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FILED
MAR 29 2010
RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 SAN FRANCISCO DIVISION

E-filing

HRL

CV 10 1318

Case No.

13 LARGAN PRECISION CO., Ltd.,
14 Plaintiff,
15 v.
16 FUJINON CORPORATION,
17 Defendant.

COMPLAINT FOR DECLARATORY JUDGMENT

DEMAND FOR JURY TRIAL

BY FAX

18 Plaintiff Largan Precision Co., Ltd. ("Largan") hereby pleads the following claims for
19 Declaratory Judgment against Defendant Fujinon Corporation ("Fujinon"), and allege as follows.

20 PARTIES

- 21 1. Plaintiff Largan is a Taiwanese corporation with its principal place of business
22 located at No. 11, Jingke Road., Nantun District, Taichung City 40852, Taiwan.
23 2. On information and belief, Defendant Fujinon is a Japanese corporation with a
24 principal place of business located at I-324 Uetake Kita-ku, Saitama, 331-9624, Japan, but doing
25 business throughout this judicial district and around the world.

26 JURISDICTION AND VENUE

27 3. The Court has subject matter jurisdiction over this action and the matters pleaded
28 herein under 28 U.S.C. §§ 1331 and 1338(a) because the action arises under the Federal

1 Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, and the Patent Act of the United States, 35
2 U.S.C. § 101, *et seq.*

3 4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(d) because
4 Fujinon is an alien corporation organized under the laws of Japan subject to suit in this judicial
5 district.

6 **INTRADISTRICT ASSIGNMENT**

7 5. This action for a declaratory judgment of non-infringement, invalidity and
8 unenforceability of patents is assigned on a district-wide basis under Civil L.R. 3-2(c).

9 **GENERAL ALLEGATIONS**

10 6. This action involves U.S. Patent No. 7,453,654 ("the '654 patent") entitled
11 "Imaging Lens," attached hereto as Exhibit A, and U.S. Patent No. 7,535,658 ("the '658 patent")
12 entitled "Imaging Lens," attached hereto as Exhibit B (collectively "the patents-in-suit"). The
13 front page of each of the patents-in-suit identifies Fujinon as the assignee.

14 7. Largan has developed imaging lens products, such as those having model numbers
15 970, 9410, and 9448, without knowledge of any of the patents-in-suit. Largan's imaging lens
16 products can be used in devices, such as cellular phones, web cams, notebook computers, cameras,
17 automobiles and scanners.

18 8. On information and belief, Fujinon is a direct competitor to Largan, as Fujinon
19 develops, manufactures, offers to sell and/or sells imaging lens products in the industry that
20 Largan serves. On information and belief, Fujinon has not been able to, and cannot, compete
21 against Largan due to Fujinon's higher cost and longer lead time in producing imaging lens
22 products with equivalent quality to Largan's imaging lens products.

23 9. On information and belief, in 2007, Fujinon began a campaign to make Fujinon's
24 imaging lens products more competitive, at least from a cost perspective, by trying to drive up the
25 effective cost of at least Largan's imaging lens products through litigation and/or threats of
26 litigation against Largan's customers accusing the imaging lens products in the customers'
27 products of infringing one or more of Fujinon's patents.

28

1 10. On information and belief, in execution of this campaign, on September 5, 2007,
2 Fujinon filed a lawsuit against Largan's customer Motorola Inc. ("Motorola") in the District of
3 Delaware (Wilmington) (Civil Action No. 1:07-cv-00533-GMS-LPS), claiming that U.S. Patent
4 No. 6,842,295 (entitled "Imaging Lens Formed of Aperture Diaphragm and Only Two Lens
5 Components"), U.S. Patent No. 6,795,253 (entitled "Imaging Lens"), and U.S. Patent No.
6 6,961,191 (entitled "Single Focus Lens") were being infringed by Motorola for the sale and/or
7 offer for sale of various Motorola cellular phones that incorporate an imaging lens. The imaging
8 lens accused by Fujinon in that case includes, at least, Largan's imaging lens products.

9 11. On information and belief, in further execution of Fujinon's campaign, Fujinon sent
10 at least three letters to Largan's customers HTC Corporation and HTC America, Inc. (collectively
11 "HTC"), one dated October 15, 2009, another dated November 11, 2009, and yet another dated
12 November 19, 2009, collectively stating that HTC's cellular phones infringe one or more claims of
13 the patents-in-suit. The HTC cellular phones incorporate a Largan imaging lens product, such as
14 those having model numbers 970, 9410, and 9448 (the "Accused Products").

15 12. On December 28, 2009, Fujinon filed a lawsuit against Largan's customer HTC in
16 the District Court for the Southern District of Texas (Civil Action No. 4:09-cv-04109), claiming
17 that the patents-in-suit are infringed by HTC for the sale and/or offer for sale of various HTC
18 cellular phones that incorporate an imaging lens. The imaging lens accused by Fujinon
19 specifically includes the Accused Products.

20 13. On information and belief, Fujinon contends that the Accused Products, and
21 devices incorporating these products, such as HTC's cellular phones, infringe one or more claims
22 of the patents-in-suit and that those claims are valid.

23 14. Largan denies that the Accused Products or any of Largan's other imaging lens
24 products infringe any claim of the patents-in-suit. Largan also contends that the patents-in-suit are
25 invalid under the Patent Act, 35 U.S.C. § 101, *et seq.*, including, but not limited to, sections 102,
26 103 and 112, and unenforceable due to inequitable conduct before the United States Patent and
27 Trademark Office (the "USPTO") during prosecution of the applications that resulted in the
28 patents-in-suit.

1 **FIRST CLAIM FOR RELIEF**

2 **Declaratory Relief Regarding Non-Infringement**

3 15. Largan incorporates herein the allegations of paragraphs 1-14.

4 16. An actual and justiciable controversy exists between Plaintiff Largan and
5 Defendant Fujinon as to the non-infringement of the patents-in-suit, which is evidenced by
6 Fujinon's repeated assertions communicated to Largan's customers that Largan's imaging lens
7 products allegedly infringe valid claims of the patents-in-suit, the complaint filed by Fujinon
8 against Largan's customer HTC, and Largan's allegations herein.

9 17. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*,
10 Largan requests the declaration of the Court that Largan does not infringe and has not infringed
11 any claim of the patents-in-suit.

12 **SECOND CLAIM FOR RELIEF**

13 **Declaratory Relief Regarding Invalidity**

14 18. Largan incorporates herein the allegations of paragraphs 1-14.

15 19. An actual and justiciable controversy exists between Plaintiff Largan and
16 Defendant Fujinon as to the invalidity of the patents-in-suit, which is evidenced by Fujinon's
17 repeated assertions communicated to Largan's customers that Largan's imaging lens products
18 allegedly infringe valid claims of the patents-in-suit, the complaint filed by Fujinon against
19 Largan's customer HTC, and Largan's allegations herein.

20 20. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*,
21 Largan requests the declaration of the Court that the patents-in-suit are invalid under the Patent
22 Act, 35 U.S.C. § 101, *et seq.*, including, but not limited to, sections 102, 103 and 112.

23 **THIRD CLAIM FOR RELIEF**

24 **Declaratory Relief Regarding Unenforceability Based on Inequitable Conduct**

25 21. Largan incorporates herein the allegations of paragraphs 1-14.

26 22. An actual and justiciable controversy exists between Plaintiff Largan and
27 Defendant Fujinon as to the unenforceability of the patents-in-suit, which is evidenced by
28 Fujinon's repeated assertions communicated to Largan's customers that Largan's imaging lens

1 products allegedly infringe valid claims of the patents-in-suit, the complaint filed by Fujinon
2 against Largan's customer HTC, and Largan's allegations herein.

3 23. Largan is informed and believes that all claims of the patents-in-suit are
4 unenforceable by virtue of the failure of the patent applicants and/or others with a duty of candor
5 to the USPTO to act with the candor and good faith required of persons who prepare or prosecute
6 patent applications. These failures include, e.g.: (1) the failure to disclose material prior art and
7 information known to the patent applicants and/or others having substantial responsibility for the
8 prosecution of the applications that matured into the patents-in-suit, and (2) deliberately making
9 false and misleading statements to the USPTO examiner to secure issuance of the patents-in-suit.
10 In particular, all claims of the patents-in-suit are unenforceable for at least the following reasons:

11 **Inequitable Conduct as to the '654 Patent**

12 24. On information and belief, the patent applicant Yoshikazu Shinohara and/or other
13 persons having substantial responsibility for the prosecution of the application that matured into
14 the '654 patent were associated with the filing and prosecution of such application, and
15 accordingly owed a duty of candor and good faith in dealing with the USPTO pursuant to 35
16 C.F.R. § 1.56.

17 25. On information and belief, the patent applicant and/or other persons having
18 substantial responsibility for the prosecution of the application that matured into the '654 patent
19 knew of at least the following prior art references at all relevant times: Tang reference (U.S.
20 Patent No. 7,274,518), which describes a four lens imaging system with an Abbe number of the
21 second lens element (Vd_2) < 40; Taniyama reference (U.S. Patent No. 7,295,386), which describes
22 a four lens imaging system with a Vd_2 of 27.5; Nanba reference (U.S. Patent Application
23 Publication No. 2004/0212901), which describes a four lens imaging system with Vd_2 of 23.9 and
24 24.1; Noda reference (U.S. Patent Application Publication No. 2007/0146901), which describes a
25 four lens imaging system with Vd_2 of 23.8, 25.5 and 24.0; JP 2004-302057, which describes a
26 four lens imaging system; JP 2004-325713, which describes a four lens imaging system with Vd_2
27 of 23.9; JP 2005-4027, which describes a four lens imaging system; JP 2005-4028, which
28 describes a four lens imaging system; JP 2005-24581, which describes a four lens imaging system;

1 JP 2005-164899, which describes a four lens imaging system with Vd2 of 23.8, 25.5 and 24; KR
2 10-2005-0015712, which describes a four lens system; and prior art references assigned to Fuji
3 Photo Optical Co. and Fujinon that relate to four lens imaging systems (hereinafter "four lens prior
4 art references"), such as Yamada reference (U.S. Patent No. 6,043,941), which discloses a four
5 lens imaging system with a Vd2 of 23.6, Tomioka reference (U.S. Patent No. 6,982,835), which
6 describes a four lens imaging system and Shinohara reference (U.S. Patent No. 7,345,830), which
7 describes a four lens imaging system with Vd2=28 and 27.2. These prior art references are
8 material as defined by 37 C.F.R. § 1.56(b), and on information and belief, those persons knew
9 these prior art references were material. The prosecution history of the '654 patent demonstrates
10 that those persons failed to cite such material prior art to the USPTO at any time during
11 prosecution of the application that matured into the '654 patent. By not citing these material prior
12 art references, those persons were able to obtain allowance of claims then pending in the
13 application that matured into the '654 patent. On information and belief, those persons' failure to
14 disclose such material prior art references was knowing and made with the intent to deceive in
15 order to assert patentability and to obtain the '654 patent.

16 26. On information and belief, the patent applicant and/or other persons having
17 substantial responsibility for the prosecution of the application that matured into the '654 patent
18 knowingly and willfully made false statements to the USPTO examiner contrary to what they
19 knew was disclosed in the four lens prior art references. In particular, those persons amended the
20 specification and the pending claims during prosecution of the application that matured into the
21 '654 patent to recite that the Vd2 is less than 30, and argued this to distinguish over the cited prior
22 art. [See Reply to Office Action, November 8, 2007, page 4, line 14, page 13, lines 3 - page 15,
23 line 17 (Patent applicant amended claim 1 to recite "vd2<30" and argued that Kamo reference
24 teaches vd2>30).] However, on information and belief, those persons were aware of the four lens
25 prior art references that disclosed Vd2 <30, such as the Yamada reference (U.S. Patent No.
26 6,043,941), which discloses a four lens imaging system with a Vd2 of 23.6; the Tomioka reference
27 (U.S. Patent No. 6,982,835), which describes a four lens imaging system, and the Shinohara
28 reference (U.S. Patent No. 7,345,830), which describes a four lens imaging system with Vd2=28

1 and 27.2. On information and belief, those persons knowingly and willfully made false assertions,
2 with the intent to deceive, that the claimed "Vd2<30" is patentable, even though they knew about
3 the teachings of the Yamada reference (U.S. Patent No. 6,043,941), the Tomioka reference (U.S.
4 Patent No. 6,982,835) and the Shinohara reference (U.S. Patent No. 7,345,830) in order to obtain
5 the '654 patent.

6 27. On information and belief, the patent applicant and/or other persons having
7 substantial responsibility for the prosecution of the application that matured into the '654 patent
8 knowingly and willfully failed to disclose to the USPTO examiner an English translation or
9 abstract of each of the following cited foreign prior art references: JP2005-24889A, CN 18922279
10 and JP 2005-208236. These foreign prior art references are material as defined by 37 C.F.R.
11 § 1.56(b), and on information and belief, the patent applicant and/or other persons having
12 substantial responsibility for the prosecution of the application that matured into the '654 patent
13 knew these foreign prior art references were material. By not submitting the English translation or
14 abstract of such material foreign prior art references, the patent applicant and/or other persons
15 having substantial responsibility for the prosecution of the application that matured into the '654
16 patent were able to obtain allowance of claims then pending in the application that matured into
17 the '654 patent. On information and belief, the failure by the patent applicant and/or other persons
18 having substantial responsibility for the prosecution of the application that matured into the '654
19 patent to provide the English translation or abstract of these foreign prior art references was
20 knowing and made with the intent to deceive in order to assert patentability and to obtain the '654
21 patent.

22 28. The '654 patent is therefore unenforceable due to inequitable conduct.

23 **Inequitable Conduct as to the '658 Patent**

24 29. On information and belief, the patent applicant Minoru Taniyama and/or other
25 persons having substantial responsibility for the prosecution of the application that matured into
26 the '658 patent were all associated with the filing and prosecution of such application, and
27 accordingly owed a duty of candor and good faith in dealing with the USPTO pursuant to 35
28 C.F.R. § 1.56.

1 30. On information and belief, the patent applicant and/or other persons having
2 substantial responsibility for the prosecution of the application that matured into the '658 patent
3 knew of at least the following prior art references at all relevant times: Kamo reference (U.S.
4 Patent No. 7,206,143), which describes a four lens imaging system; Do reference (U.S. Patent
5 Application Publication No. 2005/0030645), which describes a four lens imaging system; Park
6 reference (U.S. Patent Application Publication No. 2007/0008625), which describes a four lens
7 imaging system; CN 18922279, which describes a four lens imaging system with $0.3 < f_1/f < 3.1$
8 (overlaps with claimed $0.7 < f_1/f < 1.1$) and $0.19 < f_3/f < \infty$ (overlaps with claimed $1.9 < f_3/f < 20$);
9 EP 1-703-309, which describes a four lens imaging system with $0.8 < f_1/f < 2.0$ (overlaps with
10 claimed $0.7 < f_1/f < 1.1$) and the second, third, and fourth lens are made of a plastic material; JP
11 2002-365529, which describes a four lens imaging system wherein the first, third, and fourth lens
12 are preferably made of a resin material; JP 2005-24889, which describes a four lens imaging
13 system; JP 2005-55751, which describes a four lens imaging system wherein the first, second, and
14 third lens are made of a resin material; Noda reference (U.S. Patent Application Publication No.
15 US2007/081259), which describes a four lens imaging system wherein the lens are made of plastic
16 material and $vd_1 = 70.4$ and 56.4 ; and prior art references assigned to Fujinon that relate to four
17 lens imaging systems (hereinafter "four lens prior art references"), such as EP1742094 (A1),
18 which describes a four lens imaging system with imaging $Vd_2 = 19.0$; and Shinohara '893 reference
19 (US2004/0150893), which describes wherein the lens are made of optical glass or plastic material
20 and $25 < Vd_2 < 45$. These prior art references are material as defined by 37 C.F.R. § 1.56(b), and on
21 information and belief, those persons knew these prior art references were material. The
22 prosecution history of the '658 patent demonstrates that those persons failed to cite such material
23 prior art to the USPTO at any time during prosecution of the application that matured into the '658
24 patent. By not citing these material prior art references, those persons were able to obtain
25 allowance of claims then pending in the application that matured into the '658 patent. On
26 information and belief, those persons' failure to disclose such material prior art references was
27 knowing and made with the intent to deceive in order to assert patentability and to obtain the '658
28 patent.

1 31. On information and belief, the patent applicant and/or other persons having
2 substantial responsibility for the prosecution of the application that matured into the '658 patent
3 knowingly and willfully made false statements to the USPTO examiner mischaracterizing the
4 nature of the Shinohara '830 patent (U.S. Patent No. 7,345,830) assigned to Fujinon. In particular,
5 in response to rejections of claims 1, 5, 8 and 10 under 35 U.S.C. § 102(e), those persons amended
6 claim 1 to include additional limitation of "wherein each of the second to fourth lens is made of a
7 resin material" and stated that the Shinohara '830 patent does not disclose lens made of resin
8 material. [Reply to Office Action, August 19, 2008 at page 9, lines 20-28.] However, on
9 information and belief, those persons were aware that the Shinohara '830 patent expressly
10 discloses that "[t]he lens material is not limited to a glass material." [Shinohara '830 patent at
11 column 6, lines 46-48.] In fact, Shinohara discloses that "[c]ost can be further curtailed by means
12 of forming the lens from a plastic material." [*Id.*] Thus, on information and belief, those persons
13 intentionally made false and misleading assertions, with the intent to deceive, in order to obtain
14 the '658 patent.

15 32. On information and belief, the patent applicant and/or other persons having
16 substantial responsibility for the prosecution of the application knowingly and willfully failed to
17 disclose to the USPTO examiner an English translations or abstract of each of the following cited
18 foreign prior art references: JP 3-59609A, JP 10-48516A, JP 2002-221659A, JP 2004-302057A,
19 JP 2005-4027A, JP 2005-4028A and JP 2005-24581A. These foreign prior art references are
20 material as defined by 37 C.F.R. § 1.56(b), and on information and belief, the patent applicant
21 and/or other persons having substantial responsibility for the prosecution of the application that
22 matured into the '658 patent knew these foreign prior art references were material. By not
23 submitting the English translation or abstract of such material foreign prior art references, the
24 patent applicant and/or other persons having substantial responsibility for the prosecution of the
25 application that matured into the '658 patent were able to obtain allowance of claims then pending
26 in the application that matured into the '658 patent. On information and belief, the failure by the
27 patent applicant and/or other persons having substantial responsibility for the prosecution of the
28 application that matured into the '658 patent to provide the English translation or abstract of these

1 foreign prior art references was knowing and made with the intent to deceive in order to assert
2 patentability and to obtain the '658 patent.

3 33. The '658 patent is therefore unenforceable due to inequitable conduct.

4 34. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*,
5 Largan requests the declaration of the Court that the patents-in-suit are unenforceable due to
6 inequitable conduct.

7 **PRAYER FOR RELIEF**

8 WHEREFORE, Plaintiff Largan prays that the Court enter declaratory judgment as
9 follows:

10 (1) That Largan does not infringe and has not infringed, directly or indirectly, literally
11 or under the Doctrine of Equivalents, any of the patents-in-suit;

12 (2) That Largan's imaging lens products do not infringe and have not infringed, directly
13 or indirectly, literally or under the Doctrine of Equivalents, any of the patents-in-suit.

14 (3) That the patents-in-suit are invalid;

15 (4) That the patents-in-suit are unenforceable;

16 (5) That Fujinon, and all persons acting on its behalf or in concert with it, be
17 permanently enjoined and restrained from charging, orally or in writing, that any of the patents-in-
18 suit is infringed by Largan or any of Largan's imaging lens products, whether directly or
19 indirectly, literally or under the Doctrine of Equivalents.

20 (6) That Largan be awarded its costs, expenses and reasonable attorney fees in this
21 action; and

22 (7) That Largan be awarded such other and further relief as the Court may deem
23 appropriate.

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DEMAND FOR JURY TRIAL

Plaintiff Largan hereby demands a jury trial in this action.

DATED: March 29, 2010

FISH & RICHARDSON P.C.

By: J Schnurer
John P. Schnurer

Attorneys for Plaintiff
Largan Precision Co. Ltd.