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IN THE UNITED STATE DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

QUAD/TECH INC., a Wisconsin
Corp.,

Plaintiff,

v.

Q.I. PRESS CONTROLS B.V. of The
Netherlands, AND

Q.I PRESS CONTROLS NORTH
AMERICA LTD., INC., a Rhode Island
Corp.,

Defendants.

Civil Action No.: CV 10-2243 (CRB)

**FIRST AMENDED COMPLAINT
FOR PATENT INFRINGEMENT**

DEMAND FOR JURY TRIAL

1 Plaintiff Quad/Tech Inc. ("Quad/Tech") hereby alleges against Q.I. Press Controls
2 B.V. and Q.I. Press Controls North America LTD., Inc. (collectively "Defendants") as
3 follows.

4 **JURISDICTION AND VENUE**

5 1. This action arises under the patent laws of the United States. This Court
6 has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331 and 1338.

7 2. This Court has personal jurisdiction over the Defendants because
8 Defendants have committed the acts of patent infringement alleged here in this judicial
9 district.

10 3. Venue is proper in this judicial district under 28 U.S.C. § 1391(b) and (c),
11 as well as 28 U.S.C. § 1400(b), in that acts of patent infringement have occurred and are
12 occurring within this judicial district.

13 **INTRADISTRICT ASSIGMENT**

14 4. This action is an Intellectual Property Action that can be assigned on a
15 district-wide basis.

16 **THE PARTIES**

17 5. Plaintiff Quad/Tech is a corporation organized under the laws of the state
18 of Wisconsin with a principal place of business at N63 W23075 State Highway 74,
19 Sussex, WI 53089-2827.

20 6. Quad/Tech is an industry leader in the business of developing, selling,
21 and marketing printing control systems and equipment including various registration
22 and color control systems.

23 7. Upon information and belief, Defendant Q.I. Press Controls B.V.
24 ("Q.I.B.V.") is a Netherlands organization having its principal place of business at
25 Everdenberg 26, 4902 TT Oosterhout, The Netherlands.

26 8. Upon information and belief, Defendant Q.I. Press Controls North
27 America Ltd., Inc. ("Q.I. North America") is a Rhode Island corporation, with a
28 principal place of business at 1130 Ten Rod Road, D-206, North Kingston, Rhode Island

1 02852.

2 **GENERAL ALLEGATIONS**

3 9. The technology at issue in this case relates to printing in general, and color
4 printing processes that are capable of producing a large number of impressions for
5 publishing newspapers, magazines, brochures, cards, posters, and similar mass-market
6 items.

7 10. In industrial or commercial printing, the technique used to print full-color
8 images is referred to as four-color-process printing, because four inks are used. Those
9 four inks include three primary colors and black. The “subtractive” primary ink colors
10 are cyan (a bright blue), magenta (a vivid red-purple), and yellow, which are
11 abbreviated as “CMY.” Black is the fourth ink that is abbreviated “K.”

12 11. Countless different colors can be reproduced using the CMYK method
13 through various application of the color dots on the surface to be printed, often times
14 referred to as the “web.” As an example (and by no means an exhaustive one), if dots of
15 cyan ink and yellow ink are placed in close proximity, the eye will perceive the color
16 green. As another example, if magenta ink is placed on the web (paper) with sufficient
17 white space between the dots, the eye will perceive the color pink.

18 12. Over the years, various methods have been developed to ensure that the
19 colors are properly placed on the web (paper) and that they appear as the desired
20 colors. This is referred to in the art as “color control.”

21 13. For over twenty years, Quad/Tech and its employees, including John
22 Seymour and Jeffrey Sainio, have been involved in developing new, novel and
23 significant improvements in the methods, processes and control systems utilized in
24 color printing, including CMYK four-color printing as well as various control systems
25 for ensuring proper registration (alignment) and proper color control.

26 14. Over the years, Quad/Tech and its employees have invested significant
27 time, money, and effort in developing color control systems.

28 15. As a result of its significant efforts and expertise gained over years of

1 developing such systems, Quad/Tech developed novel, unique, and sophisticated
2 technology that operates color control systems. That technology, which has been
3 misappropriated by the Defendants, is at the center of this dispute.

4 16. On October 28, 1992, Quad/Tech caused to be filed with the United States
5 Patent and Trademark Office, United States Patent Application Serial No. 07/967,978
6 (“’978 Application”) in the names of Jeffrey W. Sainio and John C. Seymour and entitled
7 “Color Registration System For A Printing Press.” The ‘978 Application resulted from
8 Quad/Tech’s significant investment in developing registration and color control
9 systems.

10 17. On May 2, 1995, the PTO duly and legally issued United States Patent No.
11 5,412,577 (“’577 Patent”), entitled “Color Registration System For a Printing Press,”
12 based upon the ‘978 Application. Quad/Tech is the owner by assignment of the ‘577
13 Patent. A copy of the ‘577 Patent is attached as Exhibit A and is incorporated by
14 reference as if fully set forth here.

15 18. In 1996, four years after the application for what became the ‘577 Patent
16 was filed with the PTO, Defendant Q.I.B.V. was created by two former Quad/Tech-
17 Europe employees, Menno Jansen and Erik Van Holten.

18 19. Unbeknownst to Quad/Tech, while still employed at Quad/Tech, Mr.
19 Jansen and Mr. Van Holten had started to develop their own print control system which
20 they called the I.R.S. System. Defendant Q.I. North America also began to solicit
21 Quad/Tech employees in the U.S. and Europe.

22 20. Also at that time, Quad/Tech was bidding to sell a register control system
23 to the Los Angeles Times newspaper. During the bidding process, Quad/Tech was
24 contacted by the L.A. Times and advised that Mr. Jansen and Mr. Van Holten had
25 secretly submitted a separate proposal to sell a register control system on behalf of their
26 new company, Defendant Q.I.B.V., while still employed by Quad/Tech.

27 21. On March 21, 2003, Quad/Tech caused to be filed with the United States
28 Patent and Trademark Office, United States Patent Application Serial No. 10/394,903

1 (“’903 Application”) in the name of John C. Seymour and entitled “Printing Press.” As
2 is true with numerous other Quad/Tech patents and development efforts, the ‘903
3 Application resulted from Quad/Tech’s significant investment in developing color
4 control systems.

5 22. On April 25, 2006, the PTO duly and legally issued United States Patent
6 No. 7,032,508 (“’508 Patent”), entitled “Printing Press,” based upon the ‘903
7 Application. Quad/Tech is the owner by assignment of the ‘508 Patent. A copy of the
8 ‘508 Patent is attached as Exhibit B and is incorporated by reference as if fully set forth
9 here.

10 23. At all times relevant to this Amended Complaint, Defendants have also
11 been marketing, selling, and offering for sale the Q.I. Intelligent Density System (“IDS”),
12 including marketing, selling and offering for sale the IDS in this judicial district.
13 Defendants’ own documents, as well as documents publicly endorsed by Defendants,
14 establish that the IDS products and systems infringe one or more claims of the ‘577
15 Patent and the ‘508 Patent.

16 24. Since at least as early as July 21, 2008, Defendants have had actual notice
17 of the claims of the ‘577 Patent and despite that knowledge, Defendants have continued
18 to engage in acts of infringement with willful disregard for Quad/Tech’s intellectual
19 property rights.

20 25. Defendants’ conduct has caused harm directly to Quad/Tech and its
21 ability to sell its control systems.

22 **FIRST CLAIM FOR RELIEF**

23 **(Patent Infringement of the ‘577 Patent under 35 U.S.C. § 271)**

24 26. Quad/Tech repeats and incorporates by reference the allegations made in
25 the foregoing paragraphs of this Amended Complaint as if fully set forth herein.

26 27. Defendants are in the business of offering for sale, manufacturing, having
27 manufactured, importing, marketing, distributing, and selling the IDS color control
28 system for presses, and other devices throughout the United States including, but not

1 limited to, sales within this judicial district.

2 28. As least as late as July 2008, Q.I. has had actual or constructive knowledge
3 of the existence of the '577 Patent.

4 29. Defendants, acting alone or with others, are, and have been, directly
5 infringing the claims of the '577 Patent by the continued manufacture, import,
6 assembly, offer to sell, or sale of the IDS color control system for presses and other
7 devices within the United States without license from Quad/Tech.

8 30. The infringement by Defendants of one or more claims of the '577 Patent
9 has deprived Quad/Tech of revenues which it otherwise would have made or caused to
10 be made, and has in other respects, injured Quad/Tech and will cause Quad/Tech added
11 injury and loss of revenues unless enjoined by this Court.

12 31. Quad/Tech has been irreparably harmed by virtue of Defendants'
13 infringement of the claims of the '577 Patent.

14 32. Notice of the existence of the '577 Patent having been provided to
15 Defendants, the past conduct of Defendants as set forth herein has been wanton and
16 willful and, therefore, constitutes willful infringement of the claims of the '577 Patent
17 warranting the assessment of treble damages pursuant to 35 U.S.C. § 284 and a
18 determination that this is an exceptional case warranting an award of attorneys fees
19 pursuant to 35 U.S.C. § 285.

20 33. Defendants' infringement of the claims of the '577 Patent will continue
21 unless enjoined by this Court.

22 **SECOND CLAIM FOR RELIEF**

23 **(Patent Infringement of the '508 Patent under 35 U.S.C. § 271)**

24 34. Quad/Tech repeats and incorporates by reference the allegations made in
25 the foregoing paragraphs of this Amended Complaint as if fully set forth herein.

26 35. Defendants are in the business of offering for sale, manufacturing, having
27 manufactured, importing, marketing, distributing, and selling the IDS color control
28 system for presses, and other devices throughout the United States including, but not

1 limited to, sales within this judicial district.

2 36. Defendants have been, and are, indirectly infringing the '508 patent by
3 inducing and contributing to the direct infringement of the '508 patent. Defendants sell
4 and/or provide the IDS color control system for presses and other devices, with the
5 specific intent to induce and contribute to infringement of the '508 patent, while
6 Defendant knows, or should have known, of the '508 patent. Defendants' customers
7 directly infringe the '508 patent when they use the IDS color control system for presses
8 and other devices, which is a material part of the inventions of the '508 patent.

9 37. The infringement by Defendants of one or more claims of the '508 Patent
10 has deprived Quad/Tech of revenues which it otherwise would have made or caused to
11 be made, and has in other respects, injured Quad/Tech and will cause Quad/Tech added
12 injury and loss of revenues unless enjoined by this Court.

13 38. Quad/Tech has been irreparably harmed by virtue of Defendants'
14 infringement of the claims of the '508 Patent.

15 39. Defendants' infringement of the claims of the '508 Patent will continue
16 unless enjoined by this Court.

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1 **WHEREFORE**, Plaintiff Quad/Tech requests that this Court enter judgment in its
2 favor and against Defendants as follows:

3 A. That Defendants be adjudged to have directly infringed the claims of the
4 '577 Patent.

5 B. That Defendants be adjudged to have willfully and deliberately infringed
6 the claims of the '577 Patent.

7 C. That Defendants be adjudged to have indirectly directly infringed the
8 claims of the '508 Patent.

9 D. That Defendants be adjudged for damages in an amount to be ascertained
10 and in an amount adequate to compensate Quad/Tech for Defendants' infringement
11 including, but not limited to, lost profits, but in no event less than a reasonable royalty
12 for the use made of the '577 Patent and the '508 Patent by Defendants.

13 E. That Defendants account for treble damages to Quad/Tech, together with
14 prejudgment and post-judgment interest and costs as fixed by the Court, as provided by
15 35 U.S.C. § 284;

16 F. That Defendants be preliminarily and permanently enjoined from further
17 and continued infringement of the claims of the '577 Patent and the '508 Patent as
18 provided by 35 U.S.C. § 283;

19 G. That this case is exceptional and award Quad/Tech its reasonable
20 attorneys' fees as the prevailing party, as provided by 35 U.S.C. § 285; and

21 H. That this Court grants Quad/Tech such other and further relief as the
22 Court may deem just and appropriate.

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