

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

MAG-NIF INCORPORATED,)	CIVIL ACTION NO. 1:01CV2772
)	
Plaintiff,)	JUDGE PAUL R. MATIA
)	
v.)	
)	
ROYAL SOVEREIGN INTERNATIONAL,)	
INC., ROYAL SOVEREIGN)	
CORPORATION and ROYAL)	
CENTURIAN, INC.,)	
)	
Defendants,)	
)	
and)	
)	
ROYAL SOVEREIGN CHINA, INC.,)	<u>PLAINTIFF MAG-NIF'S FIRST</u>
)	<u>AMENDED COMPLAINT ADDING</u>
and)	<u>NEW PARTY DEFENDANTS</u>
)	
SOVEREIGN CORP.,)	Demand for Jury Trial
)	
New-Party Defendants.)	

Plaintiff, Mag-Nif Incorporated (“Mag-Nif”), for its Complaint against Defendants, Royal Sovereign International, Inc., Royal Sovereign Corporation, Royal Centurian, Inc., Royal Sovereign China, Inc. and Sovereign Corp. (collectively, “the Defendants”), alleges and states as follows:

1. This is an action for damages and injunctive relief to remedy the infringement by the Defendants of two (2) patents assigned to and owned by Mag-Nif. The patents relate to a coin sorting apparatus.

THE PARTIES

2. Mag-Nif is an Ohio corporation headquartered in Mentor, Ohio and has offices in this judicial district. Mag-Nif manufactures, markets and sells coin sorting machines, puzzles and similar products. Mag-Nif's products are sold in this judicial district, throughout the United States and abroad.

3. Upon information and belief, Defendants Royal Sovereign International, Inc., Royal Sovereign Corporation and Royal Centurian, Inc. are New Jersey corporations all having their respective principal places of business at 100 West Sheffield Avenue, Englewood, New Jersey 07631. Upon information and belief, these three (3) Defendants are all affiliated under a common corporate umbrella. Also upon information and belief, Defendant Royal Sovereign China, Inc. is located in the Shandong Province of China and is a manufacturer of coin sorting machines. Defendant Sovereign Corp. is located in Seoul, Korea and designs and develops coin sorting machines. Upon information and belief, Defendants Royal Sovereign China, Inc. and Sovereign Corp. are affiliated with the three other defendants under a common corporate umbrella.

JURISDICTION AND VENUE

4. This Court has subject matter jurisdiction over this controversy concerning patent infringement by virtue of Title 35 U.S.C. § 271 and § 281 and Title 28 U.S.C. § 1331 and § 1338(a).

5. This Court has personal jurisdiction over the Defendants based on the following: Defendants have, in concert, offered for sale and shipped products that infringe

United States Letters Patent No. 5,902,178 and United States Letters Patent No. 6,165,063 as alleged hereafter, into the Northern District of Ohio. Upon information and belief, Defendants maintain an established distribution network for offering for sale, selling and shipping into the Northern District of Ohio the infringing products as well as a substantial amount of other products manufactured and sold by Defendants. Defendants' infringement in the Northern District of Ohio and elsewhere has tortiously injured the Plaintiff, Mag-Nif, in Ohio, and Defendants: (a) are selling and/or have sold in this judicial district products which infringe one or more claims of United States Letters Patent No. 5,902,178 and United States Letters Patent No. 6,165,063; (b) upon information and belief, regularly solicit business in this state and in this judicial district; (c) upon information and belief, engage in a persistent course of conduct by conducting business in this state and this judicial district; and (d) upon information and belief, derive substantial revenue from goods used or consumed in this state and in this judicial district.

6. Venue is proper in this judicial district pursuant to Title 28 U.S.C. §§ 1391(b)(1) and (b)(2) and 1400(b).

FACTUAL BACKGROUND

7. Since at least the early 1980's, Mag-Nif has been engaged in the business of designing, manufacturing, selling and distributing coin bank machines and coin sorting machines. In particular, Mag-Nif sells a line of motorized coin sorting machines that sort and stack coins so they can be easily wrapped.

8. Upon information and belief, the Defendants design, develop, manufacture, market, sell, and distribute a coin sorter and storage unit designated the Royal Sovereign EASY SORT™ Coin Sorter ("Royal Coin Sorter"). This product is described by the

Defendants as one that is a “fast and powerful coin sorter” and “sorts U.S. quarters, dimes, nickels, and pennies.”

9. Upon information and belief, Defendants import the Royal Coin Sorter into the United States.

10. Upon information and belief, Defendants distribute and sell the Royal Coin Sorter throughout the United States and within this judicial district and also offer the Royal Coin Sorter for sale over the internet. Defendants have sold and shipped the Royal Coin Sorter product into this judicial district.

11. On May 11, 1999, United States Letters Patent No. 5,902,178 titled “Coin Sorting Apparatus” (the “178 Patent”) was duly and legally issued to Mag-Nif on an application filed by Jerzy Perkitny. Mr. Perkitny assigned his entire interest in the ‘178 Patent to Mag-Nif. A copy of the ‘178 Patent is attached hereto as Exhibit A. Since May 11, 1999, Mag-Nif has been and still is the owner of all right, title and interest to the ‘178 Patent, including the right to recover for infringement.

12. On December 26, 2000, United States Letters Patent No. 6,165,063 titled “Coin Sorting Apparatus” (the “063 Patent”) was duly and legally issued to Mag-Nif on an application filed by Jerzy Perkitny. Mr. Perkitny assigned his entire interest in the ‘063 Patent to Mag-Nif. A copy of the ‘063 Patent is attached hereto as Exhibit B. Since December 26, 2000, Mag-Nif has been and still is the owner of all right, title and interest to the ‘063 Patent, including the right to recover for infringement.

13. The Defendants have been and are now infringing, contributorily infringing, and actively inducing infringement of one or more claims of the ‘178 Patent by making, using, importing, offering to sell, and selling to customers in the United States, including

customers in the Northern District of Ohio, either directly or indirectly through intermediaries, the Royal Coin Sorter and will continue to do so unless enjoined by this Court.

14. The Defendants have been and are now infringing, contributorily infringing, and actively inducing infringement of one or more claims of the '063 Patent by making, using, importing, offering to sell, and selling to customers in the United States, including customers in the Northern District of Ohio, either directly or indirectly through intermediaries, the Royal Coin Sorter and will continue to do so unless enjoined by this Court.

15. Upon information and belief, Defendants, Royal Sovereign China, Inc. and Sovereign Corp., have knowledge of the '178 and '063 patents and have actively and knowingly induced and are actively and knowingly inducing infringement of the '178 and '063 patents in this district and in the United States through the design, development and manufacture of the Royal Coin Sorter.

16. Upon information and belief, the Defendants have knowingly infringed the '178 and '063 Patents and Defendants' infringement has been and is willful and deliberate, and the Defendants will continue their infringing activities unless restrained by this Court.

17. Upon information and belief, the Defendants have profited and will continue to profit by their infringing activities.

18. Mag-Nif has been damaged by the Defendants' infringing activities and will continue to be irreparably injured unless these infringing activities are enjoined by this Court.

WHEREFORE, Mag-Nif prays:

A. That this Court enter judgment that Mag-Nif is the owner of United States Letters Patent No. 5,902,178;

B. That this Court enter judgment that Mag-Nif is the owner of United States Letters Patent No. 6,165,063;

C. That this Court enter judgment that United States Letters Patent No. 5,902,178 and United States Letters Patent No. 6,165,063 are each valid and enforceable;

D. That this Court enter judgment that the Defendants have infringed one or more claims of the '178 Patent;

E. That this Court enter judgment that the Defendants have infringed one or more claims of the '063 Patent;

F. That a preliminary and permanent injunction be issued, enjoining the Defendants, their officers, directors, managers, employees, affiliates, agents, representatives, corporate parents and those in privity with the Defendants from further direct infringement, contributory infringement, and active inducement of infringement of the aforementioned Mag-Nif patents;

G. That this Court award Mag-Nif all of its damages caused by the Defendants' acts of infringement, together with interest and costs as provided for under 35 U.S.C. § 284;

H. That this Court order an accounting of the Defendants' profits arising out of their infringing activities and award Mag-Nif those profits;

I. That this Court finds the Defendants' infringement to be willful and increases the damages to three times the amount found or assessed pursuant to 35 U.S.C. § 284;

J. That this Court enter judgment that this case is exceptional and awards Mag-Nif its attorneys' fees in this action pursuant to 35 U.S.C. § 285; and

K. That Mag-Nif be awarded such other and further relief as the Court may deem just and equitable.

Respectfully submitted,

Dated: May 22, 2002

/s/ John S. Cipolla
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Mag-Nif Incorporated

JURY DEMAND

Mag-Nif hereby requests trial by jury of all issues so triable.

Respectfully submitted,

Dated: May 22, 2002

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CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of May, 2002, a copy of the foregoing **Plaintiff Mag-Nif's First Amended Complaint Adding New-Party Defendants** was filed electronically. Notice of this filing will be sent to the above parties by operation of the Court's electronic filing system and served by hand delivery on this day to: Deborah Coleman, Esq., HAHN LOESER & PARKS LLP, 3300 BP Tower, 200 Public Square, Cleveland, OH 44114-2301. The parties may access this filing through the Court's electronic filing system.

/s/ John S. Cipolla

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