



5. Throughout many of the events described in this Complaint, Marjan and SnAg acted in concert and are referred to in that context as “Marjan/SnAg.”

**JURISDICTION AND VENUE**

6. This action arises under the patent laws of the United States, Title 35 of the United States Code, in particular 35 U.S.C. §§ 271, 281, 283-285, and the Declaratory Judgment Act, 28 U.S.C. §§ 2201-02. This Court has subject matter jurisdiction over this action under 28 U.S.C. §§ 1331 and 1338(a), and 2201-02, as KME’s request for a declaratory judgment of patent invalidity and noninfringement arises under the patent laws of the United States and the Declaratory Judgment Act.

7. This Court has personal jurisdiction over Marjan and SnAg because Marjan and SnAg have their principal place of business and regularly conduct business within this judicial district, as set forth herein.

8. Venue is proper under 28 U.S.C. §§ 1391(b), 1391(c), 1391(d), and 1400(b).

**COUNT I**

**DECLARATORY JUDGMENT OF ’044 PATENT INVALIDITY**

9. United States Patent No. 6,924,044 (“the ’044 patent”), entitled Tin-Silver Coatings, issued to Richard W. Strobel (“Strobel”) on August 2, 2005 and is assigned to SnAg. The ’044 patent is attached as Exhibit A.

10. United States Patent No. 7,147,933 (“the ’933 patent”), entitled Tin-Silver Coatings, issued to Strobel on December 12, 2006 based on a continuation application of the patent application that issued as the ’044 patent. The ’933 patent has also been assigned to SnAg. The ’933 patent is attached as Exhibit B.

11. Stolberger Metalwerke GmbH & Co. KG (“Stolberger”) is a wholly-owned subsidiary of KME Germany. Stolberger, KME and Stolberger employee Hans W. Brinkmann have been pioneers in the development of tin-silver coatings, which are used for, among other things, coating electrical connectors and other parts. These tin-silver coatings are described in United States Patent No. 5,075,176 (the “’176 patent”), which issued to Brinkmann on December 24, 1991, and is now owned by KME through its Stolberger subsidiary. Stolberger also owns United States Patent No. 6,641,930, which issued on November 4, 2003.

12. KME sells tin-silver coatings in the United States under the trade name STOL®. One such coating is STOL® Sn 28M. STOL® Sn 28M is a tin-silver coating containing predominantly tin and a small percentage of silver in accordance with the teachings of the ’176 patent.

13. On September 29, 2005, KME granted a license to PMX Industries, Inc. (“PMX”) to manufacture, market and sell STOL® Sn 28M in the United States. The license granted to PMX includes non-exclusive rights under the ’176 patent.

14. On May 9, 2006, William R. Crowe, a lawyer representing SnAg, wrote to KME claiming that SnAg’s ’044 patent was relevant to PMX’s activities under its license from KME. In this letter, Crowe described SnAg as “an affiliate of Marjan, Inc.” and recommended that KME meet with Marjan/SnAg to explore a possible agreement under which KME would be free to use its technology “without having to be concerned by potential infringement claims.” The clear import of Crowe’s letter was that the sale of STOL® branded tin-silver coatings in the United States, whether by KME or its licensee PMX, potentially infringed the ’044 patent or the then-pending ’933 patent.

15. In response to Crowe's letter, KME met and corresponded with Margan/SnAg on several occasions during the second half of 2006 and early 2007. During these meetings and discussions, Marjan/SnAg negotiated terms under which it would license KME and PMX to practice the '044 patent and all related Marjan/SnAg patent applications and patents, including the '933 patent following its issuance in December 2006.

16. During these negotiations, Marjan/SnAg asserted that KME needed a license from Marjan/SnAg under the '044 and '933 patents to avoid potential infringement by KME in its sale of STOL® branded tin-silver coatings and in licensing its technology to PMX. All parties to the negotiations understood Marjan/SnAg's tacit position that without such a license from Marjan/SnAg, KME would be unable to continue selling its STOL® branded tin-silver coatings in the United States.

17. During a meeting in Osnabrück, Germany on February 26-27, 2007, the parties outlined an agreement in principle on a cross-licensing agreement that would have permitted KME to continue its operations in the United States.

18. For several months after the Osnabrück meeting, the parties continued to negotiate terms of a cross-licensing agreement consistent with the principles agreed upon during the Osnabrück meeting. By mid-2007, however, Marjan/SnAg began to stall and insist on new terms for a license of the '044 and '933 patents.

19. In November 2007, Marjan/SnAg repudiated the principles agreed upon during the Osnabrück meeting. At that time, Marjan/SnAg acknowledged to KME that soon after the Osnabrück meeting, Marjan/SnAg had concluded that it did not intend to come to a final licensing agreement with KME in accordance with the principles agreed upon during the Osnabrück meeting.

20. Marjan/SnAg's new terms for a license of its '044 and '933 patents are unacceptable to KME, and the parties are at an impasse.

21. KME is now in a position where it will be forced either to accept Marjan/SnAg's new terms or to risk alleged infringement of the '044 and '933 patents by continuing to sell and license its STOL® branded coatings, including STOL® Sn 28M, in the United States.

22. An actual and justiciable controversy exists between KME and Marjan/SnAg with respect to the '044 and '933 patents.

23. The '044 patent is invalid for failure to comply with requirements of Title 35 U.S.C., including one or more of §§ 101, 102, 103 and 112.

## COUNT II

### **DECLARATORY JUDGMENT OF '044 PATENT NONINFRINGEMENT**

24. KME repeats and re-alleges the allegations of paragraphs 1-22 above as if fully set forth herein.

25. KME has not infringed, and is not infringing, either directly or indirectly by inducement or contributory infringement, any claim of the '044 patent by making, using, offering to sell, or selling in the United States or importing into the United States, its STOL® branded tin-silver coatings or by licensing PMX to do the same.

26. Marjan/SnAg is barred by prosecution history estoppel from asserting infringement of one or more claims of the '044 patent.

**COUNT III**

**DECLARATORY JUDGMENT OF '933 PATENT INVALIDITY**

27. KME repeats and re-alleges the allegations of paragraphs 1-22 above as if fully set forth herein.

28. The '933 patent is invalid for failure to comply with requirements of Title 35 U.S.C., including one or more of §§ 101, 102, 103 and 112.

**COUNT IV**

**DECLARATORY JUDGMENT OF '933 PATENT NONINFRINGEMENT**

29. KME repeats and re-alleges the allegations of paragraphs 1-22 above as if fully set forth herein.

30. KME has not infringed, and is not infringing, either directly or indirectly by inducement or contributory infringement, any claim of the '933 patent by making, using, offering to sell or selling in the United States or importing into the United States, its tin-silver coatings, or by licensing PMX to do the same.

31. Marjan/SnAg is barred by prosecution history estoppel from asserting infringement of one or more claims of the '933 patent.

**COUNT V**

**DECLARATORY JUDGMENT OF UNENFORCEABILITY OF THE '044 PATENT**

32. KME repeats and re-alleges the allegations of paragraphs 1-22 above as if fully set forth herein.

33. On information and belief, during prosecution of the '044 patent, Marjan/SnAg, its employees, agents and/or representatives deliberately engaged in a pattern of conduct that was

misleading and calculated to mislead the United States Patent Office (the "PTO") into granting the '044 patent coverage to which Marjan/SnAg was not entitled.

34. On information and belief, Marjan/SnAg, its employees, agents, and/or representatives deliberately submitted misleading declarations to the PTO regarding the properties of the prior art and of the claimed invention.

35. The foregoing activities were material and intended by Marjan/SnAg and those substantively involved in the prosecution of the '044 patent to mislead the PTO. As a result, the '044 patent is unenforceable by reason of inequitable conduct.

#### COUNT VI

#### **DECLARATORY JUDGMENT OF UNENFORCEABILITY OF THE '933 PATENT**

36. KME repeats and re-alleges the allegations of paragraphs 1-22 and 32-36 above as if fully set forth herein.

37. On information and belief, during prosecution of the '933 patent, Marjan/SnAg and others substantively involved in the prosecution of the '933 patent deliberately engaged in a pattern of conduct that was misleading and calculated to mislead the United States Patent Office (the "PTO") into granting the '933 patent coverage to which Marjan/SnAg was not entitled.

38. On information and belief, Marjan/SnAg its employees, agents and/or representatives, deliberately submitted misleading declarations to the PTO regarding the properties of the prior art and of the claimed invention.

39. Additionally, on information and belief, Marjan/SnAg its employees, agents and/or representatives submitted misleading information to the PTO regarding testing of the claimed invention and the timeframe of the same.

40. The foregoing activities were material and intended by Marjan/SnAg and those substantively involved in the prosecution of the '933 patent to mislead the PTO. As a result, the '933 patent is unenforceable by reason of inequitable conduct.

## COUNT VII

### INFRINGEMENT OF U.S. PATENT 6,641,930

41. KME repeats and re-alleges the allegations of paragraphs 1-8 above as if fully set forth herein.

42. KME is the owner of all right, title, and interest in U.S. Patent No. 6,641,930 (the "'930 patent," Exhibit C hereto), which duly and legally issued on November 4, 2003.

43. Marjan/SnAg has made in the United States, offered for sale in the United States, and sold in the United States tin-silver coated substrates ("Infringing Product").

44. Marjan/SnAg has been and still is infringing, inducing infringement and/or contributing to infringement of the '930 patent by at least making, selling, and offering for sale its Infringing Product and will continue to do so unless enjoined by this Court.

45. Marjan/SnAg's activities have been performed without express or implied license by KME.

46. On information and belief, such infringement by Marjan/SnAg has been and continues to be willful.

47. As a result of Marjan/SnAg's acts of infringement, KME has suffered and will continue to suffer damages in an amount to be proven at trial.

48. KME has been and will continue to be irreparably harmed by Marjan/SnAg's infringement, inducement of infringement, and/or contributory infringement for which there is no adequate remedy at law.



49. This case is exceptional and therefore KME is entitled to an award of its attorney fees pursuant to 35 U.S.C. § 285.

**PRAYER FOR RELIEF**

WHEREFORE, KME respectfully requests an entry of judgment from this Court:

- A. Declaring the '044 patent to be invalid (Count I);
- B. Declaring that KME has not infringed and is not infringing the '044 patent (Count II);
- C. Declaring the '933 patent to be invalid (Count III);
- D. Declaring that KME has not infringed and is not infringing the '933 patent (Count IV);
- E. Declaring that the '044 patent is unenforceable (Count V)
- F. Declaring that the '933 patent is unenforceable (Count VI)
- G. That Marjan/SnAg has infringed the '930 patent (Count VII).
- H. That injunctions be issued restraining Marjan/SnAg, its offers, agents, servants, directors, and employees, and all persons in active concert or participation with them, from directly or indirectly infringing, or inducing or contributing to the infringement by others of the '930 patent.
- I. Awarding KME its costs in connection with this action; and
- J. Awarding KME such other and further relief as this Court may deem to be just and proper.

PLAINTIFFS - KME GERMANY AG AND  
KME AMERICA, INC.

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CERTIFICATE OF SERVICE

I hereby certify that on August 18, 2008, a copy of the foregoing was filed electronically and served on Plaintiff's counsel via the Court's electronic filing system. Notice of this filing will be sent by e-mail to all parties by operation of the court's electronic filing system:

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