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Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NEW YORK

NOBLE SECURITY, INC., AND MEIR AVGANIM,

Plaintiffs,

Case No.: 1:21-cv-01372-DG-PK

v.

INGAMAR CO., LTD.,

Jury Requested

Defendant.

AMENDED COMPLAINT FOR PATENT INFRINGEMENT

AND UNFAIR COMPETITION

Plaintiffs, NOBLE SECURITY, INC. ("NOBLE"), and Meir Avganim ("Avganim") (collectively "Plaintiffs" or "Noble"), through their counsel and for their Amended Complaint against Defendant INGAMAR CO., LTD. ("Ingamar" or "Defendant") state as follows:

1. This is an action for patent infringement and related causes.

THE PARTIES

Plaintiff Noble is a company with a principal place of business at 13521
 Immanuel Road, Pflugerville, Texas 78660 and is engaged in the business of marketing locks

that are used in the computer security, particularly laptop and tablet computer security, marketplace.

- 3. Plaintiff Avganim, an individual, is an Israeli citizen with a primary residence in Moshav Gealya, Israel, and with a residence in the United States, located in Edgewater, New Jersey.
- 4. Upon information and belief, Defendant Ingamar is a corporate entity of Taiwan, with a principal place of business in Changhua, Taiwan, with a business address at 16, PINGHE RD., DINGCUO VILLAGE, LUGANG TOWNSHIP, CHANGHUA COUNTY, TAIWAN, and is similarly engaged in the business of marketing locks that are used in the computer security, particularly laptop and tablets, computer security marketplace, including in this District.

JURISDICTION AND VENUE

- 5. This Court has personal jurisdiction over Defendant Ingamar by reason of its foreign residence status, its transaction of business in this District, and its commission of the tortious acts within the District.
- 6. Subject matter jurisdiction is conferred upon this Court pursuant to 28 U.S.C. § 1331, § 1338(a), § 1367 and the doctrine of supplemental jurisdiction, and 15 U.S.C. 1211(a) (Section 39 of the Lanham Act). Venue is proper in this judicial district under 28 U.S.C. §1391 and §1400(b) owing to the Defendant's foreign status, and the Defendant Ingamar's actions impacting business in this District.

CLAIM FOR RELIEF

Background Facts

7. Upon information and belief, since the early 1990s, an industry standard has been established to provide laptop computers, tablets, and many desktop computers, with a

substantially rectangular security slot in the outer body of the computers, the slot measuring about 3mm by 7mm and being suitable for receiving the locking components of certain lock devices.

- 8. Numerous suppliers of computer locks have created various lock products that provide the locking elements that are insertable into the aforementioned slot and are lockable therein, with a cable attached to the lock body that can be secured to a stationary object, such as to a table, a chair, or the like, in order to prevent theft.
- 9. In the early 1990s, an entity known as Kensington persuaded OEM computer producers to include the aforementioned standardized slot measuring 3mm x 7mm security slots in their various computers, and indeed the standardized 3mm x 7mm slot is often referred to as the Kensington Slot or the Standard Slot.
- 10. Over the past 25 years, the instant Plaintiff Avganim has created, marketed and delivered to customers numerous locks for various devices, including for computers and more specifically locks that have been designed to fit into and lock within the Standard Slot. Over the years, Mr. Avganim, a prolific inventor, has been issued more than twenty (20) patents on his inventions, including on computer security locks. Currently, several patent applications are pending that disclose Avganim inventions.
- 11. Several years ago, Mr. Avganim, who, as noted above, has been a prolific inventor, recognized a growing difficulty with providing security locks, owing to the evolvement of computer products into extremely low profile devices having a thickness of just a few millimeters. This has made it extremely difficult, if not impossible, to continue to connect the prior art computer locking devices to the Standard Slot, owing to the dimensions of existing

locks which prevented their insertion into low profile devices, in which the Standard security slot is located within 4 mm of the surface on which the computer, laptop or tablet is resting.

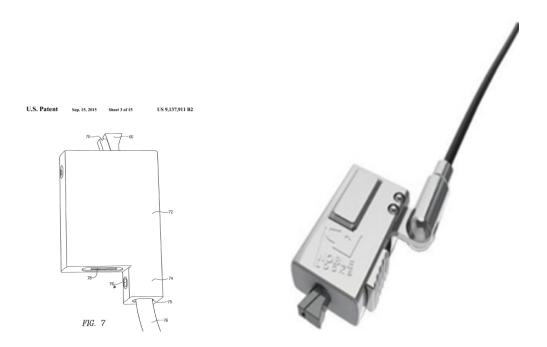
- 12. Indeed, the continually shrinking sizes of computer equipment resulted in the outer walls becoming very thin, and with the Standard Slot being too weak and too cramped to provide the 3mm x 7mm Standard Slot therein.
- 13. After much research and contemplation, Mr. Avganim had his eureka moment. He came up with a novel solution to make it possible to form a security slot about half the size of the Standard Slot, formed very close to the resting surface of the computer. The solution includes a corresponding, strong but miniaturized lock that can be easily fitted into the Avganim tiny and very low profile security slot.
- 14. The solution of inventor Avganim has been referred to as the Noble Trapezoidal Slot, or the "Noble Slot" or the "Wedge Slot." The Noble Slot is not necessarily a slot through a wall, but rather a cavity formed within the outer wall of the computer equipment. The Noble Slot has side walls that taper away from one another, with a cavity opening narrower than the cavity space within the "slot." Also, the Noble lock for the Noble Slot provides a holding power as least as great and actually exceeding the holding power of the prior art computer security locks.
- 15. One of the advantages of the Noble Slot is that it can be made in extremely small dimensions, a slot or cavity size of about 4mm x 3mm (as opposed to 7mm x 3mm, the Standard Slot), and located very close to the surface on which of the tablet or laptop rests. The corresponding lock is highly miniaturized, provided with locking elements that are able to enter through a narrowed opening into the slot, fill the slot, and make it impossible to withdraw the locking elements from the slot, except by key activation or the like.

- 16. Over the last several years, several important and well known OEM computer makers have adopted the Noble Security Slot, including Dell, Hewlett-Packard and others, and, thereby, the name Noble and the invention of Mr. Avganim have become famous for introducing a breakthrough innovation in the field of computer security.
- 17. Mr. Avganim and Noble have accomplished the seemingly impossible. They have introduced an innovation that caused certain computer makers to deviate from a universal standard, which for close to 20 years provided solely the Kensington Slot and locks that work with that Standard Slot.
- 18. The name Noble has become famous throughout the world for having introduced a security solution that works with ultra-slim (low profile and thin walled) computing and mobile devices.
- 19. In order to secure its intellectual property rights associated with Avganim's and Noble's invention and marketing of the Noble/Wedge Slot and the innovative locks that are especially designed to fit into and lock within the Noble Slot, Noble has registered several trademarks and caused the issuance of several patents associated with the involved technology, including the rights identified below.
- 20. Thus, the United States Patent and Trademark Office ("PTO") has issued to Noble trademark registration No. 4,528,473 to the mark NOBLE LOCKS, in relation to computer security devices that serve to prevent access to computers and electronic devices ("the Noble Locks Mark"). A true and correct copy of said registration certificate is attached hereto as **Exhibit A**.
- 21. The PTO has issued to Noble trademark registration No. 5,857,619 to the mark WEDGE, in relation to security locks for engaging slots or cavities in portable electronic

devices; plates attachable to portable electronic devices containing trapezoidal cavities for use with security locks for engaging slots in portable electronic devices (the "Wedge Mark"). A true and correct copy of said registration certificate is attached hereto as **Exhibit B.**

- 22. The aforementioned Noble Locks and Wedge trademarks (collectively the "Noble Marks") bestow on Noble the exclusive rights to use the Noble Marks in commerce in the United States.
- 23. As noted above, Mr. Avganim has been prosecuting patent applications directed to his invention, including patent claims directed to computer equipment that include the Noble Security Slot and to extremely small sized locking elements that can be fitted in the Noble Slot.
- 24. On September 15, 2015, the PTO issued Mr. Avganim United States Patent No. 9,137,911 ("the '911 patent") entitled "Computer Security Lock for Trapezoidal Security Slot," which is directed to locks for the Noble Slot and to computer equipment incorporating the Noble Slot. See Exhibit C.
- 25. On January 17, 2015, the PTO issued Mr. Avganim United States Patent No. 9,549,476 ("the '476 patent") entitled "Computer Security Lock for Trapezoidal Security Slot," which is directed to locks for the Noble Slot and to computer equipment incorporating the Noble Slot. See Exhibit H.
- 26. Other patents have issued and several patent applications are also pending that relate to the Noble Slot and to computer lock mechanisms especially designed for the Noble Slot.
- 27. Avganim has granted a license to Noble to make, use, market, and sell computer security locks that are covered or will be covered by the Avganim '911 patent (the "Avganim Patent Rights" herein), thereby bestowing on Noble the exclusive rights to practice and license the technology protected by the Avganim Patent Rights.

28. An exemplary sketch of the involved Noble locks is provided in the '911 patent, and reproduced below, alongside a photo of a commercially marketed Noble Wedge lock.



- 29. Noble advertisement and marketing materials for its locks that fit into the Noble Slot are depicted in the **Exhibit D** attached hereto.
- 30. In 2020, Noble discovered that an entity named CTA Digital has been offering to the marketplace computer security locks, both through its Amazon selling store as well as through its own web portal.
- 31. CTA Digital marketing materials and product advertisements are depicted in **Exhibit E** hereto.
- 32. In its advertising, Ingamar depicts one of the security locks being offered for sale as below, and describes its lock as shown:



Style: Noble Wedge

Kensington Lock
41 options from \$19.56

Noble Wedge
\$23.00

connector-type Standard Noble Wedge Slot

connector-type Standard Noble \
Compatible Laptop, PC

Devices

Color Silver

Brand CTA Digital

CTA Digital: Noble Wedge Slot Security Cable for Notebooks and Desktop Pcs, Silver

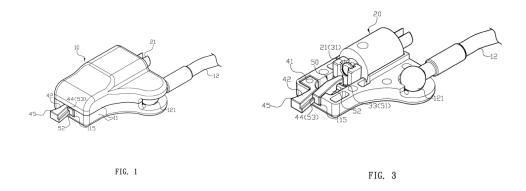
- 33. The lock shown above that was being marketed by CTA Digital (the "Accused CTA Lock") is a slavish copy, i.e., a knockoff, of the Noble lock shown in paragraph 27 above, in both overall appearance and functionality.
- 34. Consequently, Noble and Avganim filed an action for patent infringement and other causes against CTA Digital in this Court, in an action entitled *Noble Security, Inc, and Meir Avganim vs. CTA Digital LLC et al* under Civil Action No.: 1:21-cv-00176-RPK-RER (the "Prior Action").

- 35. The sales and marketing of the Accused CTA Lock is in violation of and clearly infringes upon several patent claims of the '911 patent.
- 36. The interior and exterior mechanical structure of the Accused CTA Lock literally reads on and brazenly appropriates the patent rights granted to Avganim/Noble in at least Claim 1 of the '911 patent. That patent Claim 1 reads:
 - 1. A lock configured to be attached to electronic equipment requiring securing against theft, the lock comprising:

a lock body; a locking element protruding from the lock body and having a forward distal section that is comparatively wider in cross-sectional size compared to a rear section thereof, said locking element having a cross-sectional size that gradually decreases from said forward distal section toward said rear section thereof, said forward section being configured to be insertable into a cavity defined by cavity walls formed in said equipment, where said cavity comprises an opening for insertion therethrough said locking element, said cavity opening having a size and shape larger than the cross-sectional size of said forward section of said locking element and an interior defined by said cavity walls, said interior tapering larger in cross-sectional size beginning at said opening of said cavity; a slidable locking pin configured to slide alongside the locking element and into said cavity, after said locking element has been inserted into said cavity, to substantially fill a space of said cavity left unoccupied by said locking element inside said interior of said cavity, in a manner such that said locking element and said locking pin bear against and hold onto at least two of said cavity walls; a sliding mechanism coupled to said locking pin and configured

to slide said locking pin into and out of said cavity; and a locking mechanism to lock said locking pin within said lock body to prevent withdrawal of the locking element and the locking pin from the cavity.

- 37. The Prior Action was recently settled pursuant to a private settlement agreement that included the parties thereto executing a Consent Judgement that was submitted to the Court for entry ("the Consent Judgement"), attached as **Exhibit F**.
- 38. The Court presiding over the Prior Action has "So Ordered" the Consent Judgement, which still awaits formal signature by the Court.
- 39. Subsequent to the mentioned Consent Judgement being "So Ordered," Noble has become aware of the issuance of U.S. patent no. 10,907,378 on February 2, 2021("the '378 Patent"), attached as **Exhibit G**.
- 40. The '378 Patent and the assignment records at the United States Patent and Trademark Office establish that the owner of the '378 Patent is the Defendant herein, Ingamar.
- 41. The drawings in the '378 Patent show the exterior shape and the internal mechanisms of a computer security lock that are identical to those in the Accused CTA Lock, immutably establishing that Ingamar is the manufacturer and initial marketer of the Accused CTA Lock. A selection of drawings from the '378 Patent is reproduced below.



- 42. It is immutably so that Ingamar has been aware all along of Noble and its United States patents, including the '911 patent owing to the fact that Noble and Ingamar are enmeshed in a patent dispute in Taiwan based on a Noble patent issued by Taiwan and based on the fact that the patent examiner in Ingamar's '378 patent cited to Noble's '911 Patent.
- 43. Thus, the infringement of the Avganim Patent Rights by Ingamar is willful and brazen, and carefully calculated.
- 44. In addition, Noble has widely publicized that the Noble Slot and lock are "patented," including to the buyers at the large OEM computer makers in the United States.

 Noble and Ingamar are head-to-head competitors in this field and routinely call upon and pitch their lock products to the same buyers.
- 45. On information and belief, Ingamar has been aware all along, has monitored, and is fully knowledgeable of Mr. Avganim's issued patents.
- 46. The Accused Ingamar/CTA locks are adapted to fit into and lock within the Noble Slot, have all the elements of and, therefore, infringe upon at least claim 1 of the '911 Patent.
- 47. Ingamar instructs users of its locks to insert into and lock within the Noble Slot, resulting then in infringement of at least the aforementioned claims included in the Avganim Patent Rights, in violation and breach of one or more of the provisions of 35 USC § 271 (a), (b) and/or (c), with total disregard of the subject patent rights and without any legally defensive basis for doing so.
- 48. On information and belief, Ingamar is actively marketing the Accused CTA Lock to other vendor(s) in the United States, including an entity called Rocstorage, Inc.
- 49. On information and belief, to induce lock resellers to purchase the Accused CTA Lock for re-sale in the United States, Ingamar has falsely stated to its customers and potential

customers that its recently issued '378 patent covers their wedge locks that are especially made to fit in the Noble slot, thereby protecting the customers and potential customers from any Noble patent infringement claims.

50. By inducing customers in the United States to purchase Ingamar's aforementioned locks, to insert them into the Noble Slot and thereby to combine them with computer equipment provided with the Noble Slot, Ingamar has contributorily infringed and has induced infringement of patent claim numbers 14, 15, 16, 18 and 21 of the '476 patent, including because the accused Ingamar lock has no use other than with the Noble Slot.

COUNT ONE

Patent Infringement ('911 patent)

- 51. This is an action for patent infringement, relating to the Accused CTA Lock by Ingamar, the sales and/or offer of sales of which, by inducement and contributorily, are continuing unabated by Ingamar and constitute patent infringement under one or more of the provisions under 35 U.S.C. § 271.
- 52. The allegations in the foregoing paragraphs are realleged and reincorporated by reference as if fully set for herein.
- 53. The Ingamar acts recited in this Complaint constitute infringement on at least patent Claim 1 of the '911 Patent.
- 54. The aforementioned acts of patent infringement have caused irreparable injury to Noble, and Noble is entitled to the grant of a permanent injunction pursuant to 35 U.S.C. § 283, enjoining Ingamar, and each of its agents, employees, principals, officers, attorneys, successors and all those in active concert or participation with Ingamar from further acts of 1) infringement,

2) contributory infringement, and/or 3) acts of inducement to infringe with respect to the claims of the Avganim Patent Rights.

COUNT TWO

Patent Infringement ('476 patent)

- 55. This is an action for patent infringement, relating to the Accused CTA Lock by Ingamar, the sales and/or offer of sales of which, by inducement and contributorily, are continuing unabated by Ingamar and constitute patent infringement under one or more of the provisions under 35 U.S.C. § 271.
- 56. The allegations in the foregoing paragraphs are realleged and reincorporated by reference as if fully set for herein.
- 57. The Ingamar acts recited in this Complaint constitute infringement on at least patent Claims 14, 15, 16, 18 and 21 of the '476 Patent.
- Noble, and Noble is entitled to the grant of a permanent injunction pursuant to 35 U.S.C. § 283, enjoining Ingamar, and each of its agents, employees, principals, officers, attorneys, successors and all those in active concert or participation with Ingamar from further acts of 1) infringement, 2) contributory infringement, and/or 3) acts of inducement to infringe with respect to the claims of the Avganim Patent Rights.

COUNT THREE

<u>Unfair Competition under 15 U.S.C. § 1125(a)</u>

- 59. Noble repeats and realleges each and every allegation in the foregoing paragraphs as if fully set forth herein.
 - 60. This cause of action for unfair competition arises under 15 U.S.C. § 1125(a).
- 61. Defendant's acts alleged herein constitute unfair competition and will injure the business reputation and business of Noble.
- 62. Defendant's foregoing acts have irreparably damaged Plaintiffs and caused the Plaintiffs to suffer monetary damages in an amount as yet unknown, but if Defendant's activities continue, then the damage to Plaintiffs will exceed \$1,000,000.
 - 63. Plaintiffs have no adequate remedy at law.

COUNT FOUR

UNFAIR COMPETITION AND DILUTION UNDER NEW YORK LAW (N.Y. GEN. BUS. LAW § 360-L)

- 64. Noble repeats and realleges each and every allegation in the foregoing paragraphs as if fully set forth herein.
- 65. The acts of Defendant, as described above, constitute unfair competition in violation of Noble's rights under the New York State common law, as preserved under N.Y. Gen. Bus. Law § 360-1.
- 66. Defendant's acts have and continue to cause irreparable business injury to Noble, including harm to Noble's reputation by damaging the distinctive quality of Noble's marks and trade name. The monetary damages that Defendant has caused to Noble are in an amount as yet

unknown, but if Defendant's foregoing activities continue, then the damage to Noble will exceed \$1,000,000.

COUNT FIVE

Unfair Competition Under New York Law Common Law

- 67. Noble repeats and realleges each and every allegation in the foregoing paragraphs as if fully set forth herein.
- 68. New York recognizes common law unfair competition claims applicable to trademarks.
- 69. Defendant's aforesaid activities constitute unfair competition and infringement of Noble's common law trademark and trade name rights. Such unfair competition has caused irreparable harm to Noble and, unless enjoined, will continue to cause irreparable harm to Noble. The monetary damages that Defendant has caused to Noble are in an amount as yet unknown, but if Defendant's foregoing activities continue, the damage to Noble will exceed \$1,000,000.

WHEREFORE, Plaintiffs Noble and Avganim pray that judgment be entered declaring that:

- A. At least Claim 1 and other patent claims of the '911 patent and at least Claims 14, 15, 16, 18 and 21 of the '476 patent have been and are being infringed by products sold or offered for sale, namely the Accused CTA Lock by Defendant Ingamar.
- B. Ingamar has engaged in acts that have deceived customers into believing that Ingamar's '378 Patent immunize the customers from claims of infringing upon the Plaintiffs' '911 patent.

- C. The Court grants to Plaintiffs damages, enhanced for willfulness and reasonable attorney fees pursuant to the Patent Law and the Lanham Act.
- D. Plaintiffs Noble and Avganim be granted such other and further relief as the Court may deem just and proper.

Dated: September 24, 2021 Respectfully submitted,

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