

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

KONICA MINOLTA BUSINESS SOLUTIONS U.S.A., INC.,	§	
	§	
	§	
Plaintiff,	§	
	§	
v.	§	C.A. No.
	§	
SCREENTONE SYSTEMS CORP.,	§	
ACACIA PATENT ACQUISITION CORP.,	§	
ACACIA RESEARCH CORP., and	§	
PAUL S. SNYPP,	§	
	§	
Defendants.	§	

COMPLAINT FOR DECLARATORY JUDGMENT

1. This is an action against Screentone Systems Corporation (“Screentone”), Acacia Patent Acquisition Corporation (“Acacia Patent”), Acacia Research Corporation (“Acacia Research”), and Paul S. Snyppe (“Snyppe”) (collectively “Defendants”) seeking (a) a declaratory judgment that United States Patent No. 5,166,809 (“the ‘809 patent” – attached hereto as Exhibit A) is not infringed; (b) is invalid in whole or in part; and (c) a declaratory judgment that Defendants do not hold any valid title or interest in and to the ‘809 patent and, therefore, do not have any standing or right to sue for infringement of the ‘809 patent, for the reasons alleged below.

THE PARTIES

2. Plaintiff is a corporation organized and existing under the laws of the state of New York, with a principal place of business in Ramsey, New Jersey.

3. On information and belief, Defendant Screentone is a corporation organized and existing under the laws of the State of Delaware. On information and belief, its principal place

of business is at 500 Newport Center Drive, 7th Floor, Newport Beach, California. Defendant Screentone may be served through its registered agent in Delaware, Registered Agent Solutions, Inc., 32 W. Loockerman Street, Suite 201, Dover, Delaware 19904. In a related lawsuit filed in the Eastern District of Texas, Marshall Division, styled *Screentone Systems Corporation v. Canon U.S.A., Inc.* et al., C.A. No. 2:07cv340DF (“the Texas Action”), Defendant Screentone sued seven companies, including a Konica Minolta entity other than plaintiff, for allegedly infringing the ‘809 patent by making, using, offering to sell, or selling products and/or systems that infringe one or more claims of the ‘809 patent, and/or by inducing and/or contributing to the infringements of one or more of the claims of the ‘809 patent by others.

4. On information and belief, Defendant Acacia Patent is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 500 Newport Center Drive, 7th Floor, Newport Beach, California. Defendant Acacia Patent may be served through its registered agent in Delaware, Registered Agent Solutions, Inc., 32 W. Loockerman Street, Suite 201, Dover, Delaware 19904.

5. On information and belief, Defendant Acacia Research is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 500 Newport Center Drive, 7th Floor, Newport Beach, California. Defendant Acacia Research may be served through its registered agent in Delaware, Registered Agent Solutions, Inc., 32 W. Loockerman Street, Suite 201, Dover, Delaware 19904.

6. On information and belief, both Defendants Screentone and Acacia Patent are wholly owned subsidiaries of Defendant Acacia Research. On information and belief, Defendant Acacia Research controls the activities and strategies of both Defendants Screentone and Acacia Patent.

7. On information and belief, Defendant Snyppe is an individual residing in Federal Way, Washington.

JURISDICTION AND VENUE

8. This is a complaint for declaratory relief under the patent laws of the United States. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1338(a), 2201(a), and 2202.

9. Prior to Defendant Screentone's filing of the Texas Action, Plaintiff received a letter from Acacia Technologies Group, asserting infringement of the '809 patent. On information and belief, Acacia Technologies Group is an operating division of Defendant Acacia Research.

10. At the time said letter asserting infringement was sent by Acacia Technologies Group, Defendant Acacia Patent was the purported assignee of the '809 patent.

11. Defendant Snyppe was the purported assignee of the '809 patent prior to Acacia Patent.

12. Defendants Acacia and Snyppe retain purported rights to sue for damages for infringing activities occurring during the respective periods they were the purported assignee of the '809 patent.

13. An actual, substantial, and continuing justiciable controversy exists between Plaintiff and Defendants that requires a declaration of rights by this Court.

14. This Court has personal jurisdiction over Defendants Screentone, Acacia Patent, and Acacia Research by virtue of each entity's organization under the laws of the State of Delaware.

15. The Court has personal jurisdiction over Defendant Snyppl by virtue of, among other things, Defendant Snyppl entering into an agreement with Defendant Acacia Patent knowing that Defendant Acacia Patent is a corporation organized and existing under the laws of Delaware.

16. The Court also has personal jurisdiction over all Defendants, including Defendant Snyppl, because Plaintiff sells or offers to sell products in this judicial district. Accordingly, to the extent any or all of Defendants, including Defendant Snyppl, have any right to sue for infringement, Defendants, including Defendant Snyppl, could sue in Delaware.

17. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b), (c), and 1400(b).

FACTS

18. The '809 patent issued on November 24, 1992. The title of the '809 patent is "Apparatus and Methods for Digital Halftoning." A copy of the '809 patent is attached as Exhibit A.

19. The cover page of the '809 patent lists Craig L. Surbrook as the inventor. The cover page of the '809 patent, as well as the United States Patent & Trademark Office ("U.S.P.T.O.") assignment records, indicate that Craig L. Surbrook ("Inventor Surbrook") assigned the '809 patent to SeeColor Corporation ("SeeColor") on or about September 6, 1990. The assignment was recorded in the U.S.P.T.O. on or about September 13, 1990.

20. In the Texas Action, Defendant Screentone asserts that it is the owner of the '809 patent with the exclusive right to enforce the '809 patent against infringers and collect damages for all relevant times.

21. On information and belief, Defendant Acacia Patent allegedly obtained rights to the '809 patent from Defendant Snypp by virtue of an assignment on or about August 3, 2005. Defendant Snypp's assignment to Defendant Acacia Patent was recorded in the U.S.P.T.O. on or about October 25, 2005.

22. On information and belief, Defendant Screentone allegedly obtained rights to the '809 patent by virtue of an assignment from Defendant Acacia Patent on or about June 18, 2007. A copy of Defendant Acacia Patent's assignment to Defendant Screentone was recorded in the U.S.P.T.O. on or about July 16, 2007.

23. On information and belief, the U.S.P.T.O.'s assignment records have no record of any assignment of the '809 patent from SeeColor Corporation or any other entity to Defendant Snypp.

24. On information and belief, the U.S.P.T.O.'s assignment records have no record of any assignment of the '809 patent from SeeColor Corporation to either Defendant Screentone or Defendant Acacia Patent.

25. On information and belief, SeeColor Corporation did not expressly assign any right, title, or interest in and to the '809 patent to Defendant Snypp, or Defendants Acacia Patent or Screentone, including the right to sue and recover for any and all infringements thereof.

26. The assignment from Defendant Snypp to Defendant Acacia Patent did not transfer or convey the right to sue for damages for infringing activity that occurred prior to the August 3, 2005, assignment.

27. The assignment from Defendant Acacia Patent to Defendant Screentone did not transfer or convey the right to sue for damages for infringing activity that occurred prior to the June 18, 2007, assignment.

28. On information and belief, to the extent Defendant Screentone has any rights or interests in and to the '809 patent, Defendant Screentone's right to seek damages from Plaintiff for infringement of the '809 patent is limited to infringing activities occurring on or after June 18, 2007.

29. On information and belief, to the extent Defendant Acacia Patent has any rights or interests in and to the '809 patent, Defendant Acacia Patent's right to seek damages from Plaintiff for infringement of the '809 patent is limited to infringing activities occurring between August 3, 2005, and June 17, 2007.

30. On information and belief, to the extent Defendant Snypp has any rights or interests in and to the '809 patent, Defendant Snypp's right to seek damages from Plaintiff for infringement of the '809 patent is limited to infringing activities occurring on or prior to August 2, 2005.

31. On information and belief, Defendant Snypp was without right, authorization, title, license, or permission from SeeColor Corporation to assign the '809 patent to Defendant Acacia Patent.

32. On information and belief, Defendant Snypp's assignment to Defendant Acacia Patent is void and unenforceable since Defendant Snypp had no right, title, license, or permission to assign the '809 patent.

33. On information and belief, Defendant Acacia Patent was without right, authorization, title, license, or permission from SeeColor Corporation to assign the '809 patent to Defendant Screentone.

34. On information and belief, Defendant Acacia Patent's assignment to Defendant Screentone is void and unenforceable since Defendant Acacia Patent had no right, title, license, or permission to assign the '809 patent.

35. On information and belief, none of Defendants Screentone, Acacia Research, Acacia Patent, and Snypp hold any valid title or legal interest in and to the '809 patent.

36. Accordingly, none of Defendants Screentone, Acacia Research, Acacia Patent, and Snypp have any standing or right to sue for infringement of the '809 patent.

FIRST CLAIM FOR RELIEF

(Declaratory Judgment of Noninfringement of the '809 Patent)

37. Plaintiff incorporates by reference the allegations in paragraphs 1 through 36 above.

38. This is an action for declaratory judgment of noninfringement of any valid claims of the '809 patent.

39. Plaintiff received a letter from Acacia Technologies Group dated March 16, 2006, asserting infringement of the '809 patent.

40. In the Texas Action, Defendant Screentone has already sued numerous companies, including a Konica Minolta entity which was a sister company to Plaintiff, for allegedly infringing the '809 patent by making, using, offering to sell, and/or selling printers and other imaging products which operate to reproduce images by the claimed digital halftoning techniques.

41. In the Texas Action, Defendant Screentone has alleged, and continues to allege, that the defendants there "manufacture, make, have made, use, practice, import, provide, supply, distribute, sell, and/or offer for sale products and/or systems that infringe one or more claims in

the '809 patent; and/or induce and/or contribute to the infringements of one or more of the claims in the '809 patent by others.” Defendant Screentone also alleges that defendants’ “acts of infringement generally involve their manufacture, use, and sale of printer and other imaging products which operate to reproduce images by the claimed digital halftoning techniques” and that such infringement is willful and deliberate.

42. Plaintiff denies all of Defendant Screentone’s allegations. Plaintiff has not infringed and currently is not infringing any valid claim of the '809 patent, either literally or under the doctrine of equivalents, nor is Plaintiff actively inducing or contributing to infringement of the '809 patent.

43. There is an actual justiciable controversy between Plaintiff and Defendant Screentone concerning noninfringement of the '809 patent by Plaintiff, and Plaintiff has an objectively reasonable apprehension that Defendant Screentone will continue to pursue allegations of infringement against Plaintiff.

44. Defendant Snypp and Defendant Acacia Patent purport to be prior assignees of the '809 patent and, to the extent they have any rights in the '809 patent, have rights to collect damages for infringing activities occurring prior to August 3, 2005, and infringing activities occurring between August 3, 2005, and June 17, 2007, respectively.

45. Accordingly, there exists an actual justiciable controversy between Plaintiff and Defendants Snypp and Acacia Patent concerning whether the claims of the '809 patent are not infringed by Plaintiff.

46. On information and belief, Acacia Technologies Group is an operating division of Defendant Acacia Research. On information and belief, Defendant Acacia Research controls the activities and strategies of both Defendants Screentone and Acacia Patent including the aforesaid

allegations. Accordingly, there exists an actual justiciable controversy between Plaintiff and Defendant Acacia Research concerning whether the claims of the '809 patent are not infringed by Plaintiff.

47. Plaintiff desires and requests a judicial determination and declaration of the respective rights and duties of the parties based on the dispute recited above. Such a determination and declaration is necessary and appropriate at this time so that the parties may ascertain their respective rights and duties regarding the noninfringement of the '809 patent.

SECOND CLAIM FOR RELIEF

(Declaratory Judgment of Invalidity of the '809 Patent)

48. Plaintiff incorporates by reference the allegations in paragraphs 1 through 47 above.

49. This is an action for declaratory judgment of the invalidity of any and all claims of the '809 patent.

50. The '809 patent and its claims are invalid because they fail to comply with the conditions and requirements for patentability set forth in Title 35, United States Code, including but not limited to the provisions of 35 U.S.C. §§ 101, 102, 103, and 112.

51. There is an actual justiciable controversy between Plaintiff and Defendants concerning whether the claims of the '809 patent are invalid.

52. Plaintiff desires and requests a judicial determination and declaration of the respective rights and duties of the parties based on the disputes recited above. Such a determination and declaration are necessary and appropriate at this time so that the parties may ascertain their respective rights and duties regarding the invalidity of the '809 patent.

THIRD CLAIM FOR RELIEF

(Declaratory Judgment that Defendants Do Not Hold Valid Title to the '809 Patent and Have No Right to Sue for Infringement of the '809 Patent)

53. Plaintiff incorporates by reference the allegations in paragraphs 1 through 52 above.

54. This is an action for declaratory judgment that Defendants do not hold any valid title or interest in and to the '809 patent and therefore do not have any standing or right to sue for infringement of the '809 patent.

55. In the Texas Action, Defendant Screentone has alleged, and continues to allege, that it is the current owner of all right, title, and interest in and to the '809 patent.

56. In the letter from Acacia Technologies Group to Plaintiff on March 16, 2006, it alleges that it "controls over 40 patent portfolios," its "subsidiary company APAC" is the owner of the '809 patent, and it believes certain of Plaintiff's products are "covered by the Halftoning Patents."

57. Plaintiff denies Defendants' allegations.

58. Defendant Snyppe purported to be the owner of the '809 patent as of August 3, 2005, at which time he purportedly assigned his rights to Acacia Patent.

59. There is no record in the U.S.P.T.O. assignment records of any assignment of the '809 patent from SeeColor Corp., or any other entity, to Defendant Snyppe.

60. Defendant Acacia Patent purported to be the owner of the '809 patent as of June 18, 2007, at which time it purportedly assigned its rights to Defendant Screentone.

61. On information and belief, Defendant Acacia Research controls the activities and strategies of both Defendants Screentone and Acacia Patent including the purpose for the purported assignments to each.

62. Defendants Screentone, Acacia Patent, Acacia Research, and Snypp do not hold any valid title or interest in and to the '809 patent, and therefore, do not have any standing or right to sue for infringement of the '809 patent.

63. There is an actual justiciable controversy between Plaintiff and Defendants concerning whether the Defendants hold any valid title or interest in and to the '809 patent and whether Defendants have any standing or right to sue for infringement of the '809 patent. In addition, Plaintiff has an objectively reasonable apprehension that Defendants will continue to pursue allegations of infringement against Plaintiff.

64. Plaintiff desires and requests a judicial determination and declaration of the respective rights and duties of the parties based on the disputes recited above. Such a determination and declaration are necessary and appropriate at this time so that the parties may ascertain their respective rights and duties regarding ownership rights to the '809 patent.

CONCLUSION AND PRAYER

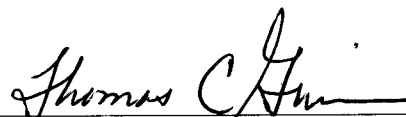
WHEREFORE, Plaintiff requests that the Court find in its favor and against Defendants, and that the Court grant Plaintiff the following relief:

- A. A judgment declaring that Plaintiff has not infringed and does not infringe, in any manner or in any way, any valid claim of the '809 patent;
- B. A judgment declaring that each claim of the '809 patent is invalid;
- C. A judgment declaring that the Defendants do not hold any valid title or interest in and to the '809 patent;
- D. A judgment declaring that the Defendants do not have any standing or right to sue for alleged infringement of the '809 patent;

E. A judgment deeming this to be an “exceptional” case within the meaning of 35 U.S.C. § 285, entitling Plaintiff to an award of reasonable attorneys’ fees, expenses, and costs in this action; and

F. Such other and further equitable or legal relief as the Court deems proper.

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