

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW HAMPSHIRE

MARKEM-IMAJE CORPORATION,

Plaintiff,

v.

ZIPHER LTD. and
VIDEOJET TECHNOLOGIES, INC.,

Defendants.

Civil Action No. 1:10-cv-00112-PB

Judge: Hon. Paul J. Barbadoro

**THIRD AMENDED COMPLAINT FOR DECLARATORY JUDGMENT AND
DEMAND FOR JURY TRIAL**

NOW COMES Plaintiff Markem-Imaje Corporation (“Markem”), by and through the undersigned attorneys, and complains against Defendants Zipher Ltd. and Videojet Technologies, Inc., (collectively, “Defendants”) as follows:

PARTIES

1. Markem is a corporation organized and existing under the laws of the State of New Hampshire and having a place of business at 150 Congress Street, Keene, New Hampshire 03431.

2. On information and belief, Zipher Ltd. (“Zipher”) is a corporation existing under the laws of the United Kingdom, with a principal place of business at 7 Faraday Building, Nottingham Science & Technology Park, University Boulevard, Nottingham NG7 2QP, United Kingdom.

3. On information and belief, Videojet Technologies, Inc., (“Videojet”) is a Delaware corporation having a principal place of business at 1500 Mittel Blvd., Wood Dale, Illinois 60191.

JURISDICTION AND VENUE

4. Markem seeks a judicial declaration that United States Patent No. 7,682,094 (“the ‘094 Patent”), on information and belief assigned to Zipher and exclusively licensed to Videojet, is invalid, unenforceable, and has not been infringed by Markem or its customers.

5. Markem seeks a judicial declaration that United States Patent No. 7,722,268 (“the ‘268 Patent”), on information and belief assigned to Zipher and exclusively licensed to Videojet, is invalid, unenforceable, and has not been infringed by Markem or its customers.

6. Markem seeks a judicial declaration that United States Patent No. 7,748,917 (“the ‘917 Patent”), on information and belief assigned to Zipher and exclusively licensed to Videojet, is invalid, unenforceable, and has not been infringed by Markem or its customers.

7. Markem seeks a judicial declaration that United States Patent No. 7,753,605 (“the ‘605 Patent”), on information and belief assigned to Zipher and exclusively licensed to Videojet, is invalid, unenforceable, and has not been infringed by Markem or its customers.

8. This action arises under the patent laws of the United States, 35 U.S.C. §§ 1 *et seq.*, and is based upon an actual and justiciable controversy between the parties with respect to the validity, enforceability, and infringement of the ‘094 Patent, the ‘268 Patent, the ‘917 Patent, and the ‘605 Patent. This Court has subject matter jurisdiction over this action under 28 U.S.C. §§ 1331, 1338(a), 2201 & 2202.

9. Defendants have admitted that they are subject to the personal jurisdiction of the courts of New Hampshire in a related declaratory judgment action involving U.S. Patent No. 7,150,572 Patent (“the ‘572 Patent”) that is currently on appeal (“the ‘572 Suit”). *Markem-Imaje Corp. v. Zipher Ltd.*, Case No. 1:07-cv-6-PB (D.N.H.); *Markem-Imaje Corp. v. Zipher Ltd.*, Case No. 2010-1305 (Fed. Cir.).

10. This Court has personal jurisdiction over Defendants as they have, *inter alia*, appeared and participated in the '572 Suit, and have filed suit against Markem in New Hampshire.

11. Venue is proper before this court pursuant to 28 U.S.C. §§ 1391(b), (c) & (d).

FACTUAL BACKGROUND

12. Markem is in the business of selling thermal transfer printers, including the SmartDate® 5 coders and the 8018 coders ("Markem's Coders"). Thermal transfer printers are used to print dates, times and barcodes on flexible packaging material.

13. The '572 Patent issued on December 19, 2006, and is entitled "Tape Drive And Printing Apparatus." The '572 Patent derived from the national stage entry of Patent Cooperation Treaty application no. PCT/GB01/03965, filed on September 5, 2001.

14. The '094 Patent issued on March 23, 2010, and is entitled "Tape Drive And Printing Apparatus." The '094 Patent derived from U.S. Patent Application no. 11/533,957, filed on September 21, 2006.

15. The '094 Patent is a continuation of the '572 Patent.

16. The '268 Patent issued on May 25, 2010, and is entitled "Tape Drive And Printing Apparatus." The '268 Patent derived from U.S. Patent Application no. 12/052,886, filed on March 21, 2008.

17. The '268 Patent is a continuation of the '094 Patent, which is a continuation of the '572 Patent.

18. The '917 Patent issued on July 6, 2010, and is entitled "Tape Drive And Printing Apparatus." The '917 Patent derived from U.S. Patent Application no. 11/687,234, filed on March 16, 2007.

19. The '917 Patent is a continuation of the '094 Patent, which is a continuation of the '572 Patent.

20. The '605 Patent issued on July 13, 2010, and is entitled "Tape Drive And Printing Apparatus." The '605 Patent derived from U.S. Patent Application no. 12/401,821, filed on March 11, 2009.

21. The '605 Patent is a continuation of the '094 Patent, which is a continuation of the '572 Patent.

22. On December 19, 2006, just over an hour after the '572 Patent issued, the Defendants sued Markem on the '572 patent.

23. On March 23, 2010, Markem filed this declaratory judgment action against Zipher in connection with the issuance of the '094 Patent.

24. On May 25, 2010, Markem filed its First Amended Complaint in connection with the issuance of the '268 Patent.

25. On July 20, 2010, Markem filed its Second Amended Complaint in connection with the issuance of the '917 and '605 Patents.

26. Judgment has been entered in the '572 Suit that Markem's Coders do not infringe the '572 Patent either literally or under the doctrine of equivalents.

27. At a status conference with the Court in the '572 Suit on January 26, 2010, counsel for Defendants indicated that they would imminently be filing another suit against Markem, on information and belief on the '094 Patent.

28. On March 10, 2009, Defendants by correspondence alleged that Markem products including the SmartDate® 5 coders were covered by the published claims of the '268 Patent application, and that sales of such products prior to the issuance of that application are

potentially subject to a claim for reasonable royalties in accordance with 35 U.S.C. § 154(d).

29. On March 27, 2009, Defendants by correspondence alleged that Markem products including the SmartDate® 5 coders were covered by the published claims of the '917 Patent application, and that sales of such products prior to the issuance of that application are potentially subject to a claim for reasonable royalties in accordance with 35 U.S.C. § 154(d).

30. On June 30, 2010, in a teleconference between counsel for Zipher and counsel for Markem, Zipher indicated that it intended to assert the '917 and '605 Patents, when issued, against Markem in this case. It also indicated that it intended to join Videojet as a party to this case.

31. Through this action, Markem seeks a declaration, in the appropriate forum, of the Parties' respective rights and obligations with regard to the '094 Patent, the '268 Patent, the '917 Patent, and the '605 Patent and Markem's Coders.

COUNT I

(Declaratory Judgment Regarding Noninfringement of the '094 Patent)

32. Markem incorporates by reference the allegations of the preceding paragraphs as if fully set forth herein.

33. An actual and justiciable controversy exists between Markem and Defendants over the alleged infringement of the '094 Patent.

34. Markem denies infringement of the '094 Patent. The manufacture, use, sale, offer to sell, and/or importation of Markem's Coders does not infringe any claim of the '094 Patent. The manufacture, use, sale, offer to sell, and/or importation of Markem's Coders also does not contribute to or induce the infringement of any claim of the '094 Patent; nor has Markem ever contributed to or induced the infringement of any such claim. Markem has the right to make,

use, sell, offer to sell, and import Markem's Coders, unhampered and unmolested by Defendants.

35. Pursuant to 28 U.S.C. § 2201 et seq., Markem requests a declaration that Markem and Markem's Coders do not infringe any claim of the '094 Patent.

COUNT II

(Declaratory Judgment Regarding Invalidity of the '094 Patent)

36. Markem incorporates by reference the allegations of the preceding paragraphs as if fully set forth herein.

37. An actual and justiciable controversy exists between Markem and Defendants regarding the validity of the '094 Patent.

38. Markem denies infringement of the '094 Patent, and denies that the '094 Patent was duly and legally issued by the U.S. Patent and Trademark Office. The claims of the '094 Patent are invalid for failure to comply with one or more of the following provisions of the Patent Laws of the United States of America: 35 U.S.C. §§ 102, 103, 112 and 116.

39. Pursuant to 28 U.S.C. § 2201 et seq., Markem requests a declaration that all claims of the '094 Patent are invalid.

COUNT III

(Declaratory Judgment Regarding Ownership and Unenforceability of the '094 Patent)

40. Markem incorporates by reference the allegations of the preceding paragraphs as if fully set forth herein.

41. An actual and justiciable controversy exists between Markem and Defendants regarding the enforceability of the '094 Patent.

42. Markem denies that the '094 Patent is enforceable against Markem, including for reasons of prosecution laches, ownership and shop-rights.

43. Pursuant to 28 U.S.C. § 2201 et seq., Markem requests a declaration that the '094 Patent is unenforceable against Markem.

COUNT IV

(Declaratory Judgment Regarding Noninfringement of the '268 Patent)

44. Markem incorporates by reference the allegations of the preceding paragraphs as if fully set forth herein.

45. An actual and justiciable controversy exists between Markem and Defendants over the alleged infringement of the '268 Patent.

46. Markem denies infringement of the '268 Patent. The manufacture, use, sale, offer to sell, and/or importation of Markem's Coders does not infringe any claim of the '268 Patent. The manufacture, use, sale, offer to sell, and/or importation of Markem's Coders also does not contribute to or induce the infringement of any claim of the '268 Patent; nor has Markem ever contributed to or induced the infringement of any such claim. Markem has the right to make, use, sell, offer to sell, and import Markem's Coders, unhampered and unmolested by Defendants.

47. Pursuant to 28 U.S.C. § 2201 et seq., Markem requests a declaration that Markem and Markem's Coders do not infringe any claim of the '268 Patent.

COUNT V

(Declaratory Judgment Regarding Invalidity of the '268 Patent)

48. Markem incorporates by reference the allegations of the preceding paragraphs as if fully set forth herein.

49. An actual and justiciable controversy exists between Markem and Defendants regarding the validity of the '268 Patent.

50. Markem denies infringement of the '268 Patent, and denies that the '268 Patent

was duly and legally issued by the U.S. Patent and Trademark Office. The claims of the '268 Patent are invalid for failure to comply with one or more of the following provisions of the Patent Laws of the United States of America: 35 U.S.C. §§ 102, 103, 112 and 116.

51. Pursuant to 28 U.S.C. § 2201 et seq., Markem requests a declaration that all claims of the '268 Patent are invalid.

COUNT VI

(Declaratory Judgment Regarding Ownership and Unenforceability of the '268 Patent)

52. Markem incorporates by reference the allegations of the preceding paragraphs as if fully set forth herein.

53. An actual and justiciable controversy exists between Markem and Defendants regarding the enforceability of the '268 Patent.

54. Markem denies that the '268 Patent is enforceable against Markem, including for reasons of prosecution laches, ownership and shop-rights.

55. Pursuant to 28 U.S.C. § 2201 et seq., Markem requests a declaration that the '268 Patent is unenforceable against Markem.

COUNT VII

(Declaratory Judgment Regarding Noninfringement of the '917 Patent)

56. Markem incorporates by reference the allegations of the preceding paragraphs as if fully set forth herein.

57. An actual and justiciable controversy exists between Markem and Defendants over the alleged infringement of the '917 Patent.

58. Markem denies infringement of the '917 Patent. The manufacture, use, sale, offer to sell, and/or importation of Markem's Coders does not infringe any claim of the '917 Patent.

The manufacture, use, sale, offer to sell, and/or importation of Markem's Coders also does not contribute to or induce the infringement of any claim of the '917 Patent; nor has Markem ever contributed to or induced the infringement of any such claim. Markem has the right to make, use, sell, offer to sell, and import Markem's Coders, unhampered and unmolested by Defendants.

59. Pursuant to 28 U.S.C. § 2201 et seq., Markem requests a declaration that Markem and Markem's Coders do not infringe any claim of the '917 Patent.

COUNT VIII

(Declaratory Judgment Regarding Invalidity of the '917 Patent)

60. Markem incorporates by reference the allegations of the preceding paragraphs as if fully set forth herein.

61. An actual and justiciable controversy exists between Markem and Defendants regarding the validity of the '917 Patent.

62. Markem denies infringement of the '917 Patent, and denies that the '917 Patent was duly and legally issued by the U.S. Patent and Trademark Office. The claims of the '917 Patent are invalid for failure to comply with one or more of the following provisions of the Patent Laws of the United States of America: 35 U.S.C. §§ 102, 103, 112 and 116.

63. Pursuant to 28 U.S.C. § 2201 et seq., Markem requests a declaration that all claims of the '917 Patent are invalid.

COUNT IX

(Declaratory Judgment Regarding Ownership and Unenforceability of the '917 Patent)

64. Markem incorporates by reference the allegations of the preceding paragraphs as if fully set forth herein.

65. An actual and justiciable controversy exists between Markem and Defendants

regarding the enforceability of the '917 Patent.

66. Markem denies that the '917 Patent is enforceable against Markem, including for reasons of prosecution laches, ownership and shop-rights.

67. Pursuant to 28 U.S.C. § 2201 et seq., Markem requests a declaration that the '917 Patent is unenforceable against Markem.

COUNT X

(Declaratory Judgment Regarding Noninfringement of the '605 Patent)

68. Markem incorporates by reference the allegations of the preceding paragraphs as if fully set forth herein.

69. An actual and justiciable controversy exists between Markem and Defendants over the alleged infringement of the '605 Patent.

70. Markem denies infringement of the '605 Patent. The manufacture, use, sale, offer to sell, and/or importation of Markem's Coders does not infringe any claim of the '605 Patent. The manufacture, use, sale, offer to sell, and/or importation of Markem's Coders also does not contribute to or induce the infringement of any claim of the '605 Patent; nor has Markem ever contributed to or induced the infringement of any such claim. Markem has the right to make, use, sell, offer to sell, and import Markem's Coders, unhampered and unmolested by Defendants.

71. Pursuant to 28 U.S.C. § 2201 et seq., Markem requests a declaration that Markem and Markem's Coders do not infringe any claim of the '605 Patent.

COUNT XI

(Declaratory Judgment Regarding Invalidity of the '605 Patent)

72. Markem incorporates by reference the allegations of the preceding paragraphs as if fully set forth herein.

73. An actual and justiciable controversy exists between Markem and Defendants regarding the validity of the '605 Patent.

74. Markem denies infringement of the '605 Patent, and denies that the '605 Patent was duly and legally issued by the U.S. Patent and Trademark Office. The claims of the '605 Patent are invalid for failure to comply with one or more of the following provisions of the Patent Laws of the United States of America: 35 U.S.C. §§ 102, 103, 112 and 116.

75. Pursuant to 28 U.S.C. § 2201 et seq., Markem requests a declaration that all claims of the '605 Patent are invalid.

COUNT XII

(Declaratory Judgment Regarding Ownership and Unenforceability of the '605 Patent)

76. Markem incorporates by reference the allegations of the preceding paragraphs as if fully set forth herein.

77. An actual and justiciable controversy exists between Markem and Defendants regarding the enforceability of the '605 Patent.

78. Markem denies that the '605 Patent is enforceable against Markem, including for reasons of prosecution laches, ownership and shop-rights.

79. Pursuant to 28 U.S.C. § 2201 et seq., Markem requests a declaration that the '605 Patent is unenforceable against Markem.

PRAYER FOR RELIEF

WHEREFORE, Markem respectfully requests that this Court enter judgment in Markem's favor against Zipher and Videojet, and issue an order:

A. Declaring that neither Markem nor Markem's Coders infringe or has infringed any of the claims of the '094 Patent under any subsection of 35 U.S.C. § 271;

- B. Declaring that the claims of the '094 Patent are invalid;
 - C. Declaring that the '094 Patent is unenforceable against Markem;
 - D. Declaring that neither Markem nor Markem's Coders infringe or has infringed any of the claims of the '268 Patent under any subsection of 35 U.S.C. § 271;
 - E. Declaring that the claims of the '268 Patent are invalid;
 - F. Declaring that the '268 Patent is unenforceable against Markem;
 - G. Declaring that neither Markem nor Markem's Coders infringe or has infringed any of the claims of the '917 Patent under any subsection of 35 U.S.C. § 271;
 - H. Declaring that the claims of the '917 Patent are invalid;
 - I. Declaring that the '917 Patent is unenforceable against Markem;
 - J. Declaring that neither Markem nor Markem's Coders infringe or has infringed any of the claims of the '605 Patent under any subsection of 35 U.S.C. § 271;
 - K. Declaring that the claims of the '605 Patent are invalid;
 - L. Declaring that the '605 Patent is unenforceable against Markem;
 - M. Awarding Markem its costs and attorneys' fees incurred in bringing this action;
- and;
- N. Awarding any such other and further relief as is just and proper.

JURY DEMAND

Markem hereby demands a trial by jury for all issues so triable.

Respectfully submitted,

MARKEM-IMAJE CORPORATION

By its attorneys,

Dated: September 13, 2010

/s/ Kevin E. Verge

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