

2. Hospital Systems is the exclusive licensee and owner of all substantial rights and interest in and to: United States Patent No. 5,321,520, issued on June 14, 1994 for “Automated High Definition/Resolution Image Storage, Retrieval and Transmission System” (the “‘520 patent,” a copy of which is attached as **Exhibit 1**), and United States Patent No. 5,416,602, issued on May 16, 1995, for “Medical Image System with Progressive Resolution” (the “‘602 patent,” a copy of which is attached as **Exhibit 2**) (collectively, the “Patents”).

3. Each of the Defendants manufactures, provides, sells, offers for sale, imports and/or distributes infringing Picture Archiving and Communications Systems (“PACS”); and/or induces others to use its PACS products and services in an infringing manner; and/or contributes to the use of infringing PACS products and services by others.

4. Plaintiff Hospital Systems seeks damages and prejudgment interest for Defendants’ past infringement of the Patents. Plaintiff Hospital Systems further seeks injunctive relief to prevent Defendants from continuing infringement of Plaintiff’s valuable patent rights.

5. This is an exceptional case, and Hospital Systems is entitled to damages, enhanced damages, attorneys’ fees, costs and expenses.

II. THE PARTIES

6. Plaintiff Hospital Systems Corporation is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business located at 500 Newport Center Drive, 7th Floor, Newport Beach, California, 92660.

7. Defendant Carestream Health, Inc. is a corporation organized and existing under the laws of Delaware, with a place of business located at 150 Verona Street, Rochester, NY

14608. Defendant Carestream Health, Inc. can be served with process by serving its registered agent for service of process. Defendant Carestream Health, Inc. can be served with process by serving its registered agent for service of process in the State of Texas, Corporation Service Company, 701 Brazos Street, Suite 1050, Austin, Texas 78701.

8. Defendant Stryker Imaging Corporation, a subsidiary of Stryker Corporation, is a Delaware corporation with a place of business located at 1410 Lakeside Parkway, #600, Flower Mound, Texas 75028. Defendant Stryker Imaging Corporation can be served with process by serving its registered agent for service of process in the State of Texas, CT Corporation System, 350 N. St. Paul Street, Dallas, Texas 75201.

9. Defendant Stryker Corporation is a Delaware corporation with a place of business located at 2825 Airview Boulevard, Kalamazoo, Michigan 49002. Defendant Stryker Corporation conducts business within the State of Texas but has not designated an agent for service of process in this State. Accordingly, Defendant Stryker Corporation can be served with process by serving its registered agent for service of process, The Company Corporation, 2711 Centerville Road Suite 400, Wilmington, Delaware 19808.

10. Defendant Sage Software Healthcare, Inc. is a Florida corporation with a principal place of business located at 2202 N. West Shore Blvd., Suite 300, Tampa, Florida 33607-5746. Defendant Sage Software Healthcare, Inc. can be served with process by serving its registered agent for service of process in the State of Texas, Corporation Service Company, 701 Brazos Street, Suite 1050, Austin, Texas 78701.

11. Defendant Aspyra, Inc. is a California corporation with its principal place of business at 26115-A Mureau Road, Calabasas, California 91302. Defendant Aspyra, Inc. can be

served with process by serving its registered agent for service of process in the State of Texas, Corporation Service Company, 701 Brazos Street, Suite 1050, Austin, Texas 78701.

12. Defendant ScImage, Inc. is a California corporation with a place of business at 4916 El Camino Real, Los Altos, California 94022. Defendant ScImage conducts business within the State of Texas but has not designated an agent for service of process in this State. Accordingly, Defendant ScImage can be served with process by serving its registered agent for service of process, Sai P. Raya, 4916 El Camino Real Ste. 200, Los Altos, California 94022.

13. Defendant Diamedx, Inc. d/b/a SIMMS is a Canadian corporation. SIMMS has its principal place of business located at 243 College Street, Suite 100, Toronto, Ontario, M5T 1R5, Canada. Defendant SIMMS conducts business within the State of Texas but has not designated an agent for service of process in this State. Accordingly, Defendant SIMMS can be served with process by serving its registered agent for service of process at 243 College Street, Suite 100, Toronto, Ontario, M5T 1R5, Canada.

14. Defendant Aware, Inc. is a Massachusetts corporation with a place of business located at 40 Middlesex Turnpike, Bedford, Massachusetts 01730. Defendant Aware, Inc. conducts business within the State of Texas but has not designated an agent for service of process in this State. Accordingly, Defendant Aware, Inc. can be served with process by serving its registered agent for service of process at 40 Middlesex Turnpike, Bedford, Massachusetts 01730.

15. Defendant eRad Image Medical, Inc. is a South Carolina corporation with a place of business located at 9 Pilgrim Road, Greenville, South Carolina 29607. Defendant eRad Image Medical, Inc. conducts business within the State of Texas but has not designated an agent for

service of process in this State. Accordingly, eRad Image Medical, Inc. can be served with process by serving its registered agent for service of process, Roy Miller, 9 Pilgrim Road, Greenville, South Carolina 29607.

16. Defendant RamSoft USA, Inc. is a Wyoming corporation with a place of business located at 10808 Foothill Blvd #160-427, Rancho Cucamonga, CA, 91730. Defendant RamSoft USA conducts business within the State of Texas but has not designated an agent for service of process in this State. Defendant RamSoft USA, Inc. can be served with process by serving its registered agent for service of process at Incorp Services, Inc., 2510 Warren Ave, Cheyenne, WY 82001.

III. JURISDICTION AND VENUE

17. This is an action for patent infringement which arises under the Patent Laws of the United States, in particular, 35 U.S.C. §§271, 281, 283, 284 and 285. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. §§1331 and 1338(a).

18. This Court has personal jurisdiction over each of the Defendants, and venue is proper in this Court pursuant to 28 U.S.C. §§1391(b), (c) and 1400.

IV. PLAINTIFF'S PATENTS

19. The Patents disclose a medical image storage, retrieval and transmission system and method for providing simultaneous automated access to a common database by a plurality of remote subscribers upon request. The database may include medical images such as digitized X-ray images. The remote site requests selective transmission of the requested digitized information from the image data storage and retrieval subsystem to the requesting visual display terminal for conversion to a visual image at the remote site.

20. Hospital Systems has obtained all substantial right and interest to the Patents, including all rights to recover for all past and future infringements thereof.

V. DEFENDANTS' ACTS

Carestream

21. Carestream manufactures, provides, sells, offers for sale and/or distributes infringing PACS systems. The infringing Carestream PACS systems include, but are not limited to, systems marketed under the name DirectView and related products. Carestream provides related services, specifications and instructions for the installation and operation of such systems to its customers.

22. Through its actions, Carestream has infringed the Patents and actively induced others to infringe and contributed to the infringement by others of the Patents throughout the United States.

23. Upon information and belief, Defendant Carestream is willfully infringing one or more claims of the Patents, and has demonstrated at least objective recklessness in doing so.

24. Neither Hospital Systems nor any of its predecessors in interest in and to the Patents has granted Carestream a license or any other right to make, use, offer for sale, sell or import the invention defined by the claims of the Patents.

25. Hospital Systems has been and will continue to suffer damages as a result of Defendant Carestream's infringing acts unless and until enjoined.

Stryker

26. Stryker manufactures, provides, sells, offers for sale, imports and/or distributes infringing PACS systems. The infringing Stryker PACS systems include, but are not limited to, systems and software marketed under the names OfficePACS Power System and related products. Stryker provides related services, specifications and instructions for the installation and operation of such systems to its customers.

27. Through its actions, Stryker has infringed the Patents and actively induced others to infringe and contributed to the infringement by others of the Patents throughout the United States.

28. Upon information and belief, Defendant Stryker is willfully infringing one or more claims of the Patents, and has demonstrated at least objective recklessness in doing so.

29. Neither Hospital Systems nor any of its predecessors in interest in and to the Patents has granted Stryker a license or any other right to make, use, offer for sale, sell or import the invention defined by the claims of the Patents.

30. Hospital Systems has been and will continue to suffer damages as a result of Defendant Stryker's infringing acts unless and until enjoined.

Sage

31. Sage manufactures, provides, sells, offers for sale, imports and/or distributes infringing PACS systems. The infringing Sage PACS systems include, but are not limited to, systems marketed under the name Intergy PACS System and related products. Sage provides

services, specifications and instructions for the installation and operation of such systems to its customers.

32. Through its actions, Sage has infringed the Patents and actively induced others to infringe and contributed to the infringement by others of the Patents throughout the United States.

33. Neither Hospital Systems nor any of its predecessors in interest in and to the Patents has granted Sage a license or any other right to make, use, offer for sale, sell or import the invention defined by the claims of the Patents.

34. Hospital Systems has been and will continue to suffer damages as a result of Defendant Sage's infringing acts unless and until enjoined.

Aspyra

35. Aspyra manufactures, provides, sells, offers for sale and/or distributes infringing PACS systems. The infringing Aspyra PACS systems include, but are not limited to, systems marketed under the name AccessNet System and related products. Aspyra provides services, specifications and instructions for the installation and operation of such systems to its customers.

36. Through its actions, Aspyra has infringed the Patents and actively induced others to infringe and contributed to the infringement by others of the Patents throughout the United States.

37. Neither Hospital Systems nor any of its predecessors in interest in and to the Patents has granted Aspyra a license or any other right to make, use, offer for sale, sell or import the invention defined by the claims of the Patents.

38. Hospital Systems has been and will continue to suffer damages as a result of Defendant Aspyra's infringing acts unless and until enjoined.

ScImage

39. ScImage manufactures, provides, sells, offers for sale, imports and/or distributes infringing PACS systems. The infringing ScImage PACS systems include, but are not limited to, systems marketed under the name PICOM and related products. ScImage provides services, specifications and instructions for the installation and operation of such systems to its customers.

40. Through its actions, ScImage has infringed the Patents and actively induced others to infringe and contributed to the infringement by others of the Patents throughout the United States.

41. Neither Hospital Systems nor any of its predecessors in interest in and to the Patents has granted ScImage a license or any other right to make, use, offer for sale, sell or import the invention defined by the claims of the Patents.

42. Hospital Systems has been and will continue to suffer damages as a result of Defendant ScImage's infringing acts unless and until enjoined.

SIMMS

43. SIMMS manufactures, provides, sells, offers for sale and/or distributes infringing PACS systems. The infringing SIMMS PACS systems include, but are not limited to, systems marketed under the names SIMMS PACS and related products. SIMMS provides services, specifications and instructions for the installation and operation of such systems to its customers.

44. Through its actions, SIMMS has infringed the Patents and actively induced others to infringe and contributed to the infringement by others of the Patents throughout the United States.

45. Neither Hospital Systems nor any of its predecessors in interest in and to the Patents has granted SIMMS a license or any other right to make, use, offer for sale, sell or import the invention defined by the claims of the Patents.

46. Hospital Systems has been and will continue to suffer damages as a result of Defendant SIMMS's infringing acts unless and until enjoined.

Aware

47. Aware manufactures, provides, sells, offers for sale and/or distributes infringing PACS systems. The infringing Aware PACS systems include, but are not limited to, systems marketed under the names Aware AccuRad and related products. Aware provides services, specifications and instructions for the installation and operation of such systems to its customers.

48. Through its actions, Aware has infringed the Patents and actively induced others to infringe and contributed to the infringement by others of the Patents throughout the United States.

49. Neither Hospital Systems nor any of its predecessors in interest in and to the Patents has granted Aware a license or any other right to make, use, offer for sale, sell or import the invention defined by the claims of the Patents.

50. Hospital Systems has been and will continue to suffer damages as a result of Defendant Aware's infringing acts unless and until enjoined.

eRAD

51. eRAD manufactures, provides, sells, offers for sale and/or distributes infringing PACS systems. The infringing eRAD PACS systems include, but are not limited to, systems marketed under the name eRAD PACS and related products. eRAD provides services, specifications and instructions for the installation and operation of such systems to its customers.

52. Through its actions, eRAD has infringed the Patents and actively induced others to infringe and contributed to the infringement by others of the Patents throughout the United States.

53. Neither Hospital Systems nor any of its predecessors in interest in and to the Patents has granted eRAD a license or any other right to make, use, offer for sale, sell or import the invention defined by the claims of the Patents.

54. Hospital Systems has been and will continue to suffer damages as a result of Defendant eRAD's infringing acts unless and until enjoined.

RamSoft USA

55. RamSoft USA manufactures, provides, sells, offers for sale and/or distributes infringing PACS systems. The infringing RamSoft PACS systems include, but are not limited to, systems marketed under the name RamSoft PowerServer PACS and related products. RamSoft provides services, specifications and instructions for the installation and operation of such systems to its customers.

56. Through its actions, RamSoft has infringed the Patents and actively induced others to infringe and contributed to the infringement by others of the Patents throughout the United States.

57. Neither Hospital Systems nor any of its predecessors in interest in and to the Patents has granted RamSoft a license or any other right to make, use, offer for sale, sell or import the invention defined by the claims of the Patents.

58. Hospital Systems has been and will continue to suffer damages as a result of Defendant RamSoft's infringing acts unless and until enjoined.

**COUNT ONE
PATENT INFRINGEMENT**

59. Plaintiff Hospital Systems realleges and incorporates herein paragraphs 1- 58.

60. Defendants have infringed the Patents.

61. Defendants have indirectly infringed the Patents by inducing the infringement of the Patents and contributing to the infringement of the Patents.

62. Upon information and belief, Defendants have jointly infringed the Patents.

63. Defendants' aforementioned acts have caused damage to Hospital Systems and will continue to do so unless and until enjoined.

VI. REQUEST FOR RELIEF

WHEREFORE, Plaintiff Hospital Systems respectfully requests that the Court:

- A. Permanently enjoin each Defendant, its agents, servants and employees, and all those in privity with each Defendant or in active concert and participation with any of the Defendants, from engaging in acts of infringement of the Patents;
- B. Award Plaintiff Hospital Systems past and future damages together with interest to compensate for the infringement by Defendants of the Patents in accordance with 35 U.S.C. §284, and increase such award by up to three times the amount found or assessed in accordance with 35 U.S.C. §284;
- C. Declare this case exceptional pursuant to 35 U.S.C. §285; and
- D. Award Plaintiff Hospital Systems its costs, disbursements, attorneys' fees, pre and post-judgment interest and such further and additional relief as is deemed appropriate by this Court.

Respectfully submitted,



Eric M. Albritton
Texas State Bar No. 00790215
ALBRITTON LAW FIRM
P.O. Box 2649
Longview, Texas 75606
Telephone: (903) 757-8449
Telecopier: (903) 758-7397
ema@emafirm.com

Dated: April 8, 2008

Andrew G. DiNovo
Texas State Bar No. 00790594
Adam G. Price
Texas State Bar No. 24027750
DiNovo Price Ellwanger & Hardy LLP
7000 N. MoPac Expressway
Suite 350
Austin, Texas 78731
Telephone: (512) 539-2626
Telecopier: (512) 539-2627