief, Mr. Solomon instead decided to allow the '805 Application to become and remain abandoned rather than to pay the application fees.

52. Mr. Solomon did not petition to revive the abandoned '805 Application until February 11, 2019. On information and belief, and as discussed below, in between December 2, 2012 (the date the '805 Application was filed) and February 11, 2019, Mr. Solomon chose to pay

prosecution-related fees for other of his patents and pending applications, including fees associated with the '805 Patent at issue in the E.D. Tex. litigation, which Mr. Solomon petitioned to revive in February 2017 at a cost of \$1,850 (after failing to pay a 3.5 year maintenance fee by November 4, 2013). Accordingly, on information and belief, Mr. Solomon could have afforded to pay the application fees for the '805 Application long before February 2019, but he intentionally delayed paying them.

53. In addition to the revival fees for the '805 Patent, in between December 2, 2012 and February 11, 2019, Mr. Solomon paid at least the following prosecution-related fees to the PTO: (1) the '339 Patent - \$1,170 Issue Fee on December 10, 2012; (2) US 8,478,677 - \$1,185 Issue Fee on January 14, 2013; (3) US 8,384,785 - \$1,185 Issue Fee on January 22, 2013; (4) US 8,395,668 - \$1,185 Issue Fee on February 11, 2013; (5) US 8,395,682 - \$1,185 Issue Fee on February 11, 2013; (6) US 8,400,531 - \$1,185 Issue Fee on February 12, 2013; (7) US 8,407,660 - \$1,185 Issue Fee on February 14, 2013; (8) US 8,472,230 - \$1,190 Issue Fee on May 21, 2013; (9) US 8,565,540 - \$1,190 Issue Fee on September 16, 2013; (10) US 8,570,381 - \$1,190 Issue Fee on September 23, 2013; (11) US 8,617,873 - \$1,190 Issue Fee on November 21, 2013; (12) US 8,623,638 - \$1,190 Issue Fee on November 29, 2013; (13) US 8,639,524 - \$1,190 Issue Fee on December 19, 2013; (14) the '339 Patent - \$880 Maintenance Fee on February 19, 2017; (15) US 8,384,785 - \$880 Maintenance Fee on February 19, 2017; (16) US 8,395,668 - \$880 Maintenance Fee on March 7, 2017; (17) US 8,395,682 - \$880 Maintenance Fee on March 7, 2017; (18) US 8,400,531 - \$880 Maintenance Fee on March 7, 2017; (19) the '805 Patent - \$1,880 Maintenance Fee on October 31, 2017.

54. Accordingly, on information and belief, Mr. Solomon knew that he could have afforded to pay the application fees for the '805 Application prior to it becoming abandoned on

March 4, 2013, and knew that he could have afforded to revive the '805 Application long before he filed his February 2019 Revival Petition. Accordingly, Mr. Solomon's statement in his February 2019 Revival Petition that his delay in replying to the PTO's January 2013 Notice was unintentional was knowingly false and intended to deceive the PTO. Moreover, his statement that his "reason for the non-payment [of the '805 Application fee] was economic constraints" was a knowing and deliberate misrepresentation to the PTO made with intent to deceive, as it misled the PTO into believing that Mr. Solomon would have liked to have timely paid the application fees, but could not afford to until February 2019, which was not the case. Further, Mr. Solomon's failure to clarify the PTO's understanding of the statements in his February 2019 Revival Petition and accompanying letter after Mr. Solomon received the PTO's March 22, 2019 Decision constitutes a knowing and deliberate withholding of material information from the PTO made with an intent to deceive.

55. Further supporting that Mr. Solomon's material misrepresentations with respect to his statements of unintentionality and economic constraints in connection with his revival of the '805 Application were intentional, Mr. Solomon was well aware of the requirements of PTO revival petitions by February 2019. *See Optimum Imaging Technologies LLC v. Canon Inc.*, E.D. Tex. Case No. 2:19-cv-00246-JRG, D.I. 170 at 7-13 (setting forth Mr. Solomon's extensive history in engaging in the practice of reviving expired patents).

56. On information and belief, Mr. Solomon's decision to abandon the '805 Application and his nearly six-year delay in reviving the '805 Application were not unintentional, and his statements to the contrary constitute knowing and deliberate material misrepresentations to the PTO.

57. All asserted claims of the '685 Patent are unenforceable due to this inequitable conduct during prosecution of the '805 Application.

58. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201 *et seq.*, Canon seeks a declaration that the '685 Patent is unenforceable due to inequitable conduct that occurred during the prosecution of the '685 Patent.

COUNT II

(Declaratory Judgment of Unenforceability of the '266 Patent Due to Inequitable Conduct)

59. Canon incorporates by reference the allegations in paragraphs 1 through 58 as though fully set forth herein.

60. An actual and justiciable controversy exists between Canon and OIT concerning the '266 Patent.

61. As described in Count I above, the '685 Patent is unenforceable due to inequitable conduct that occurred during the prosecution of the '805 Application resulting in the issuance of the '685 Patent.

62. The '266 Patent is a continuation of the '805 Application, and there is an immediate and necessary relation between Mr. Solomon's inequitable conduct in improperly reviving the '805 Application, and the issuance of the '266 Patent.

63. But for Mr. Solomon's inequitable conduct in prosecuting the '805 Application, the PTO would not have revived the '805 Application, and the '972 Application, which issued as the '266 Patent, would not have been able to be filed as a continuation claiming priority to the '805 Application.

64. All asserted claims of the '266 Patent are therefore unenforceable due to the inequitable conduct that occurred during the prosecution of the '685 Patent under the doctrine of infectious unenforceability.

65. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201 *et seq.*, Canon seeks a declaration that the '266 Patent is unenforceable.

COUNT III

(Declaratory Judgment of Unenforceability of the '267 Patent Due to Inequitable Conduct)

66. Canon incorporates by reference the allegations in paragraphs 1 through 58 as though fully set forth herein.

67. An actual and justiciable controversy exists between Canon and OIT concerning the '267 Patent.

68. As described in Count I above, the '685 Patent is unenforceable due to inequitable conduct that occurred during the prosecution of the '805 Application resulting in the issuance of the '685 Patent.

69. The '267 Patent is a continuation of the '805 Application, and there is an immediate and necessary relation between Mr. Solomon's inequitable conduct in improperly reviving the '805 Application, and the issuance of the '267 Patent.

70. But for Mr. Solomon's inequitable conduct in prosecuting the '805 Application, the PTO would not have revived the '805 Application, and the '850 Application, which issued as the '267 Patent, would not have been able to be filed as a continuation claiming priority to the '805 Application.

71. All asserted claims of the '267 Patent are therefore unenforceable due to the inequitable conduct that occurred during the prosecution of the '685 Patent under the doctrine of infectious unenforceability.

72. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201 *et seq.*, Canon seeks a declaration that the '267 Patent is unenforceable.

PRAYER FOR RELIEF

WHEREFORE, Canon prays for the following judgment and relief:

A. A declaration that each of the '685 Patent, '266 Patent, and '267 Patent is unenforceable;

B. An order declaring that Canon is the prevailing party and that this case is an exceptional case under 35 U.S.C. § 285, and awarding Canon its costs, expenses, and reasonable attorneys' fees under 35 U.S.C. § 285 and all other applicable statutes, rules, and common law, including this Court's inherent authority; and

C. Any other equitable and/or legal relief that this Court may deem just and proper.

Date: December 29, 2020

Respectfully submitted,

//s/ Michael P. Sandonato w/permission Andrea L. Fair

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CERTIFICATE OF SERVICE

The undersigned certifies that, on December 29, 2020, I electronically submitted the foregoing document with the clerk of court for the U.S. District Court, E.D. Tex., using the electronic case filing system of the court. I hereby certify that all counsel of record who have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3).

/s/ Andrea L. Fair
Andrea L. Fair