

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

ELECTRO-SENSORS, INC.,

Civil Action No. 05cv2062 DWF/AJB _____

Plaintiff,

v.

COMPLAINT

MILLENNIUM, L.P.,

Defendant.

COMPLAINT

For its Complaint, Plaintiff Electro-Sensors, Inc. states and alleges as follows:

THE PARTIES

1. Plaintiff Electro-Sensors, Inc. is a corporation duly organized and existing under the laws of the State of Minnesota, with its principal place of business at 6111 Blue Circle Drive, Minneapolis, Minnesota 55343.

2. On information and belief, Defendant Millennium, L.P., is a limited partnership organized and existing under the laws of the Cayman Islands, with a principal place of business at P.O. Box 500, Georgetown, Grand Cayman, Cayman Islands.

JURISDICTION AND VENUE

3. This is an action for declaratory judgment of patent non-infringement and invalidity.

4. This Court has subject matter jurisdiction under the Declaratory Judgment Act, Title 28, United States Code, §§ 2201 et seq. and under the laws of the United States concerning actions relating to patents, 35 U.S.C. §§ 101 et seq., and 28 U.S.C. §§ 1331 and 1338(a).

5. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b) and (c) and 28 U.S.C. § 1400(b).

BACKGROUND INFORMATION

6. On November 2, 1993, U.S. Patent No. 5,258,855 (hereinafter referred to as “the ‘855 patent”) was issued to System X, L.P. as assignee for an invention entitled “Information Processing Methodology.”

7. On November 29, 1994, U.S. Patent No. 5,369,508 (hereinafter referred to as “the ‘508 patent”) was issued to System X, L.P. as assignee for an invention entitled “Information Processing Methodology.”

8. On April 29, 1997, U.S. Patent No. 5,625,465 (hereinafter referred to as “the ‘465 patent”) was issued to International Patent Holdings Ltd. as assignee for an invention entitled “Information Processing Methodology.”

9. On June 16, 1998, U.S. Patent No. 5,768,416 (hereinafter referred to as “the ‘416 patent”) was issued to Millennium for an invention entitled “Information Processing Methodology.”

10. On July 25, 2000, U.S. Patent No. 6,094,505 (hereinafter referred to as “the ‘505 patent”) was issued to Millennium for an invention entitled “Information Processing Methodology.”

11. Millennium claims to be the owner of all right, title and interest in and to the ‘855 patent, the ‘508 patent, the ‘465 patent, the ‘416 patent, and the ‘505 patent (collectively the “Millennium Patents”).

12. On or about March 22, 2005, Millennium filed a lawsuit against AutoData Systems alleging that AutoData Systems infringed each of the Millennium Patents. The lawsuit is venued in the United States District Court for the District of New Jersey, Court File No. 2:05-cv-01576-WJM-RJH, and is currently pending.

13. On or about March 30, 2005, Millennium, through its counsel, sent a letter to the President of AutoData Systems in Minneapolis, Minnesota alleging that AutoData Systems is infringing the Millennium Patents and seeking to license the Millennium Patents to AutoData Systems.

14. AutoData Systems is not a legal entity.

15. AutoData Systems is a trade name used by Electro-Sensors through which Electro-Sensors sells document imaging solutions.

COUNT I: DECLARATORY JUDGMENT - U.S. PATENT NO. 5,258,855

16. Electro-Sensors realleges each and every allegation herein contained.

17. Defendant Millennium's assertions that the Millennium Patents are infringed by AutoData Systems create an actual controversy within the meaning of 28 U.S.C. § 2201 between Millennium and Electro-Sensors over the alleged infringement, validity and enforceability of the '855 patent.

18. None of Electro-Sensors' products infringe any valid and enforceable claim of the '855 patent.

COUNT II: DECLARATORY JUDGMENT - U.S. PATENT NO. 5,369,508

19. Electro-Sensors realleges each and every allegation herein contained.

20. Defendant Millennium's assertions that the Millennium Patents are infringed by AutoData Systems create an actual controversy within the meaning of 28 U.S.C. § 2201 between Millennium and Electro-Sensors over the alleged infringement, validity and enforceability of the '508 patent.

21. None of Electro-Sensors' products infringe any valid and enforceable claim of the '508 patent.

COUNT III: DECLARATORY JUDGMENT - U.S. PATENT NO. 5,625,465

22. Electro-Sensors realleges each and every allegation herein contained.

23. Defendant Millennium's assertions that the Millennium Patents are infringed by AutoData Systems create an actual controversy within the meaning of 28 U.S.C. § 2201 between Millennium and Electro-Sensors over the alleged infringement, validity and enforceability of the '465 patent.

24. None of Electro-Sensors' products infringe any valid and enforceable claim of the '465 patent.

COUNT IV: DECLARATORY JUDGMENT - U.S. PATENT NO. 5,768,416

25. Electro-Sensors realleges each and every allegation herein contained.

26. Defendant Millennium's assertions that the Millennium Patents are infringed by AutoData Systems create an actual controversy within the meaning of 28 U.S.C. § 2201 between Millennium and Electro-Sensors over the alleged infringement, validity and enforceability of the '416 patent.

27. None of Electro-Sensors' products infringe any valid and enforceable claim of the '416 patent.

COUNT V: DECLARATORY JUDGMENT - U.S. PATENT NO. 6,094,505

28. Electro-Sensors realleges each and every allegation herein contained.

29. Defendant Millennium's assertions that the Millennium Patents are infringed by AutoData Systems create an actual controversy within the meaning of 28 U.S.C. § 2201 between Millennium and Electro-Sensors over the alleged infringement, validity and enforceability of the '505 patent.

30. None of Electro-Sensors' products infringe any valid and enforceable claim of the '505 patent.

WHEREFORE, Plaintiff Electro-Sensors, Inc. prays that the Court enter judgment against Defendant Millennium, L.P., as follows:

1. Declaring that no Electro-Sensor products infringe any valid and enforceable claim of U.S. Patent No. 5,258,855;

2. Declaring that no Electro-Sensor products infringe any valid and enforceable claim of U.S. Patent No. 5,369,508;

3. Declaring that no Electro-Sensor products infringe any valid and enforceable claim of U.S. Patent No. 5,625,465;

4. Declaring that no Electro-Sensor products infringe any valid and enforceable claim of U.S. Patent No. 5,768,416;

5. Declaring that no Electro-Sensor products infringe any valid and enforceable claim of U.S. Patent No. 6,094,505;

6. Awarding Electro-Sensors its costs and disbursements in this matter; and
7. Award such other and further relief as this Court may deem necessary and proper.

Dated: September 6, 2005

s/Kurt J. Niederluecke
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