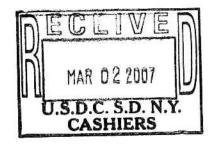
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Counsel for Plaintiff Lenovo (Singapore) Pte. Ltd.

## UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

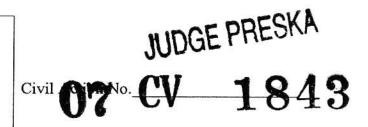
LENOVO (SINGAPORE) PTE. LTD.,

Plaintiff,

v.

CLEVO COMPUTER COMPANY,

Defendants.



#### COMPLAINT FOR BREACH OF CONTRACT AND PATENT INFRINGEMENT

Plaintiff Lenovo (Singapore) Pte. Ltd. ("Lenovo"), complaining of defendant Clevo Computer Corporation ("Clevo"), alleges as follows:

## PRELIMINARY STATEMENT

This is an action under the patent laws of the United States, 35 U.S.C. § 1
et seq., including 35 U.S.C. § 271 and to recover damages arising from Clevo's breach of
contract.

### THE PARTIES

- Plaintiff Lenovo is a corporation organized and existing under the laws of Singapore and maintains its principal place of business at 151, Lorong Chuan, #02-01, New Tech Park, Singapore 556741.
- 3. Upon information and belief, defendant Clevo is a corporation organized and existing under the laws of Taiwan, R.O.C., and maintains its principal place of business at 129, Hsing-Te Road, Sun Chung City 241, Taipei Hsien, Taiwan. Upon information and belief, Clevo also maintains, or at times relevant to the causes of action asserted herein has maintained, a place of business at 659 Brea Canyon Road, Suites 4 & 5, Walnut, CA 91789.

## JURISDICTION AND VENUE

- 4. The Court has personal jurisdiction over Clevo because it is (or, at all times relevant to the causes of action asserted herein, was) committing acts of infringement in this judicial district and doing business in this judicial district. The Court also has personal jurisdiction over Clevo pursuant to the New York long-arm statute, CPLR § 302(a)(1).
- This Court has subject matter jurisdiction over this action pursuant to 28
   U.S.C. §§ 1331, 1338(a), and 1367.

6. Venue is proper pursuant to 28 U.S.C. § 1391(a)(2) because a substantial part of the events or omissions giving rise to Lenovo's causes of action occurred in the Southern District of New York. Venue is also proper in the Southern District of New York pursuant to 28 U.S.C. §§ 1391(b) and (c) and 28 U.S.C. § 1400(b) because Clevo has committed acts of infringement in this judicial district.

#### **FACTS**

- 7. Pursuant to a written license agreement dated January 1, 1999 ("the License Agreement"), International Business Machines Corporation ("IBM") granted to Clevo a nonexclusive license for certain patents related to information handling systems. Under the terms of the License Agreement, Clevo paid IBM annual license fees for the right to make, use, import, offer for sale, sell and otherwise transfer licensed products. Pursuant to Section 6.8, the License Agreement is governed by the law of the State of New York.
- 8. The License Agreement was extended and modified by written agreements dated September 5, 2001 and December 2, 2003. Thus, as extended and modified, the License Agreement would have remained in effect until December 31, 2007.
- 9. Pursuant to the Payment Schedule appended to the Second Amendment dated December 2, 2003, Clevo was obligated to make a royalty payment in the amount of \$3,000,000 by August 31, 2006, and an additional \$3,000,000 by August 31, 2007.
- Lenovo acquired the Personal Computer Division of IBM on April 30,
   As part of this acquisition, IBM assigned to Lenovo, among other things, the right to receive and collect the royalties due under the License Agreement.

- 11. In breach of the License Agreement, Clevo has failed to pay either IBM or Lenovo the \$3,000,000 payment due on August 31, 2006 despite repeated demands for payment from IBM and Lenovo, and despite repeated assurances of payment by Clevo.
- 12. Under Section 3.4 of the License Agreement, Clevo is charged with interest for any late or delinquent payment.
- 13. In a letter mailed on January 5, 2007, Clevo terminated the License Agreement. Under Section 4.3 of the License Agreement, a notice of termination is effective on the day that the notice was mailed. Pursuant to the same Section, Clevo is liable for the pro rata portion of the 2007 payment, which is approximately \$41,059.89. Clevo has failed to pay the pro rata portion of the 2007 payment.
- 14. Under Section 4.5 of the License Agreement, Clevo remains liable for, among other things, the delinquent 2006 payment, interest accrued and accruing thereto, and the pro rata portion of the 2007 payment.
- 15. United States Patent No. 5,548,763 ("the '763 patent") was duly and lawfully issued on August 20, 1996. Lenovo is the owner of all right, title, and interest in the '763 patent, and in particular Lenovo has the right to bring this action to recover damages for infringement of the '763 patent. A true and correct copy of the '763 patent is attached hereto as Exhibit A.
- 16. United States Patent No. 5,513,359 ("the '359 patent") was duly and lawfully issued on April 30, 1996. Lenovo is the owner of all right, title, and interest in the '359 patent, and in particular Lenovo has the right to bring this action to recover damages for infringement of the '359 patent. A true and correct copy of the '359 patent is attached hereto as Exhibit B.

- 17. Clevo is infringing Lenovo's '763 and '359 patents (collectively the "Asserted Patents") by making, using, selling, offering for sale, importing and/or inducing others to use and sell infringing products, including at least at least Clevo's "MobilNote" and "PortaNote" products ("Infringing Products") within the United States and without Lenovo's permission.
- 18. Clevo is on notice that its making, using, selling and inducing others to use and sell the Infringing Products is infringing Lenovo's Asserted Patents. Upon information and belief, Clevo's infringement of the Asserted Patent is and has been willful, making this an exceptional case justifying the award of treble damages and attorneys fees pursuant to 35 U.S.C. § 285.

## COUNT ONE (Breach of Contract--License Agreement)

- 19. Lenovo realleges and incorporates paragraphs 1 through 18.
- 20. IBM and Clevo were parties to the License Agreement.
- 21. IBM has duly assigned the right to collect payment under the License Agreement to Lenovo. Each of IBM and Lenovo has performed all of its respective duties and obligations under the License Agreement.
- 22. Clevo has failed to pay Lenovo \$3,000,000 due on August 31, 2006, in breach of the License Agreement. Clevo is also liable to Lenovo for interest accrued, and still accruing, for the delinquent payment.
- 23. Notwithstanding its termination of the License Agreement, Clevo also owes Lenovo for the pro rata portion of the 2007 license payment which it has also failed to pay.

## COUNT TWO (Patent Infringement)

- Lenovo realleges and incorporates paragraphs 1 through 23.
- 25. Clevo has infringed and is infringing the '763 patent by actively inducing infringement and, on information and belief, by making, using, selling, offering to sell, and/or importing into the United States and within this judicial district products that directly and/or contributorily infringe the '763 patent.
- 26. Clevo has actual notice of the '763 patent and is aware that its products are used by others in a manner that infringes the '763 patent.
- 27. Upon information and belief, Clevo has not had nor does it presently have a reasonable basis for believing it has a right to engage in the acts complained of herein, and its past and on-going infringement is willful and deliberate, making this an exceptional case and justifying the award of treble damages pursuant to 35 U.S.C. § 284 and attorney fees pursuant to 35 U.S.C. § 285.
- 28. Unless enjoined by this Court, Clevo will continue to infringe the Asserted Patent owned by Lenovo, thereby irreparably harming Lenovo.

# COUNT THREE (Patent Infringement)

- Lenovo realleges and incorporates paragraphs 1 through 28.
- 30. Clevo has infringed and is infringing the '359 patent by actively inducing infringement and, on information and belief, by making, using, selling, offering to sell, and/or importing into the United States and within this judicial district products that directly and/or contributorily infringe the '359 patent.

- 31. Clevo has actual notice of the '359 Patent and is aware that its products are used by others in a manner that infringes the '359 patent.
- 32. Upon information and belief, Clevo has not had nor does it presently have a reasonable basis for believing it has a right to engage in the acts complained of herein, and its past and on-going infringement is willful and deliberate, making this an exceptional case and justifying the award of treble damages pursuant to 35 U.S.C. § 284 and attorney fees pursuant to 35 U.S.C. § 285.
- 33. Unless enjoined by this Court, Clevo will continue to infringe the '359 patent owned by Lenovo, thereby irreparably harming Lenovo.

### PRAYER FOR RELIEF

Lenovo respectfully requests that the Court:

- A. Declare that Clevo has breached the License Agreement and order that Clevo pay Lenovo the amount due and payable under the License Agreement.
- B. Award Lenovo interest pursuant to Section 3.4 of the License Agreement for the delinquent payment.
- C. Declare that Clevo has directly and/or indirectly infringed the claims of the Asserted Patents.
  - D. Declare that Clevo's infringement of the Asserted Patents was willful.
- E. Award Lenovo compensatory damages resulting from Clevo's infringement of the Asserted Patents, in an amount to be ascertained at trial, pursuant to 35 U.S.C. § 284.

F. Treble any and all damages awarded for Clevo's infringement of the Asserted Patents, pursuant to 35 U.S.C. § 284.

G. Permanently enjoin Clevo and its officers, directors, employees, servants and agents from infringing or inducing others to infringe the Asserted Patents.

H. Award to Lenovo interest and costs, pursuant to 35 U.S.C. § 284.

I. Award to Lenovo reasonable attorney's fees and costs of the litigation, pursuant to 35 U.S.C. § 285.

J. Award Lenovo for such other and further relief in favor of Lenovo as this Court deems just and proper.

### **DEMAND FOR JURY TRIAL**

Plaintiff Lenovo hereby demands a trial by jury.

Dated: March 2, 2007

Respectfully submitted,

Richard B. Zabel (RZ8903)

Robert A. Johnson (RJ6553)

AKIN, GUMP, STRAUSS, HAUER

& FELD, L.L.P.

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