

**ISSUED**

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IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO

INTERLOTT TECHNOLOGIES, INC. )  
7697 Innovation Way )  
Mason, Ohio 45040 )

Plaintiff, )  
vs. )

POLLARD BANKNOTE LIMITED )  
1499 Buffalo Place )  
Winnipeg, Manitoba, Canada R3T1L7 )

and )

POLLARD (U.S.) LTD. )  
1499 Buffalo Place )  
Winnipeg, Manitoba, Canada R3T1L7 )

Defendants. )

ALSO SERVE STATUTORY AGENT: )  
CT CORPORATION SYSTEMS )  
1300 East Ninth Street )  
Cleveland, Ohio 44114 )

**1:02CV2157**

Case No.

**JUDGE MATIA**

Judge

**MAG. JUDGE STREEPY**

2002 NOV - 1 AM 11:29  
CLERK OF COURT  
CLEVELAND

**COMPLAINT AND DEMAND FOR JURY TRIAL**

Plaintiff Interlott Technologies, Inc. (hereinafter "Interlott") complains against the Defendants Pollard Banknote Limited (hereinafter "Pollard") and Pollard (U.S.) Ltd. as follows:

**NATURE OF THE ACTION**

1. This is an action for patent infringement arising under the Patent Laws of the United States, Title 35, United States Code.

**THE PARTIES**

2. Interlott is a Delaware Corporation having its principal place of business at 7697 Innovation Way, Mason, Ohio, 45040.

3. On information and belief, Defendant Pollard is a Canadian company having a place of business at 1499 Buffalo Place, Winnipeg, Manitoba, Canada R3T 1L7. On information and belief, Defendant Pollard (U.S.) Ltd. is a United States affiliate of Pollard, and has qualified to do business in Ohio. At all times material to this Complaint, Defendant Pollard (U.S.) Ltd. has acted as agent and representative of Defendant Pollard in the United States. Defendant Pollard is legally bound by and responsible for the actions and conduct of Defendant Pollard (U.S.) Ltd., and Defendant Pollard (U.S.) Ltd. is legally bound by and responsible for the actions and conduct of Defendant Pollard as alleged further in this Complaint.

4. On information and belief, Defendant Pollard is, among other activities, engaged in the manufacture, importation, offer for sale and/or sale throughout the United States of lottery tickets and lottery ticket dispensing equipment, including the accused instant ticket vending machine, and including in this judicial district. Defendant Pollard also has substantial and continuous contacts with this judicial district, and conducts systematic business in this judicial district, including as a provider of instant tickets to the Ohio State Lottery since 1995.

**JURISDICTION AND VENUE**

5. Federal question jurisdiction is conferred pursuant to 28 U.S.C. §§ 1331 and 1338(a).

6. Venue in this Court is based upon 28 U.S.C. §§ 1391(c), 1391(d) and 1400(b).

### BACKGROUND FACTS

7. Interlott markets instant ticket vending machines ("ITVMs") for the lottery industry throughout the United States, as well as internationally. Interlott's ITVMs allow a lottery customer to purchase an "instant winner" or "scratch-off" ticket, for example, from the machine by insertion of money and the selection of the game to be played. Tickets are stored within the machine in a continuous string or series that is generally stored in a "fan-fold" configuration. As each ticket is purchased by a customer, a mechanical member is used to burst the line of perforations between the ticket being purchased and the next ticket in the series within the ITVM before it is dispensed to the customer. This results in a clean separation of the ticket from the next ticket in the series.

8. Technology used by Interlott in its ITVMs, among other things, is disclosed and claimed in United States Letters Patent No. 4,982,337, entitled "System for Distributing Lottery Tickets" (hereinafter "the '337 patent"), which was duly and legally issued on January 1, 1991 to Robert L. Burr, Laird A. Campbell, Donald H. Keagle, and Alfred L. Fulton. A copy of the '337 patent is attached hereto as Exhibit 1.

9. Interlott is the owner by assignment of the '337 patent.

10. On information and belief, Defendant Pollard has engaged in a national marketing campaign by which it has offered to sell a line of ITVMs under the name "FVP Flexible Vending Platform" (hereinafter "FVP"). The Defendant Pollard's FVP ITVM incorporates "Floating Wedge<sup>TM</sup>" bursting technology, which, among other infringing features, uses a mechanical member, in this case a dull bursting blade, to burst the line of perforations between the ticket being purchased and the next ticket in the series within the ITVM before it is

dispensed to the customer. The FVP and Defendant Pollard's Floating Wedge™ bursting technology as offered by Defendant Pollard directly infringe one or more claims of Interlott's '337 patent.

11. Defendant Pollard's offers to sell the FVP ITVM have included its promotion at national and international lottery industry conferences, including the North American State and Provincial Lotteries ("NASPL") Lottery Conference in Baltimore, Maryland, in October, 2002. At the NASPL lottery conference, Defendant Pollard displayed, marketed and offered for sale the FVP ITVM to representatives of lotteries throughout the United States, and beyond.

12. Upon information and belief, in September, 2002, Defendant Pollard offered the FVP ITVM for sale to the Ohio Lottery at a sales presentation made to Ohio Lottery representatives in Cleveland, Ohio.

13. In addition to the foregoing offers of sale within Ohio and elsewhere, Defendant Pollard has offered the FVP ITVM for sale to state lotteries in formal written proposals, including in a written proposal dated August 12, 2002 to the Michigan Lottery. Interlott also submitted a proposal to the Michigan Lottery for its ITVMs manufactured under the '337 patent. On or about October 3, 2002, the purchasing authority for the Michigan Lottery recommended an award of an eight year contract to Defendant Pollard to supply up to five hundred FVP ITVMs.

**Count I – Willful Infringement of U.S. Letters Patent No. 4,982,337**

14. The allegations of paragraphs 1-10 are incorporated herein by reference as though fully set forth herein.

15. On information and belief, Defendant Pollard has infringed and continues to infringe one or more claims of the '337 patent by its manufacture, use, offer for sale, sale and/or importation into the United States of Defendant Pollard's FVP ITVM.

16. On information and belief, the acts of infringement complained of herein are being carried out willfully and with full knowledge by Defendant Pollard of the '337 patent.

17. Defendant Pollard has been aware of the existence of Interlott's patented technology, as Interlott's ITVM has been marketed throughout the United States, and beyond, with over twenty-nine thousand (29,000) units deployed in twenty-seven (27) states.

18. Defendant Pollard has been a printer and supplier of instant winner lottery tickets to various state lotteries, including the Ohio Lottery, for many years. In this capacity, Interlott has entrusted one or more of Interlott's ITVMs (which include Interlott's patented technology under the '337 patent) to Defendant Pollard, so that new designs of Defendant Pollard's tickets may be tested for their ability to be dispensed from an ITVM before they are printed and sold to various state lotteries. Upon information and belief, during the course of its possession of Interlott's patented ITVMs for at least the last five years, Defendant Pollard has had full knowledge of Interlott's patented design. It has also had the opportunity to study Interlott's ITVMs in order to facilitate the design of its infringing FVP ITVM.

19. As a result of Defendant Pollard's actions, Interlott has suffered and continues to suffer substantial injury, including irreparable injury. Interlott has and will sustain damages, including loss of sales and profits, as the result of the infringement by Defendant Pollard.

WHEREFORE, Interlott Technologies, Inc. prays for relief against Defendants Pollard Banknote Limited and Pollard (U.S.) Ltd. as follows:

- A. That a judgment be entered that Defendants Pollard Banknote Limited and Pollard (U.S.) Ltd., individually and/or jointly, have infringed United States Letters Patent No. 4,982,337;
- B. That Defendants Pollard Banknote Limited and Pollard (U.S.) Ltd., their respective agents, sales representatives, servants and employees, associates, attorneys, parents, successors and assigns, and any and all persons or entities acting at, through, under or in active concert or participation with any or all of them, be enjoined and restrained permanently from infringing United States Letters Patent No. 4,982,337; and
- C. That a judgment be entered that Defendants Pollard Banknote Limited and Pollard (U.S.) Ltd., jointly and/or severally, be required to pay over to Interlott Technologies, Inc. all damages sustained by Interlott Technologies, Inc. due to such patent infringement, and all profits of Defendants Pollard Banknote Limited and Pollard (U.S.) Ltd. which are attributable to or arise out or from such infringement, and that such damages be trebled pursuant to 35 U.S.C. § 284 for the willful acts of infringement complained of herein;
- D. That this case be adjudged and decreed exceptional under 35 U.S.C. § 285 entitling Interlott Technologies, Inc. to an award of its reasonable attorneys' fees and that such reasonable attorneys' fees be awarded;
- E. That Interlott Technologies, Inc. be awarded its costs and prejudgment interest on all damages; and
- F. That Interlott Technologies, Inc. be awarded such other and further relief as the Court deems just and proper.


**JURY DEMAND**

Plaintiff Interlott Technologies, Inc. hereby demands and requests trial by jury of all issues raised that are triable by jury.

Respectfully submitted,

INTERLOTT TECHNOLOGIES, INC.

Dated: Nov 1, 2002

  
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