

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

XEROX CORPORATION)

800 Long Ridge Road)
Stamford, Connecticut 06904)

Plaintiff,)

v.)

COPIES DESIGNS & MORE, INC.)

10726 Trenton Avenue)
St. Louis, MO 63132)

Defendant.)

CASE NUMBER:

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT AND COPYRIGHT INFRINGEMENT

Plaintiff Xerox Corporation (“Xerox”) complains against Defendant Copies Designs & More, Inc. (“CDM”) and for a cause of action alleges as follows:

JURISDICTION AND VENUE

1. This action arises under the Patent Act of the United States, 35 U.S.C. § 1 *et seq.*, and the Copyright Act of the United States, 17 U.S.C. § 101 *et seq.* This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

2. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b) and pursuant to 28 U.S.C. § 1400 because CDM resides in this judicial district and a substantial part of the events giving rise to Xerox’s claims against CDM occurred in this judicial district.

THE PARTIES

3. Xerox Corporation (“Xerox”) is a corporation incorporated under the laws of the State of New York with its principal offices in Stamford, Connecticut. Xerox is engaged in the research and development, manufacture, sale, and service of document processing equipment, including photocopiers and document publishing systems. Xerox has also created computer programs and algorithms known as diagnostic software for use in the diagnosis and correction of faults in such photocopiers and document publishing systems.

4. Upon information and belief, CDM is a corporation with its principal place of business in St. Louis, Missouri. CDM operates a reproduction facility specializing in high-speed and high-volume copying.

FACTS

Xerox’s Inventions And Works

5. Xerox has been and continues to be the leading innovator in xerographic technology and in the design and manufacture of photocopiers and laser printers incorporating such technology. In its product design and manufacture Xerox goes to great expense to equip its products with extensive and valuable diagnostic software for such photocopiers and laser printers.

6. Xerox’s 5090 family (“5090 Family”) of copiers includes models known as the 5090 and 5390. These copiers operate at 135 copies per minute.

7. Xerox’s DocuTech publishing and printing family (“DocuTech Family”) of products includes models known as the Xerox DocuTech 135, the Xerox DocuTech 6135, and the Xerox DocuTech 6180. The DocuTech Family of products couples a high-speed scanner with a high-speed laser printer that operates at speeds up to 180 prints per minute.

8. Equipment in the Xerox 5090 Family and the Xerox DocuTech Family is highly complex, consisting of thousands of parts controlled by sophisticated computer software. These parts are arranged in a wide range of interactive subsystems, the interactivity of which is controlled by sophisticated computer software.

9. Like many types of complex mechanical equipment, equipment in the Xerox 5090 Family and the Xerox DocuTech Family requires periodic preventive maintenance as well as unscheduled maintenance to diagnose and repair machine faults. In order to facilitate such maintenance and repair, Xerox's scientists, engineers, and technicians have created sophisticated computer programs and algorithms to detect, identify, diagnose, display and correct equipment faults and problems for use with the Xerox 5090 family, Xerox 4135 Family, and the Xerox DocuTech Family (henceforth the "Diagnostic Software"). A considerable portion of the Diagnostic Software includes a group of special programs designed to perform a wide range of diagnostic operations in a diagnostic mode.

10. The Diagnostic Software is the product of many tens of thousands of software engineering and testing hours and millions of dollars of investment by Xerox. The Diagnostic Software contains numerous innovative methods and apparatus to detect, identify, diagnose, display, and correct equipment faults and problems.

11. Xerox is the assignee and owner of United States Patent No. 5,010,551 issued April 23, 1991 (the '551 patent) and U.S. Patent No. 5,023,817 issued March 6, 1989 (the '817 patent), which are all valid and enforceable. The '551 patent and the '817 patent claim inventions incorporated in the Diagnostic Software for the Xerox 5090 Family. Xerox is the assignee and owner of United States Patent No. 5,210,571 issued May 11, 1993 (the '571 patent). The '571 patent and the '817 patent also claim inventions incorporated in the Diagnostic

Software for the Xerox DocuTech Family. Copies of these patents are attached hereto as Exhibit A.

12. The Diagnostic Software for the Xerox 5090 family and the Xerox DocuTech Family are original works of authorship.

13. Xerox has registered its copyrights in the Diagnostic Software for the Xerox 5090 Family and the Xerox Docutech Family.

- a. On June 24, 1994, Xerox obtained registered copyright TXu593-261, Xerox Level L Diagnostic Software.
- b. On June 24, 1994 Xerox obtained registered copyright TX3-792-218, Xerox 5090 Copier Operating System and Diagnostic Software Release Level K, Version 6.87 (title modified by TX3-639-566).
- c. On November 15, 1994 Xerox obtained registered copyright TX3-871-211, Xerox 5390 Copier Operating System and Diagnostic Software Level A, Version 30.27.
- d. On November 15, 1994 Xerox obtained registered copyright TX3-871-214, Xerox 5090 Copier Operating System and Diagnostic Software Release Level M, Version 8.04.
- e. On December 5, 1994 Xerox obtained registered copyright TX3-956-668, Xerox 5390 Copier Operating System and Diagnostic Software Level A, Version 30.27.
- f. On May 22, 1995 Xerox obtained registered copyright TX3-994-624, Xerox DocuTech Diagnostic Software Release 3.10 (EDN meg. 1.75).

- g. On December 6, 2002 Xerox obtained registered copyright TX5-623-846, Xerox 5690 Software Release 30.71 (Non-Interposer Version).
- h. On December 6, 2002 Xerox obtained registered copyright TX5-623-847, Xerox 5690 Software Release 31.71 (Interposer Version).

Copies of these copyright certificates of registration are attached hereto as Exhibit B.

Xerox's Licensing Of Diagnostic Software

14. The Diagnostic Software is installed by Xerox service technicians or as part of the manufacturing process from disks or tapes onto a hard disk (also called a rigid disk) located in equipment in the Xerox 5090 Family or the Xerox DocuTech Family.

15. When the Diagnostic Software is invoked or used, the software is reproduced from the rigid disk to the random access memory of the equipment.

16. Although the Diagnostic Software is physically present on the hard disks of Xerox 5090 Family equipment and Xerox DocuTech Family systems, Xerox does not transfer either ownership of the copy of the Diagnostic Software or any license or other rights to use the software when it sells Xerox 5090 Family or Xerox DocuTech Family equipment. At all times relevant to this action, the terms and conditions pursuant to which such equipment was sold have expressly provided that the Diagnostic Software remains the property of Xerox and that no rights to use or reproduce such software are conveyed absent a separate license.

17. Xerox's service technicians utilize the Diagnostic Software when they service such equipment.

18. Some owners of equipment in the Xerox 5090 Family and the Xerox DocuTech Family service their equipment themselves. At all times relevant to this action, Xerox has offered end users of equipment in its Xerox 5090 Family and Xerox DocuTech Family the ability

to license, for a fee, the right to use and to reproduce incident to such use the Diagnostic Software. Xerox's Diagnostic Software licenses convey for a one-year period the required rights under Xerox's patents and copyrights necessary to use the Diagnostic Software on a single piece of equipment.

19. Other owners of equipment in the Xerox 5090 Family and Xerox DocuTech Family retain an independent service organization ("ISO") to service their equipment. At all times relevant to this action, Xerox has permitted licensees of Diagnostic Software for its Xerox 5090 Family and Xerox DocuTech Family to authorize ISOs to utilize the Diagnostic Software pursuant to their license. At all times relevant to this action Xerox has also permitted ISOs to order Diagnostic Software for the Xerox 5090 Family or Xerox DocuTech Family as the agent of the end user licensee.

20. Xerox does not now and has never sold its Diagnostic Software, and Xerox has never authorized the use or reproduction of its Diagnostic Software by anyone other than licensees (and their agents) of the Diagnostic Software for a particular machine.

CDM's Infringing Conduct

21. CDM has in the past and, upon information and belief, continues at present, to use the Diagnostic Software and to reproduce the Diagnostic Software from the hard disk to random access memory in servicing 5090 Family and DocuTech Family equipment owned by CDM and/or third parties.

22. CDM's use and reproduction of the Diagnostic Software for the Xerox 5090 Family equipment and Xerox DocuTech Family equipment it services is unlicensed. CDM has not requested the required Diagnostic Software licenses, and Xerox has not granted the required Diagnostic Software licenses to CDM.

23. Xerox notified CDM of its infringing activities by certified letter dated August 13, 2004, and by fax on August 23, 2004.

**COUNT I – INFRINGEMENT OF U.S. PATENT NOS. 5,010,551, 5,023,817,
AND 5,210,571**

24. Xerox realleges and incorporates by reference the allegations of paragraphs 1-23 as if they had been set forth fully herein.

25. Xerox is the assignee and owner of the '551 patent, the '571 patent and the '817 patent relating to the innovative methods used to detect, identify, diagnose, display, and correct equipment faults and problems incorporated in the Diagnostic Software. Xerox has complied in all respects with the Patent Act of the United States, 35 U.S.C. § 1 *et seq.*, and is entitled to sue for the infringement of these patents and to obtain all appropriate relief resulting from such infringement.

26. CDM's unauthorized use of the Diagnostic Software constitutes infringement of Xerox's patents pursuant to 35 U.S.C. § 271. Xerox is informed and believes that CDM is continuing to infringe Xerox's patents and will continue to do so unless enjoined by this Court. Accordingly, Xerox has no adequate remedy at law. Further, any harm to CDM that might be caused by entry of injunctive relief as requested herein is outweighed by the harm that Xerox would suffer if the requested relief were not granted.

27. Xerox provided notice of infringement to CDM on August 13, 2004, and Xerox is entitled to recover damages for acts of infringement at least as of that date. Alternatively, this Complaint constitutes notice of infringement under 35 U.S.C. § 287(a), and Xerox is entitled to recover damages for acts of infringement after service of this Complaint.

28. As a result of CDM's infringing activities, Xerox has been and will be damaged. Consequently, Xerox is entitled to compensation for these damages from CDM pursuant to 35

U.S.C. § 284 in an amount that cannot be presently quantified, but will be ascertained at trial. Xerox is also entitled to an order permanently enjoining CDM from engaging in its infringing activities.

29. Xerox is informed and believes that CDM's past and continuing infringement of the patents identified in Exhibit A has been, and is, deliberate and willful. As a result, this is an exceptional case that warrants an award of treble damages and attorneys' fees pursuant to 35 U.S.C. §§ 284 and 285.

COUNT II – COPYRIGHT INFRINGEMENT

30. Xerox realleges and incorporates by reference the allegations of paragraphs 1-23 as if they had been set forth fully herein.

31. Xerox's Diagnostic Software for the Xerox 5090 Family and the Xerox DocuTech Family are copyrightable subject matter pursuant to Section 102 of the Copyright Act, 17 U.S.C. § 102.

32. Xerox has been and still is the sole owner and/or assignee of all rights, title and interest in and to the copyrights on all versions of the Diagnostic Software. Accordingly, Xerox is the sole owner of the rights set forth in 17 U.S.C. § 106.

33. Xerox is the owner of the registered copyrights in Exhibit B. Xerox has complied in all respects with the Copyright Act of the United States, 17 U.S.C. § 101 *et seq.*, and is entitled to sue for the infringement of these copyrights and to recover all appropriate relief resulting from such infringement.

34. CDM has infringed and continues to infringe Xerox's copyrights in Exhibit B by using the Diagnostic Software without authorization or license from Xerox. The use of such software results in the reproduction of the Diagnostic Software from the rigid disk of Xerox 5090

Family or Xerox DocuTech Family equipment on which the software is installed to the random access memory of the equipment. This unlicensed reproduction violates Xerox's exclusive right to reproduce its copyrighted software granted by Section 106(1) of the Copyright Act, 17 U.S.C. § 106(1), and thus is an infringement of Xerox's copyright under 17 U.S.C. § 501.

35. CDM's infringement of Xerox's rights under the Copyright Act is willful.

36. CDM has profited from its infringing activities in an amount that cannot be currently quantified, but will be ascertained at trial. Xerox has suffered a loss of sales and profits as a result of CDM's infringement that cannot currently be quantified, but that will be ascertained at trial.

37. Xerox is informed and believes that CDM is continuing to infringe Xerox's copyrights and will continue to do so unless enjoined by this Court. Accordingly, Xerox has no adequate remedy at law.

DEMAND FOR RELIEF

WHEREFORE, Xerox demands judgment against CDM as follows:

- (i) A finding that CDM has infringed Xerox's '551, '817, and '571 patents;
- (ii) Actual damages suffered by Xerox as a result of CDM's infringement of Xerox's patents, including lost profits and/or reasonable royalty fees;
- (iii) A finding that CDM's infringement of the '551, '817, and '571 patents has been deliberate and willful and, therefore, that this is an exceptional case;
- (iv) Enhanced damages to Xerox of up to three times the amount of compensatory damages determined at trial as a result of CDM's willful infringement of Xerox's patents;
- (v) A finding that CDM has infringed Xerox's copyrights;
- (vi) Actual damages suffered by Xerox as a result of CDM's infringement of Xerox's copyrights, including Xerox's lost profits and the profits of CDM that are attributable to its

infringement, or, alternatively, statutory damages to the maximum extent permitted by 17 U.S.C. § 504 for each of Xerox's copyrighted works infringed by CDM;

(vii) The recovery of attorney's fees, as provided by 35 U.S.C. § 285 and 17 U.S.C. § 505;

(viii) A permanent injunction prohibiting CDM from using or reproducing Xerox's Diagnostic Software on Xerox copiers and printers for which Xerox has not issued a current Diagnostic Software license;

(ix) Pre- and post-judgment interest;

(x) Costs of suit; and


(xi) Any other relief the Court deems just.

JURY TRIAL DEMANDED

Dated: September 21, 2004

Respectfully submitted,

HUSCH & EPPENBERGER, LLC

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