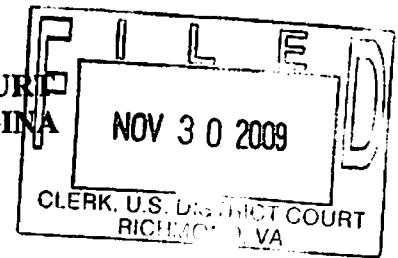


IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division



DNT LLC,

Plaintiff,

v.

ZONET USA CORP.

Defendant.

Civil Action No. 3:09CV751(JRS)

COMPLAINT

DNT LLC complains against Zonet USA Corp. and alleges the following:

The Parties

DNT LLC

1. DNT LLC ("Plaintiff") is a Virginia company with its principal place of business at 8221 Old Courthouse Road, Suite 300, Vienna, Virginia 22182.

Zonet USA Corp.

2. On information and belief, Zonet USA Corp. ("Zonet") is a California corporation with its principal place of business at 18513 East Gale Ave., City of Industry, CA 91748.

3. On information and belief, Zonet is in the business of selling electronic equipment, including wireless devices designed to couple a computer to a telephone network.

Nature of the Case

4. This is an action for infringement of United States Patent No. RE 37,660 (the '660 patent), which is a reissue of U.S. Patent No. 5,452,352 (the '352 patent). A true and correct copy of the '660 patent is attached hereto as Exhibit A. This action is based on the Patent Laws of the United States as found in 35 U.S.C. § 100, *et seq.*

Jurisdiction and Venue

5. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338. Venue is proper in this district and division pursuant to 28 U.S.C. § 1391 and § 1400, and E.D. Va. Local Civil Rule 3(C).

6. On information and belief, Zonet sells, and/or offers to sell infringing products in this judicial district.

7. Specifically, Zonet has sold, has offered to sell and/or does sell and/or offers to sell modem cards insertable into a computer designed to couple the computer to a telephone network including *at least* the following device: ZFM5600CF (collectively the “Zonet Products”).

8. On information and belief, Zonet has systematic and continuous contacts with this jurisdiction.

Background

9. On September 19, 1995, the United States Patent and Trademark Office (“PTO”) issued U.S. Patent No. 5,452,352, entitled “Automatic Dialing System” to the inventor, David Talton.

10. Mr. Talton later filed for a reissue of the ’352 patent and this application was assigned application number 08/933,951 by the PTO.

11. On April 16, 2002, the PTO issued U.S. Patent No. RE 37,660, entitled “Automatic Dialing System,” as a reissue of the ’352 patent.

12. The ’660 patent was subsequently assigned by Mr. Talton to his company Taltwell LLC. Neither Mr. Talton nor Taltwell LLC made, used, sold, offered for sale or

imported into the United States any products within the scope of any claim of the '352 patent or the '660 patent.

13. On September 4, 2007, the '660 patent was asserted against Zonet USA Corp. ("Zonet") in *Taltwell, LLC v. Zonet USA Corp.*, Case No. 3:07CV00543-REP (E.D. Va.).

14. On March 28, 2008, the Honorable Robert E. Payne issued a claim construction opinion in *Taltwell, LLC v. Zonet USA Corp.*, and that claim construction opinion was never appealed.

15. On May 21, 2008, the eve of trial, Zonet and Taltwell entered into a settlement agreement, and shortly thereafter the case was jointly dismissed.

16. The '660 patent was thereafter ultimately and is currently assigned to DNT LLC. Neither DNT LLC nor any other assignee of the '660 patent ever made, used, sold, offered for sale or imported into the United States any products within the scope of any claim of the '352 patent of the '660 patent. Thus, there has been no authorized manufacture, use, sale, offer for sale or importation of any product within the scope of any claim of the '660 patent, and the marking requirements of 35 U.S.C. § 287 do not apply.

17. The settlement agreement between Taltwell and Zonet conditioned Zonet's receipt of a license to the '660 patent on its payment of royalties.

18. Zonet never paid any royalties to any assignee of the '660 patent, pursuant to the settlement agreement or otherwise. Thus, Zonet never obtained a license to the '660 patent and never made any authorized sales of products covered by the claims of the '660 patent.

19. Zonet never reported making any sales of products covered by the claims of the '660 patent to any assignee of the '660 patent.

20. DNT discovered in approximately September 2009 that Zonet may have breached the settlement agreement by making unauthorized sales. DNT thereafter investigated the issue and confirmed that Zonet had made unauthorized, unlicensed sales of products.

21. Zonet's unauthorized sales constitute a material breach of the settlement agreement.

22. DNT informed Zonet that it must immediately cease selling products within the scope of the '660 patent on October 5, 2009 and informed Zonet of its material breach of the settlement agreement. DNT confirmed that the settlement agreement was terminated due to Zonet's material breach on November 2, 2009.

Count I – Direct Infringement of the '660 Patent

23. Plaintiff incorporates by reference and repeats the allegations in paragraphs 1-41 above.

24. Zonet's unauthorized and unlicensed use, sale, offer for sale and/or importation of the Zonet Products after May 21, 2008 constitutes infringement of at least claim 21 of the '660 patent under 35 U.S.C. § 271(a), either literally or under the doctrine of equivalents.

25. Zonet has had knowledge of the '660 patent since at least September 4, 2007.

26. Zonet's infringement is willful.

Count II – Indirect Infringement of the '660 Patent

27. Plaintiff incorporates by reference and repeats the allegations in paragraphs 1-51 above.

28. Zonet's customers use the unlicensed Zonet Products thereby infringing at least claim 21 of the '660 patent under 35 U.S.C. § 271(a), either literally or under the doctrine of equivalents.

29. Zonet knowingly encourages such use by its customers, and Zonet had notice of the '660 patent at least as early as September 4, 2007. Zonet is thus liable for inducement of infringement under 35 U.S.C. § 271(b) after May 21, 2008.

30. Zonet knew or should have known that its unauthorized sales constituted infringement of at least claim 21 of the '660 patent, and thus Zonet's behavior was objectively reckless.

31. Zonet's infringement was and is willful, thereby making this case exceptional and entitling Plaintiff to enhanced damages and reasonable attorneys' fees Pursuant to 35 U.S.C. §§ 284 and 285.

Demand for Jury Trial

DNT demands a trial by jury on all issues so triable.

Prayer for Relief

In view of the foregoing, DNT respectfully requests the following relief:

- A. A judgment that Defendant has infringed one or more of the claims of the '660 patent;
- B. A judgment awarding Plaintiff damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for each product sold by Defendant which falls within the scope of one or more claims of the '660 patent;
- C. A judgment that Defendants' infringement is willful and an award of treble damages, costs and reasonable attorneys' fees;
- D. An injunction under 35 U.S.C. § 283 restraining Defendant, as well as its officers, agents, servants, employees, and any person in active concert or participation with any of the foregoing, from the commercial manufacture, use, import, offer to sell or sale within the United

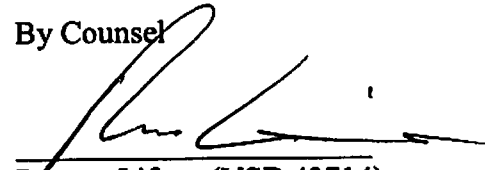
States of the Defendant's Products or any products within the scope of one or more claims of the '660 patent;

- E. Costs and expenses incurred in pursuing this action;
- F. A declaration finding this to be an exceptional case and awarding DNT its reasonable attorneys' fees; and
- G. Any other relief the Court deems just and proper.

Respectfully submitted,

DNT LLC,

By Counsel



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