

1 YUNG MING CHOU, ESQ (SBN 172118)
39111 Paseo Padre Parkway, Suite 207
2 Fremont, CA 94538
Tel.: (510) 713-8698
3 Fax: (510) 713-8690

4 Attorney for Plaintiff
SYSCAN, INC.

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7 UNITED STATES DISTRICT COURT
8 NORTHERN DISTRICT OF CALIFORNIA
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10 SYSCAN, INC.

11 Plaintiff,

12 vs.

13 PORTABLE PERIPHERAL CO., LTD.,
14 PENPOWER TECHNOLOGY LTD., INC.,
15 IMAGE RECOGNITION INTEGRATED
SYSTEMS, INC., CARDREADER INC., AND
TARGUS INC.

16 Defendants.
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Case No.: _ _____

COMPLAINT FOR PATENT
INFRINGEMENT AND UNFAIR
COMPETITION

(DEMAND FOR JURY TRIAL)

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19 Comes now the Plaintiff, Syscan, Inc. (hereinafter referred to as "Plaintiff"), through its
20 undersigned counsel, and alleges as follows:

21 JURISDICTION AND VENUE
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23 1. This is an action for patent infringement arising under the patent laws of the United
24 States, Title 35, United States Code, and for equitable relief under the California Unfair
25 Competition Law, Cal. Bus. & Prof. Code §17200 *et seq.*

26 2. This Court has jurisdiction over the subject matter of this action under the patent laws
27 of the United States, 35 U.S.C. §§1, *et seq.*, pursuant to 28 U.S.C. §1338 (a) and (b) as well as
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2 supplemental jurisdiction over the state unfair competition claim pursuant to 28 U.S.C. §1367.

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4 3. Venue is proper based on 28 U.S.C. §1391 (b) and (c).

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6 THE PLAINTIFF

7 4. Plaintiff is a corporation duly organized under the laws of the State of California and
8 having its principal place of business at 1754 Technology Drive, Suite 129, San Jose, California.
9 Plaintiff is actively involved in the sale and manufacture of mobile scanners and the peripheral
10 parts and products.

11 THE DEFENDANTS

12 5. On information and belief, Portable Peripheral Co., Ltd. (hereinafter referred to as
13 “PPL”) is a Taiwan corporation with its principal place of business at 7F, 174 Jung-Yang Road,
14 Hsinchu, Taiwan.

15 6. On information and belief, PenPower Technology Ltd., Inc. (hereinafter referred to as
16 “PenPower”) is a Taiwan corporation with its principal place of business at 7F, No. 47, Lane 2,
17 Sec. 2, Kuang-Fu Road, Hsinchu, Taiwan.

18 7. On information and belief, Image Recognition Integrated Systems, Inc., also doing
19 business as I.R.I.S. (hereinafter referred to as “IRIS”) is a Florida corporation with its principal
20 place of business at 4731 West Atlantic Avenue, Suite B1 and B2, Delray Beach, FL 33445.

21 8. On information and belief, CardReader Inc., also doing business as Electronic
22 Document Technology, (hereinafter referred to as “Cardreader”) is a California corporation with
23 its principal place of business at 996 Wood Duck Avenue, Santa Clara, CA 95051.
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1 9. On information and belief, Targus Inc. (hereinafter referred to as “Targus”) is a New
2 York corporation with its principal place of business at 1211 North Miller Street, Anaheim, CA
3 92806.

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5 10. All of the aforesaid defendants are hereinafter collectively referred to as the “
6 Defendants”.

7 COMPLAINT

8 11. Plaintiff was the assignee and owner of certain patents duly issued by the United
9 States Patent and Trademark Office known as (a) U.S. Patent No. 6,054,707 for “Portable
10 Scanners Capable of Scanning both Opaque and Transparent Materials” (hereinafter referred to
11 as to as the “707 Patent”), (b) U.S. Patent No. 6,275,309 for “Lightweight Mobile Scanners”
12 (hereinafter referred to as the “309 Patent”), and (c) U.S. Patent No. 6,459,506 for “Lightweight
13 Dual-Mode Mobile Scanner Powered from a Universal Serial Bus Port” (hereinafter referred to
14 as the “506 Patent”). A true and correct copy of each of the aforesaid Patents (hereinafter
15 collectively referred to as the “Syscan Patents”) is attached hereto as Exhibits A through C and
16 made a part hereof.

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19 12. Plaintiff has given notice of its patent by duly and properly making the word “patent”
20 together with the patent numbers on the scanners manufactured and sold by it, in accordance
21 with 35 U.S.C. §287; and plaintiff is now and has been at all times since the respective dates of
22 issuance of the Syscan Patents the owner of said patents and of all rights thereto and thereunder.
23

24 13. Plaintiff, as an exclusive assignee under the Syscan Patents, has the right to bring an
25 action for its own benefit for compensation for make, use, and/or sale by or for Defendants of the
26 inventions described in and covered by the Syscan Patents.
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1 14. On information and belief, defendant PPL is in the business of manufacturing and
2 selling scanning devices and components, and has been an original equipment manufacturer for
3 other Defendants that sell scanners manufactured by defendant PPL under the other Defendants'
4 own brand names.
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6 15. On information and belief, defendant PPL has manufactured certain A-6 scanners
7 under the commissions of the following defendants: (a) defendant PenPower: PenPower Icard
8 Scanner; (b) defendant CardReader: BizCard Reader 600C Scanner; and (c) defendant IRIS:
9 IRIS Business Card Reader II Scanner. The aforesaid A-6 scanners are hereinafter collectively
10 referred to as "the A-6 Scanners".
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12 16. On information and belief, defendants, PPL, PenPower, CardReader, and IRIS have
13 caused within one year preceding the filing of this Complaint, and continues to cause the make,
14 use, and/or sale of the A-6 Scanners under the brand name of each respective defendant as set
15 forth in the aforesaid paragraph 15, which are described in and covered by at least (a) claims 1-8,
16 12-17 and 20 of the 309 Patent; (b) claims 13-16 and 19-20 of the 506 Patent; and (c) claims 6
17 and 8 of the 707 Patent, without license or other lawful right to make, use, and/or sell the A-6
18 Scanners.
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20 17. On information and belief, defendant PPL has also manufactured certain A-8 scanners
21 under the commissions of the following defendants: (a) defendant Targus: Targus Mini USB
22 Business Card Scanner; and (b) defendant CardReader: BizCard Reader 300G Scanner. The
23 aforesaid A-8 scanners are hereinafter collectively referred to as "the A-8 Scanners".
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25 18. On information and belief, defendants, PPL, Targus and CardReader have
26 caused within one year preceding the filing of this Complaint, and continues to cause the make,
27 use, and/or sale of the A-8 Scanners under the brand name of each respective defendant as set
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1 forth in the aforesaid paragraph 17, which are described in and covered by at least (a) claims 12-
2 16 and 20 of the 309 Patent; (b) claims 13-16 and 19-20 of the 506 Patent; and (c) claims 6 and 8
3 of the 707 Patent, without license or other lawful right to make, use, and/or sell the A-8
4 Scanners.
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6 19. On information and belief, the Defendants were notified of Plaintiff's exclusive rights
7 under the Syscan Patents, and has had actual and constructive notice of the Syscan Patents during
8 the one year preceding the filing of the Complaint.

9 20. Since 1999, Plaintiff has used inventions covered under the Syscan Patents on its
10 various mobile scanner products. Since 2001, Plaintiff has manufactured and sold a new series of
11 mobile scanners, including A-4, A-6 and A-8 scanners, bearing the inventions under the Syscan
12 Patents Worldwide. On information and belief, the Defendants knew of Plaintiff's sales and
13 marketing of mobile scanners worldwide, and engaged in the make, use, and/or sale of the A-6
14 and A-8 Scanners to compete with Plaintiff's mobile scanners.
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17 21. In the course of the conduct above specified, Defendants jointly and severally have in
18 the past and are presently inflicting grievous and irreparable harm, damage, and injury upon
19 Plaintiff and have significantly given rise to the following causes of action:

20 FIRST COUNT – PATENT INFRINGEMENT

21 22. Plaintiff incorporates paragraphs 1 through 21 of this Complaint as if fully stated
22 herein.
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24 23. Defendants jointly and severally have infringed and are now infringing the claims of
25 the Syscan Patents by making, using and/or selling within the United States and worldwide,
26 embodying the invention claimed therein and will continue to do so unless enjoined by this
27 Court; such infringement is willful and deliberate, notice of the existence of the Syscan Patents
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1 having duly placed on all of Plaintiff's mobile scanners and the Defendants having been made
2 aware of such patents; the infringement by Defendants of said patents of Plaintiff has deprived
3 Plaintiff of sales of its mobile scanners which it otherwise would have made and has in other
4 respects injured Plaintiff and will cause Plaintiff added injury and loss of profits unless enjoined
5 by this Court.
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7 24. The exact amount of reasonable and entire compensation due Plaintiff from
8 Defendants for such make, use, and/or sale of the invention described in and covered by the
9 Syscan Patents, is not known by Plaintiff, and cannot be stated definitely until Plaintiff has been
10 provided with the necessary data in the possession of the Defendants for determining the amount
11 of compensation due Plaintiff for the unauthorized make, use, and/or sale covered by the Syscan
12 Patents.
13

14 SECOND COUNT – UNFAIR COMPETITION

15 25. Plaintiff incorporates paragraphs 1 through 24 of this Complaint as if fully stated
16 herein.
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18 26. Defendants jointly and severally have unfairly competed with Plaintiff by copying
19 well-known patented features of the Syscan Patents and by otherwise causing customer
20 confusion, all of which practices already have resulted in serious injury to Plaintiff's business
21 position, reputation, and good will, and will result in irreparable injury to Plaintiff for which
22 damages would not afford adequate relief unless enjoined by this Court.
23

24 27. The aforementioned acts of Defendants were willful, fraudulent, and/or malicious.
25 Plaintiff is therefore entitled to punitive damages.
26

27 PRAYER FOR RELIEF

28 WHEREFORE, Plaintiff prays for judgment that:

1 1. A temporary restraining order be granted to restrain Defendants, and each of them,
2 their agents, servants, employees, attorneys, and all other persons in active concert or
3 participation with them from making, using and/or selling scanners which are described in and
4 covered by the inventions under the Syscan Patents, unless permission is first obtained from this
5 Court; such order to remain in effect until the hearing and determination of the application herein
6 made for a preliminary injunction;
7

8 2. After hearing a preliminary injunction be granted to enjoin Defendants, and each of
9 them, their agents, servants, employees, attorneys, and all other persons in active concert or
10 participation with them from making, using and/or selling scanners which are described in and
11 covered by the inventions under the Syscan Patents, unless permission is first obtained from this
12 Court; such preliminary injunction to remain in effect until Plaintiff's attorneys have had
13 reasonable opportunity to take the depositions of Defendants and the officers and employees of
14 Defendants, and to have its discovery;
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16 3. Defendants, and each of them, be ordered to appear and show cause why the
17 application for the aforesaid preliminary injunction should not be granted;
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19 4. An injunction be granted perpetually restraining Defendants, and each of them, and all
20 those in privity with them from further infringement of the Syscan Patents, and any further acts
21 of unfair competition against Plaintiff;
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23 5. The Syscan Patents are valid and the inventions claimed therein have been made, used,
24 and/or sold by or for Defendants without license or lawful right;
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26 6. Defendants, and each of them, be required to account to Plaintiff for the actual
27 damages suffered by Plaintiff as the result of the infringement of the Syscan Patents by
28 Defendants, and that such damages be trebled because of the willful and deliberate character of

1 the infringement;

2 7. Plaintiff be awarded exemplary and punitive damages;

3 8. Defendants, and each of them, be required to account to Plaintiff for Defendants'
4 profits and all other unjust enrichment resulting from Defendants' unfair competition;

5 9. Plaintiff be awarded its costs incurred in this suit, including reasonable attorney fees;
6
7 and

8 10. Plaintiff be awarded such other and further relief as the Court may deem just and
9 proper.

10 Dated: May 15, 2003

11
12 Respectfully submitted,

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15 Yung-Ming Chou, Esq.
16 Attorney for Plaintiff Syscan, Inc.

17 DEMAND FOR JURY TRIAL

18 Plaintiff Syscan, Inc. demands a trial by jury on all issues so triable.

19 Dated: May 15, 2003

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22 Yung-Ming Chou, Esq.
23 Attorney for Plaintiff Syscan, Inc.

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EXHIBIT A

U.S. Patent No. 6,054,707

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EXHIBIT B

U.S. Patent No. 6,275,309

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EXHIBIT C

U.S. Patent No. 6,459,506