

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

QRG, Ltd., a/k/a Quantum Research	)	
Group, Ltd.	)	
	)	Civil Action No. 1:06-CV-1777
Plaintiff,	)	
	)	(Judge Rambo)
v.	)	
	)	
Nartron Corporation,	)	
	)	
Defendant.	)	

**AMENDED DECLARATORY JUDGMENT COMPLAINT**

Plaintiff QRG, Ltd. (“QRG”), by its counsel Reed Smith LLP, hereby alleges the following for its Declaratory Judgment Complaint against Defendant Nartron Corporation (“Nartron”):

1. This is a civil action arising under the provisions of the Declaratory Judgment Act, 28 U.S.C. §§ 2201 *et seq.*, and the patent laws of the United States, 35 U.S.C. §§ 1 *et seq.*, to declare the rights and legal relations of the parties, an actual justiciable controversy existing between the parties with respect to Plaintiff QRG's free right to make, use, sell, and offer for sale its capacitive touch sensor products and related components which are used in a wide array of products in various industries.

2. Plaintiff is a British corporation with its U.S. office at 651 Holiday Drive, Pittsburgh, Pennsylvania.

3. Defendant Nartron is located at 5000 North US-131, Reed City, Michigan. In its September 7, 2006 Order, the Court found that Defendant "has continuous and systematic conduct within Pennsylvania, such that there is general personal jurisdiction over Defendant in a federal court sitting in Pennsylvania."

4. This Court has jurisdiction over the subject matter of this action under the provisions of 28 U.S.C. §§ 1331, 1332(a)(2), 1338(a), 2201 and 2202, and in accordance with its March 2, 2007 Order, and venue is proper under 28 U.S.C. §§ 1391(b) and (c).

## COUNT I – DECLARATORY JUDGMENT

5. Defendant claims to be the owner of United States Letters Patent Nos. 4,731,548 (“the ‘548 Patent”), 4,758,735 (“the ‘735 Patent”), 5,796,183 (“the ‘183 Patent”), 4,831,279 (“the ‘279 Patent”), and 5,087,825 (“the ‘825 Patent”), hereinafter referred to collectively as “the Patents.”

6. Defendant and its primary shareholder, Norman Rautiola, have a reputation for being litigious, and aggressively pursuing even dubious infringement claims.

7. Defendant has repeatedly threatened Plaintiff, both in writing and orally, with patent infringement. Defendant, for example, wrote that Plaintiff’s Form QProx product “is obviously an infringement of our patented technology” and declared that “[w]e intend to pursue this claim of infringement and suggest that you immediately contact our attorney . . . .”

8. Defendant’s litigious nature was not diminished by its filing for Chapter 11 bankruptcy. Defendant petitioned the bankruptcy court so Nartron could employ a law firm to prosecute patent infringement actions on a contingency fee basis during its reorganization.

9. Defendant's eventual emergence from bankruptcy enabled Nartron to continue its string of infringement suits and, upon information and belief, Defendant was engaged in at least two other patent litigations at the time the Complaint in this action was filed.

10. Despite Defendant's threats to the contrary, Plaintiff has not infringed any valid claim of the Patents as properly construed.

11. Furthermore, by virtue of the proceedings in the United States Patent and Trademark Office during prosecution of the Patents, and by virtue of the admissions, representations and concessions made by or on behalf of the named inventors and their representatives, Defendant is estopped from construing any claims of the Patents to cover any product made, used, sold, or offered for sale by Plaintiff.

12. Plaintiff further alleges that each of the claims of the Patents is invalid and/or unenforceable and of no legal effect against Plaintiff for failure to comply with the Patent Statute including, but not limited to, 35 U.S.C. §§ 102, 103 and 112 and/or because the alleged inventors and owner of the Patent and/or their

attorneys failed to properly discharge their duty of candor and good faith in their dealings with the United States Patent and Trademark Office.

13. Plaintiff does not believe that any of its products infringe any of Defendant's patents. Based upon Defendant's conduct, however, Plaintiff has a real apprehension that Defendant seeks to enjoin Plaintiff from making, using, selling, offering to sell, or importing its capacitive touch sensor and other products, including Plaintiff's QProx, QTouch, QSlide, QWheel, QMatrix, and QField product lines.

14. By reason of the foregoing, an actual controversy between Plaintiff and Defendant exists as to the alleged infringement, validity, and enforceability of the Patents.

WHEREFORE, Plaintiff prays for the following relief:

1. That the Court enter judgment declaring that Plaintiff's QProx, QTouch, QSlide, QWheel, QMatrix, and QField product lines have not and do not infringe any valid and enforceable claim of United States Letters Patent Nos. 4,731,548, 4,758,735, 5,796,183, 4,831,279, and 5,087,825;

2. That the Court declare that the claims of United States Letters Patent Nos. 4,731,548, 4,758,735, 5,796,183, 4,831,279, and 5,087,825 are invalid and the Patents unenforceable;

3. That the Court enter judgment declaring this case to be exceptional pursuant to 35 U.S.C. § 285; and

4. That the Court award to Plaintiff counsel fees, costs, and all other relief that the Court deems appropriate.

DATED: March 8, 2007

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