

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

FILED

MAR 26 2003

Chief Judge Charles P. Kocoras
United States District Court

IP INNOVATION L.L.C. and)
TECHNOLOGY LICENSING)
CORPORATION,)

Plaintiffs,)

v.)

MINOLTA CORPORATION,)
BROTHER INDUSTRIES, LTD.,)
CANON, INC.,)
SEIKO EPSON CORPORATION,)
HEWLETT-PACKARD, INC., and)
LEXMARK INTERNATIONAL, INC.,)

Defendants.)

Civil Action No. 02 C 7611

Honorable Charles P. Kocoras
Magistrate-Judge Mason

JURY TRIAL DEMANDED

DOCKETED

MAR 27 2003

SECOND AMENDED COMPLAINT

Plaintiffs, IP Innovation L.L.C. ("IP Innovation") and Technology Licensing Corporation ("TLC") complain of defendants, Minolta Corporation ("Minolta"), Brother Industries, Ltd. ("Brother"), Canon, Inc. ("Canon"), Seiko Epson Corporation ("Epson"), Hewlett-Packard, Inc. ("HP"), and Lexmark International, Inc. ("Lexmark"), as follows:

JURISDICTION AND VENUE

1. This is a claim for patent infringement arising under the patent laws of the United States, 35 U.S.C. § 271. This Court has exclusive jurisdiction over the subject matter of this action under 28 U.S.C. § 1338(a).

2. IP Innovation, L.L.C. ("IP Innovation") is a Texas limited liability company, with its principal place of business at 500 Skokie Boulevard, Suite 585, Northbrook, Illinois 60062.

3. TLC is a California corporation and has its principal place of business at 110

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Kneels Drive, Los Gatos, California 95032.

4. IP Innovation and TLC together own the full and exclusive right, title and interest in and have standing to sue for infringement of United States Patent No. 5,424,780 C1, entitled "Apparatus and Method for Spacial Scan Modulation of a Video Display," which issued June 13, 1995 and, after a reexamination by the Patent and Trademark Office, was confirmed and found valid and patentable a second time on July 23, 2002 ("the '780 Patent", Exhibit A).

5. IP Innovation and TLC together own the full and exclusive right, title and interest in and have standing to sue for infringement of United States Patent No. 6,529,637 B1, entitled "Spatial Scan Replication Circuit" which issued March 4, 2003 ("the '637 Patent", Exhibit B).

6. Minolta Corporation ("Minolta") is a New York corporation with its principal place of business at 101 Williams Drive, Ramsey, New Jersey 07446.

7. Brother is a foreign corporation with its principle place of business at 15-1, Naeshiro-cho, Mizuho-ku, Nagoya 467-8561, Japan.

8. Epson is a foreign corporation with offices at 3-5, Owa 3-chome, Suwa-shi, Nagano-Ken 392, Japan.

9. Canon is a foreign corporation with its principle place of business at 30-2, Shimomaruko 3-Chome, Ohta-ku, Tokyo 146-8501, Japan.

10. HP is a Delaware corporation with the principle place of business for its printer division located at 11311 Chinden Boulevard, Boise, Idaho 83714.

11. Lexmark is a Delaware corporation with its principle place of business at One Lexmark Centre Drive, Lexington, Kentucky 40511.

12. The defendants each transact business in this judicial district by either manufacturing, selling or offering to sell facsimile, multi-function and printing equipment and by inducing others to infringe the '780 and '637 patents and by conducting other business in this judicial district. Among other things, one or more of the defendants do each of the following in this judicial district:

a) the defendants participate in numerous trade shows taking place in this district, including but not limited to the National Restaurant Association trade show, the Retail Systems trade show, the Frontline Solutions Expo, the HITECH trade show and the COMDEX trade show.

b) the defendants participate in trade conferences taking place in this district, such as the national conference for the Industrial Designers Society of America;

c) the defendants operate websites directing customers to specific retailers in this judicial district selling particular infringing products;

d) the defendants maintain, and advertise that they maintain, branch offices in Illinois; and

e) the defendants have made available to users within this district, through their websites, users manuals and reference guides which encourage and induce the use of printers and multi-function units which constitute acts of infringement of the '780 and '637 patents.

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

PATENT INFRINGEMENT

14. As set forth above, IP Innovation and TLC together own and have standing to sue for infringement of United States Patent Nos. 5,424,780 C1 and 6,529,637 B1.

15. Each of the defendants have infringed at least claims 15 and/or 152 of the '780 Patent and at least claims 1 and/or 107 of the '637 patent by making, using, importing, selling and offering to sell, and by inducing, aiding and abetting, encouraging and contributing to others' use within the United States of, facsimile, multi-function and printing equipment which employ resolution enhancement technology including, but not limited to Minolta's color laser printers using Fine ART and Fine Edge Enhancement technology, such as Model Nos. CF-1500, CF-2001, CF-2001P, CF-9001, QMS SC 110/200, SC-110/200, Pageworks 6e, Pageworks 8e/8L, Pageworks 12, Pageworks 20 and Pageworks 18/18N; Canon's Laser Class 1060P, Laser Class 2060P, CFX-L3500IF, CFX-L4500IF, Laser Class 3150, Laser Class 3170, Laser Class 3175, CFX-L4000 and Laser Class 9000L; Epson's Action Laser 1500, Action Laser 1600, EPL-5700i, EPL-8000, EPL-N1200 and EPL-N2000; Brother's MFC-4800; HP's Laserjet V and Laserjet VI; and Lexmark products using Print Quality Enhancement Techniques, such as the Lexmark Optra E310 and E320 units.

16. Other equipment, not yet identified, is also believed to be covered by the claims of the '780 patent and the claims of the '637 patent.

17. Such infringement has injured IP Innovation and TLC and they are entitled to recover damages, under the law, adequate to compensate them for the infringement that has occurred, but in no event less than a reasonable royalty.

18. Upon information and belief, defendants' infringement has been willful and wanton with full knowledge of the '780 patent and the '637 patent and without a reasonable investigation or legal advice of non-infringement.

WHEREFORE, plaintiffs, IP Innovation and TLC, respectfully request judgment

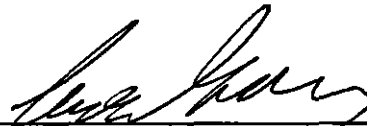
against defendants and their subsidiaries and affiliates as follows:

- A. An award of damages adequate to compensate IP Innovation and TLC for the infringement that has occurred, together with prejudgment interest from the date infringement of the '780 patent and/or the '637 patent began;
- B. Any other damages permitted by law, including any for willful infringement, under 35 U.S.C. § 284;
- C. A finding that this case is exceptional and an award to IP Innovation and TLC of its attorneys' fees as provided by 35 U.S.C. § 285;
- D. An injunction permanently prohibiting defendants, their customers and all persons in active concert or participation with them, from further acts of infringement of the '780 patent and/or the '637 patents; and
- E. Such other and further relief as this Court or a jury may deem proper and just.

JURY DEMAND

Plaintiffs demand a trial by jury.

Respectfully submitted,



Raymond P. Niro
Arthur A. Gasey
Paul C. Gibbons
NIRO, SCAVONE, HALLER & NIRO
181 West Madison, Suite 4600
Chicago, Illinois 60602
(312) 236-0733

Attorneys for IP Innovation L.L.C.
and Technology Licensing Corp.

**SEE CASE
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