

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

PERFECT PLASTIC PRINTING CORP.,  
  
Plaintiff,  
  
v.  
  
AMERICAN EXPRESS CO.  
and AMERICAN EXPRESS TRAVEL-  
RELATED SERVICES CO., INC.,  
  
Defendants.

Case No. 04 C 0065

Honorable James F. Holderman

Magistrate Judge Martin C. Ashman

NOTICE OF FILING

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FILED  
JAN 21 2004  
MICHAEL W. COBBINS  
CLERK, U.S. DISTRICT COURT

PLEASE TAKE NOTICE that on January 21, 2004, the undersigned filed Plaintiff's **First Amended Complaint** in the above-captioned matter, a copy of which is attached hereto and served upon you herewith.

January 21, 2004

Respectfully submitted,

PERFECT PLASTIC PRINTING CORP.

DOCKETED  
JAN 27 2004

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

<p>PERFECT PLASTIC PRINTING CORP.,</p> <p style="text-align: center;">Plaintiff,</p> <p>v.</p> <p>AMERICAN EXPRESS CO. and AMERICAN EXPRESS TRAVEL- RELATED SERVICES CO., INC.,</p> <p style="text-align: center;">Defendants.</p>
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Case No. 04 C 0065

Honorable James F. Holderman

Magistrate Judge Martin C. Shuman

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JAN 21 2004  
U.S. DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION  
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**FIRST AMENDED COMPLAINT**

1. Plaintiff Perfect Plastic Printing Corporation ("Perfect Plastic") is a Delaware corporation with its principal place of business in St. Charles, Illinois.

2. Defendants American Express Company and American Express Travel-Related Services Company, Inc. (collectively "American Express") are, on information and belief, New York corporations with primary places of business in New York, New York.

3. This is a civil action arising under the Patent Laws of the United States, 35 U.S.C. §1 et seq., including specifically 35 U.S.C. §§ 271 and 291. Jurisdiction is founded on 28 U.S.C. §§ 1331, 1332, 1338(a), 2201, and 2202 and 35 U.S.C. § 291.

4. Venue is proper in this District pursuant to 28 U.S.C. § 1391 and 1400(b).

**BACKGROUND  
Perfect Plastic Printing Corporation**

5. Perfect Plastic manufactures plastic secure financial transaction cards known as credit, debit, and ATM cards.



6. Perfect Plastic is one of the largest independent manufacturers of financial transaction cards in the world, producing hundreds of millions of such cards annually. Perfect Plastic manufactures financial transaction cards for many major U.S. secure card issuers.

#### **Development of Clear Financial Transaction Cards**

7. For aesthetic and marketing reasons, financial transaction cards having visually clear (*i.e.*, transparent or translucent) regions are considered desirable by secure card issuers. Although Perfect Plastic and other secure card manufacturers had made cards having visually clear regions for a number of years, as of August 1999, no one had been able to manufacture a card that was transparent or translucent to visible light yet could also trigger the detection of such a card when it was inserted into an automated teller machine (an "ATM").

8. ATMs and other card-handling equipment (*e.g.*, some gasoline fueling pumps) use near-infrared light sensors to determine when a card has been inserted into the machine. In particular, light sources (*e.g.*, light-emitting diodes (LEDs)) located on one side of a card path emit near-infrared light beams toward detectors located on the other side of the card path. When a card is inserted into the card path, it blocks the light beams emitted by the light sources from reaching the detectors, thereby triggering a card detection response by the machine. Such detection is not a problem for opaque cards because they block both visible light and the near-infrared light used by the sensors. Previous clear cards, on the other hand, were "invisible" to ATMs and other card-handling equipment because the near-infrared light used by the machine sensors passed through the card.

9. In 1999, research scientists at Perfect Plastic continued their work to develop a financial transaction card which, while appearing transparent or translucent to the naked eye,

could still be detected by the near-infrared sensors in, and were therefore usable in, ATMs and other card-handling equipment.

10. By no later than August 1999, John Kiekhaefer, a research scientist at Perfect Plastic, had conceived of an invention which would allow Perfect Plastic to make a card which was transparent or translucent to visible light, but which interrupted the near-infrared light used for detecting the presence of a card in machines such as ATMs. In particular, Mr. Kiekhaefer developed a light filter that could be incorporated into a financial card during its manufacture and which was sufficiently opaque to near-infrared wavelengths of light to interrupt the sensor beams in an ATM, yet still transmitted sufficient light in the visible wavelengths to appear transparent or translucent to the human eye.

11. In August 1999, Perfect Plastic learned that American Express had begun manufacturing and testing transparent or translucent financial transaction cards. As of that point, Perfect Plastic had been manufacturing standard, *i.e.*, opaque, credit cards for American Express for several years. Because Perfect Plastic had also been designing, developing, and manufacturing transparent and translucent cards for many years, Perfect Plastic contacted American Express to determine if it could secure a contract to manufacture such cards for American Express.

12. In August 1999, American Express indicated to Perfect Plastic that American Express had not been able to design or have manufactured a transparent or translucent card that could be detected and successfully used in an ATM. American Express indicated that if Perfect Plastic could manufacture such a card for American Express, American Express would contract with Perfect Plastic for the manufacture of such cards for American Express.

13. Based on Mr. Kiekhaefer's work, Perfect Plastic indicated to American Express that it could indeed manufacture such a card and that it was interested in manufacturing such cards for American Express. Perfect Plastic and American Express continued their discussions about Perfect Plastic's clear cards throughout August and September 1999.

14. In early October 1999, American Express directed Perfect Plastic to submit samples of its clear ATM-detectable cards to several ATM manufacturers for testing in ATMs. Independently, Perfect Plastic submitted samples of its clear cards to an outside laboratory for testing of their ability to transmit visible light but block infrared light of the wavelengths used in ATMs. On October 7, 1999, both the outside laboratory and at least one of the ATM manufacturers reported that Perfect Plastic's cards had the necessary characteristics for successful use in ATMs.

15. In light of these successful results, American Express representatives visited Perfect Plastic to discuss the manufacture of clear cards and toured Perfect Plastic's laboratory and manufacturing facilities on October 12, 1999. During that visit, the American Express representatives indicated to Perfect Plastic that American Express would like Perfect Plastic to manufacture its clear cards. American Express provided a letter of intent authorizing Perfect Plastic to purchase materials necessary to manufacture one million such cards for American Express.

16. Eventually, despite lengthy further negotiations with Perfect Plastic, American Express contracted with a French company, Oberthur Card Systems, to manufacture its clear cards. American Express currently distributes clear cards under the product names Blue from American Express, and Blue Cash from American Express. American Express also distributes several other clear card products.

### Perfect Plastic's Patents

17. Based on his conception of the invention for a financial transaction card which transmitted visible light but was opaque to near-infrared light such that it was detectable by the infrared sensors in an ATM, Mr. Kiekhaefer caused a patent application to be filed disclosing and claiming how to make and use such cards on October 1, 1999. That patent application was given the serial number 09/411,359 and eventually issued as U.S. Patent No. 6,20,137 ("the '137 patent," attached hereto as Exhibit 1) on September 18, 2001.

18. Perfect Plastic is the assignee and owner of all right, title and interest in the '137 patent.

19. The '137 patent contains 21 claims directed to transparent financial transaction cards and their methods of manufacture. Three of those claims are independent claims. The first independent claim, Claim 1, recites:

1. A financial transaction card that is transparent to human viewing yet detectable by automated card processing equipment having near Infrared source/detectorpairs [sic] each having a source and a detector respectively positioned to face opposing sides of said card when said card is positioned in said equipment for detection and to detect said card by sensing an interruption of near Infrared light transmitted from said source to said detector due to the presence of said card,

comprising:

a substantially planar material sheet having upper and lower surfaces bounded by a continuous peripheral edge;

said material sheet being transparent to human viewing; and

a near Infrared light filter covering one of said upper or lower surfaces of said material sheet,

said filter comprising filtering means for producing sufficient card opacity relative to one or more near Infrared light wavelengths to render said card detectable by said source/detector pairs by blocking near Infrared light emitted by said source from reaching said detector, thereby triggering detection of said card,

while still allowing said card to remain transparent to visible light

such that definable images can be viewed through said card.

20. Thus, the claims of the '137 patent are directed to transparent cards that are capable of blocking infrared light when inserted in a card-reading machine, and methods for making such cards.

21. Mr. Kiekhaefer caused a second patent application to be filed (U.S. Application Serial No. 09/449,251) disclosing and claiming additional embodiments of his invention on November 24, 1999. This application issued as a second patent, U.S. Patent No. 6,296,188 ("the '188 patent") on October 2, 2001. Perfect Plastic is the assignee and owner of all right, title and interest in the '188 patent.

22. The '188 patent contains 49 claims directed to transparent or translucent financial transaction cards and their methods of manufacture. Five of those claims are independent claims.

The first independent claim, Claim 1, recites:

1. A financial transaction card that is transparent or translucent to human viewing

yet detectable by automated card processing equipment having near Infrared source/detector pairs each having a source and a detector respectively positioned to face opposing sides of said card when said card is positioned in said equipment for detection and to detect said card by sensing an interruption of near Infrared light transmitted from said source to said detector due to the presence of said card,

comprising:

a substantially planar material sheet having upper and lower surfaces bounded by a continuous peripheral edge;

said material sheet being transparent or translucent with respect to human visible light; and

a near Infrared light filter covering one of said upper or lower surfaces of said material sheet,

said filter comprising a screen-printed coating of a light filtering powder dissolved in a clear liquid carrier at a powder-to-carrier ratio of about 0.2-5% by weight;

said filter producing sufficient card opacity relative to one or more near Infrared light wavelengths to render said card detectable by said



source/detector pairs by blocking near Infrared light emitted by said source from reaching said detector,

thereby triggering detection of said card,

while still allowing said card to transmit human visible light.

23. Mr. Kiekhaefer and Perfect Plastic have also received notices of allowance from the U.S. Patent and Trademark Office indicating the allowability of two additional patent applications as patents. These applications claim priority benefit from the original application filed by Mr. Kiekhaefer on October 1, 1999 (which issued as the '137 patent). One of these additional applications was published as U.S. Patent Publication No. 2003/0136848.

24. The claims of these additional patents are also directed to transparent or translucent financial transaction cards and their methods of manufacture. An exemplary allowed claim from one of these additional allowed patents recites:

1. A financial transaction card that is transparent or translucent to human viewing

yet detectable by automated card processing equipment having near Infrared source/detector pairs, each source/detector pair including a near Infrared light source and a near Infrared light detector respectively positioned to face opposing sides of said card when said card is positioned in said equipment for detection and to detect said card by sensing an interruption of near Infrared light transmitted from said source to said detector due to the presence of said card,

comprising:

a substantially planar material sheet having upper and lower surfaces bounded by a continuous peripheral edge;

said material sheet having an area that is at least minimally transparent or translucent to human viewing and located so as to span an optical pathway of one or more of said source/detector pairs when said card is positioned in said equipment for detection; and

an Infrared light filter associated with said area, said filter providing sufficient opacity to near Infrared light to render said card detectable by said source/detector pairs and being arranged to block the optical pathways of all source/detector pairs spanned by said area,

thereby triggering detection of said card,

while still allowing said card to remain transparent or translucent

to visible light in said area.

25. Perfect Plastic is the assignee and owner of all right, title and interest in, and has paid the issue fees for, these two additional patents.

#### **American Express's Patent**

26. On September 7, 1999 (after Perfect Plastic and American Express began discussions regarding the manufacture of a clear card for American Express, but unbeknownst to Perfect Plastic), American Express filed a provisional patent application (Provisional Application No. 60/153,112) entitled "Transparent Transaction Card." This application listed an American Express employee, Ms. Lisa Webb, as the purported inventor.

27. The September 7, 1999 provisional application purported to describe "an optically recognizable transparent transaction card having a magnetic stripe and a integrated circuit." At page 6 of the application, under "Brief Summary of the Invention," the card is said to be "optically recognizable by an invisible infrared ink which is distributed over the card's surface, or alternatively by a hot mirror residing between the card sheets, thereby allowing the card to absorb infrared light and reflect all other light" (emphasis added). On page 7 of the application, under "Brief Description of Detailed Embodiments," the "optically recognizable element" in the card is said to be "a substantially invisible infrared ink which absorbs infrared light but reflects all other wavelengths of light" or "a hot mirror which also absorbs infrared light but reflects all other wavelengths of light," and "[t]hus, all non-infrared light emanating from, for example, an LED (light emitting diode) or laser will reflect off of card 5, thereby allowing detection of the reflected light by a light detector" (emphases added). At page 9, the application again states "the optically recognizable ink is an infrared ink which absorbs infrared light, but reflects other wavelengths of light" (emphasis added), adding that such ink "may be obtained from, and applied to card 5 by,

for example, the Sicpa Company with headquarters at: SICPA Management S.A., Avenue de Florissant 41, 1008 Prilly, Switzerland, Tel: +41 (21) 627 55 55." On the same page 9, it is again stated that "[a]lternatively, the optically recognizable element is a hot mirror which also absorbs infrared light but reflects all other wavelengths of light (emphasis added)."

28. The card discussed in American Express's September 7, 1999 provisional patent application which absorbs infrared light but "reflects all other wavelengths of light" would in fact not be transparent or translucent. It would appear to be opaque. Indeed, if the card "reflected" with perfect precision, it would look like a mirror. The statement regarding LEDs emanating non-infrared light that will trigger card detection in an ATM when reflected from a card is also incorrect. As set forth above, ATM sensors operate with infrared light. Thus, to the extent that American Express's September 7, 1999 provisional patent application discloses a card, it is an opaque card that reflects non-infrared light.

29. On October 20, 1999, after Perfect Plastic had, at the request of American Express, submitted samples of its clear cards to ATM manufacturers for testing, after the successful results of those tests had been communicated to American Express, after American Express representatives had visited Perfect Plastic to discuss the production of a clear card, and after Perfect Plastic had filed the application that matured into the '137 patent, American Express (again unbeknownst to Perfect Plastic) filed another provisional patent application (Provisional Application No. 60/160,519) entitled "Method and Apparatus for Transaction Card Detection." This application named Ms. Webb along with two other American Express employees, Mr. William Faenza and Ms. Ellen Lasch, as purported inventors.

30. This second provisional application states, on page 4 under "Brief Description of the Invention," that "[i]nfrared materials have now been discovered which can be used to allow

for detection of a card or item that will transmit visible light while absorbing or reflecting infrared light." Although this application contained six examples (pages 10-17), all of those examples were limited to the preparation of an ink or coating that emits light when stimulated with a laser. None of the examples describes the manufacture of a clear card or a clear card containing an infrared filter.

31. On November 24, 1999 (after extensive discussions between Perfect Plastic and American Express had taken place regarding the design and manufacture of clear cards, but again unbeknownst to Perfect Plastic), American Express filed a third provisional patent application (Provisional Application No. 60/167,405) entitled "Transparent or Translucent Transaction Card." The text of the section entitled "Brief Summary of the Invention" at page 6 of this application is similar to that of the first provisional application filed by American Express on September 7, 1999, except that the "invisible infrared ink" and "hot mirror" were now said to "absorb or reflect infrared light" (as opposed to "absorb infrared light" as stated in the first application) and, more significantly, to "transmit all other light" (rather than to "reflect all other light," as stated in the first application).

32. At page 9, the third provisional application states "the optically recognizable ink is an infrared ink which absorbs infrared light, but transmits other wavelengths of light." In contrast to the first provisional application, which stated that the infrared ink "may be obtained from, and applied to card 5 by, for example, the Sicpa Company," the third provisional application states in the corresponding passage that the infrared ink "may be obtained from, and applied to card 5 by, for example, see Figure 5." "Figure 5" lists two ingredients for making an ink (one being "Tech Mark mixing clear" and the other being "Epolin III-57 dye," neither being from "the Sicpa Company").

33. Epolin III-57 dye is one of the commercial dyes identified in Perfect Plastic's Patent Application Serial No. 09/449,251, also filed on November 24, 1999.

34. American Express filed a fourth provisional application (Provisional Application No. 60/171,689) on December 21, 1999. This provisional application is entitled "Method to illuminate an opaque or translucent smart or non smart plastic card ("card") used for credit, charge, debit, access or other functions within a card reader/writer or point of sale terminal or device ("acceptance device")." The application lists Alan J. Zausner as the sole inventor and discusses a card reader that receives the edge of a card and shines a light toward the card edge.

35. On September 1, 2000, American Express filed a non-provisional patent application (U.S. Application Serial No. 09/653,837) entitled "Transaction Card." In this non-provisional application, American Express claimed priority benefit from the four provisional patent applications previously filed by American Express and discussed above. This application listed Ms. Webb, Ms. Lasch and Mr. Faenza, as well as yet another American Express employee, Ms. Judy Vigiletti, as purported inventors. This application issued as U.S. Patent No. 6,581,839 ("the '839 patent," attached hereto as Exhibit 2) on June 24, 2003.

36. The '839 patent contains 24 claims directed to transparent and/or translucent cards. The independent claims recite:

1. A card comprising:  
at least one of a translucent and transparent card surface; and  
a machine recognizable compound containing an infrared blocking material associated with and substantially covering said surface,  
whereby said card is capable of blocking infra red light at substantially all points on said surface when said card is inserted in a card reading machine.

17. A card comprising:  
at least one of a translucent and transparent card surface;  
a machine recognizable compound containing an infrared blocking

material associated with and substantially covering said surface; and,

at least one of a holographic foil, an integrated circuit chip, a magnetic stripe, an opacity gradient, embossed characters, signature field, text and logo

whereby said card is capable of activating a sensor in a card reading machine regardless of the position of the sensor along said surface of said card.

20. A card comprising:

at least one of an opaque, translucent and transparent card surface;

a machine recognizable compound containing infrared blocking materials associated with and substantially covering said surface;

a holographic foil;

an integrated circuit chip; and

a magnetic stripe;

whereby said card is capable of activating a sensor in a card reading machine regardless of the location of the sensor adjacent said surface of said card.

21. A card substantially transmissive to visible light, comprising:

at least one of a translucent and transparent card surface; and

a machine recognizable compound containing an infrared blocking material associated with and substantially covering said card surface, wherein said machine recognizable compound is substantially transmissive to visible light;

where said card is capable of activating a sensor in a card reading machine in a variety of locations.

22. A card substantially transmissive to visible light, comprising:

at least one of a translucent and transparent card surface;

at least one of a holographic foil, an integrated circuit chip, a magnetic stripe, an opacity gradient, embossed characters, signature field, text and logo; and

a machine recognizable compound containing an infrared blocking material associated with and substantially covering said card surface, wherein said machine recognizable compound is substantially transmissive to visible light;

whereby said card is capable of activating a sensor in a card reading machine regardless of the location of the sensor along the card.

23. A process for fabricating a card  
substantially transmissive to visible light

whereby said card is capable of activating a sensor in a card  
reading machine regardless of the location of the sensor adjacent said  
surface of said card,

comprising

placing IR film between at least two layers of PET IR.

24. A method of actuating a transaction machine, having an  
infrared sensor and a magnetic stripe reader,

with a substantially transparent or translucent card

comprising the steps of:

a) providing a card having one of a transparent and translucent  
surface, an infrared blocking material substantially covering said surface,  
and a machine readable magnetic stripe;

b) inserting said card into the transaction machine; and

c) sensing the presence of the infrared blocking material on said  
card to cause the magnetic stripe reader to scan the magnetic stripe.

37. Thus, the claims of the '839 patent are directed to translucent or transparent cards  
that are capable of blocking infrared light when inserted in a card-reading machine, and methods  
for making and using such cards.

38. American Express Travel-Related Services Co., Inc. is, on information and belief,  
the assignee and owner of the '839 patent.

**American Express's Assertion Of Infringement Of The '839 Patent  
By Perfect Plastic's Clear Cards And Threats To Perfect Plastic's Customers**

39. On November 5, 2003, American Express issued a press release (attached hereto  
as Exhibit 3) stating, *inter alia*:

American Express announced that the U.S. Patent Office has  
awarded the company a patent for the invention of clear card technology.  
This marks the first time a card issuer has successfully developed  
transparent and translucent card products to be used with infrared-beaming  
machines, such as ATMs. This technology is currently used for Blue from  
American Express<sup>®</sup>, Blue Cash<sup>SM</sup> from American Express and several  
other card products. . . . The new patent (U.S. Patent No. 6,581,839) gives  
American Express the right to prevent others from producing and

marketing clear technology for both transparent and translucent card products that can be used in ATM or infrared-reading machines. . . . After testing various inks, films and other materials, American Express patented a clear design that is compatible with virtually all infrared-reading machines. The company introduced the first transparent card product in the U.S. in 2002 with Blue from American Express. (emphasis added)

40. On information and belief, on or about December 29, 2003, American Express, acting through its Head Patent Counsel, Tracey R. Thomas, sent a letter (the "AMEX-MBNA letter," attached hereto as Exhibit 4) to Mr. Bruce L. Hammonds, Chairman of MBNA American Bank ("MBNA"). In the AMEX-MBNA letter, American Express asserts that MBNA "manufactures, uses or sells products which infringe or contributorily infringe one or more claims of the '839 patent" and specifically accuses MBNA's Quantum<sup>TM</sup> brand cards of such infringement.

41. In the AMEX-MBNA letter, American Express threatens MBNA with statements that "a patent owner is entitled to recover damages for infringement over the life of the patent," that "where the infringement has been willful, the damages can be increased to three times the amount found by a jury, and the patentee can be awarded its attorneys fees," and that "American Express is committed to enforce its patent rights against unlicensed infringers."

42. MBNA has distributed under its Quantum<sup>TM</sup> brand clear cards manufactured by Perfect Plastic.

43. Perfect Plastic continues to manufacture clear cards for other card issuers using technology that is identical to that used to produce the MBNA clear cards.

44. American Express's accusations of infringement against MBNA and its statements in its November 5, 2003 press release have had, and will continue to have, an adverse effect on Perfect Plastic by, among other things, deterring current and potential customers of Perfect



Plastic from purchasing Perfect Plastic's clear cards due to the uncertainties American Express is creating surrounding the alleged infringement of the '839 patent by such cards.

45. Moreover, based on the threats by American Express to MBNA that the clear cards manufactured by Perfect Plastic infringe one or more claims of the '839 patent, and that "American Express is committed to enforce its patent rights against unlicensed infringers," and similar statements of American Express in its November 5, 2003 press release, Perfect Plastic has a reasonable apprehension that it is subject to imminent suit by American Express for infringement of the '839 patent.

**COUNT I  
DECLARATORY JUDGMENT OF PATENT INVALIDITY  
AND NON-INFRINGEMENT**

46. Perfect Plastic incorporates the allegations of paragraphs 1-45 above as if set forth verbatim herein.

47. Perfect Plastic's clear-card products do not infringe any valid claim of the '839 patent, Perfect Plastic has not induced infringement and/or has not contributed to infringement of any such claims, and, upon information and belief, Perfect Plastic's customers have not infringed any valid claim of the '839 patent through their sale, use and distribution of clear cards purchased from Perfect Plastic.

48. Upon information and belief, one or more of the claims of the '839 patent are invalid: (a) for failure to satisfy one or more of the conditions for patentability specified in Chapter 10 of Part II of Title 35, United States Code, including but not limited to 35 U.S.C. Sections 102, 103 and/or 112, and/or (b) for failure to satisfy one or more of the requirements of Chapter 11 and/or 25 of Part II of Title 35, United States Code, and/or (c) for being otherwise in violation of one or more Sections of Title 35, United States Code.

49. Specifically, on information and belief, one or more of the claims of the '839 patent are invalid under 35 U.S.C. §§ 102(g)(2) and/or 102(a) due to Mr. Kiekhaefer's prior invention, knowledge and use of the subject matter claimed therein.

50. Upon information and belief, American Express knows, or should know, that Perfect Plastic's clear-card products do not infringe any valid claim of the '839 patent, that Perfect Plastic has not induced infringement and/or has not contributed to infringement of any such claims, and/or that such claims are invalid and/or not enforceable.

51. There is a substantial and continuing justiciable controversy between Perfect Plastic and American Express concerning the '839 patent.

52. Perfect Plastic has been, and will continue to be, damaged by American Express's conduct referred to above, absent a determination by the Court as to the matters in controversy as alleged in this Count I.

53. American Express's conduct referred to above makes this an exceptional case within the meaning of 35 U.S.C. Section 285, warranting an award to Perfect Plastic of its costs, expenses and attorney fees incurred in this action.

**COUNT II**  
**INTERFERING PATENTS UNDER 35 U.S.C. § 291**

54. Perfect Plastic incorporates the allegations of paragraphs 1-45 above as if set forth verbatim herein.

55. Perfect Plastic's '137 patent and American Express's '839 patent are "interfering patents" as that term is used in 35 U.S.C. § 291.

56. Although the respective claims of the '137 patent and the '839 patent do not use identical language, the claims of the two patents cover the same subject matter. That subject matter is (i) a financial transaction card that is transparent or translucent to visible light and is

sufficiently opaque to infrared light to allow detection of the card when it is inserted into a card-reading machine; and (ii) methods for manufacturing such cards.

57. Because the '137 patent and the '839 patents are interfering patents, this Court has subject matter jurisdiction over this action under 35 U.S.C. § 291.

58. John Kiekhaefer was the first to invent the subject matter claimed in the '137 and '839 patents.

59. The claims of the '839 patent are not entitled to priority benefit of American Express's first provisional patent application (Provisional Application No. 60/160,159) filed on September 7, 1999, because that application fails to provide adequate written descriptive support or to enable one of ordinary skill to make and use the subject matter of the claims of the '839 patent, *i.e.*, a financial transaction card that transmits visible light but is sufficiently opaque to infrared light to permit detection in a card-reading machine, and methods for making such cards.

60. Because American Express is not entitled to the priority benefit of its September 7, 1999 provisional filing date, Perfect Plastic (with its October 1, 1999 priority benefit date) should rightfully be considered the "senior" party in this 35 U.S.C. § 291 interfering patents action.

61. The '839 patent is invalid in light of the prior invention of the subject matter of its claims by John Kiekhaefer and in light of the '137 patent.

### **COUNT III PATENT INFRINGEMENT**

62. Perfect Plastic repeats the allegations of paragraphs 1-45 above as if set forth verbatim herein.

63. On information and belief, American Express has, since September 18, 2001, made (or had made) and issued transparent or translucent financial transaction cards that infringe at least claim 1 of the '137 patent.

64. American Express has infringed and is continuing to infringe the '137 patent by making, selling, offering to sell, importing, and/or using within the United States, financial transaction cards covered by the '137 patent, and has further engaged in contributory infringement of the '137 patent and has induced others to infringe the '137 patent.

65. American Express's direct, contributory and induced infringement is and has been willful, has caused and will continue to cause Perfect Plastic to suffer substantial damages, and has caused and will continue to cause Perfect Plastic to suffer irreparable harm for which there is no adequate remedy at law.

### **REQUEST FOR RELIEF**

For the above reasons, Perfect Plastic requests that this Court enter judgment against American Express, and against their subsidiaries, successors, affiliates, agents, servants, employees and all persons in active concert or participation with them, under the above Counts, and grant the following relief:

An order declaring that the '839 patent is invalid and that clear cards manufactured by Perfect Plastic do not infringe any valid claim of the '839 patent;

A permanent injunction enjoining American Express from asserting or threatening to assert any right under the '839 patent against Perfect Plastic, its customers, suppliers, distributors or others acting for or in concert with Perfect Plastic;

A permanent injunction enjoining American Express from further direct, contributory and/or induced infringement of the '137 patent;

An award of damages adequate to compensate Perfect Plastic for the infringement by American Express that has occurred, together with pre-judgment interest, from the date infringement of the '137 patent began;

An award of increased damages to Perfect Plastic under 35 U.S.C. § 284;

An order finding that this case is exceptional and an award to Perfect Plastic of its attorneys' fees and costs as provided by 35 U.S.C. § 285; and

Such other and further relief as the Court deems warranted in the circumstance.


**JURY DEMAND**

Perfect Plastic Demands a trial by jury on all issues presented herein.

January 21, 2004

Respectfully submitted,

PERFECT PLASTIC PRINTING CORP.

By: 

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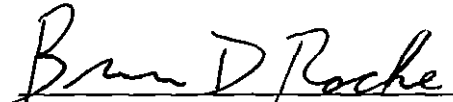
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**CERTIFICATE OF SERVICE**

I, Brian D. Roche, state that I caused a copy of the foregoing **First Amended Complaint** to be served via messenger delivery, and addressed as follows:

Kenneth J. Jurek  
Margaret M. Duncan  
Jennifer M. Mikulina  
McDermott, Will & Emery  
227 West Monroe, Suite 4400  
Chicago, IL 60606

on this 21st day of January, 2004.

  
\_\_\_\_\_  
Brian D. Roche

**SEE CASE  
FILE FOR  
EXHIBITS**