

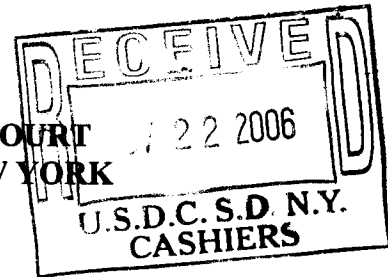
Judge Berman

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Attorneys for Plaintiff
International Securities Exchange, LLC

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



INTERNATIONAL SECURITIES EXCHANGE,
LLC,

Plaintiff,

v.

CHICAGO BOARD OPTIONS EXCHANGE,
INC.,

Defendant.

Civil Action No. _____

JURY TRIAL DEMANDED

COMPLAINT AND DEMAND FOR A JURY TRIAL

Nature of the Action

1. This is an action arising under the patent laws of the United States, Title 35, United States Code, for the willful infringement of a United States patent.

The Parties

2. Plaintiff, International Securities Exchange, LLC ("ISE"), is a Delaware corporation with its principal place of business at 60 Broad Street, New York, New York 10004.

3. Upon information and belief, Defendant, Chicago Board Options Exchange, Inc. (“CBOE”), is a Delaware corporation with its principal place of business at 400 South LaSalle Street, Chicago, Illinois 60605 and offices at 61 Broadway, Suite 1301, New York, New York 10006.

Jurisdiction and Venue

4. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331, 1338(a).

5. Personal jurisdiction over CBOE comports with the United States Constitution and New York state law because CBOE resides, or is licensed to transact business, or is transacting business, in this District.

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

The Patent in Suit

7. United States Patent No. 6,618,707 (the “’707 patent”), entitled “Automated Exchange for Trading Derivative Securities,” issued September 9, 2003. ISE has owned the ‘707 patent since its issuance. The ‘707 patent concerns an automated exchange for trading a financial instrument and a process for trading a financial instrument on an automated exchange. A true and correct copy of the ‘707 patent is attached as Exhibit 1.

CBOE’s Systems and Processes

8. CBOE uses what it calls the CBOE Hybrid System, which includes a component it calls the Ultimate Matching Algorithm. Like ISE’s patented technology, the CBOE Hybrid System and Ultimate Matching Algorithm concern an automated exchange for trading a financial instrument and a process for trading a financial instrument on an automated exchange.

Count I: Infringement of the '707 Patent

9. ISE repeats and realleges paragraphs 1-8 above.

10. CBOE infringed, contributed to the infringement by others of, or actively induced infringement by others of the '707 patent by making, using, selling, offering to sell, or causing to be sold products or equipment in the United States, such as the CBOE Hybrid System, embodying at least one claimed invention in violation of 35 U.S.C. § 271(a), (b), or (c).

11. CBOE's infringement of the '707 patent is or will be willful, warranting a finding that this is an exceptional case under 35 U.S.C. § 285 and entitling ISE to treble damages and an award of reasonable attorneys' fees.

12. CBOE's infringement of the '707 patent damaged ISE in an amount to be determined, but in no event less than a reasonable royalty.

13. CBOE's infringement of the '707 patent caused ISE to suffer irreparable harm. Upon information and belief, CBOE's infringement will continue unless enjoined by the Court. ISE has no adequate remedy at law and is entitled to a permanent injunction prohibiting CBOE from infringing the '707 patent in violation of 35 U.S.C. §§ 271(a), (b), or (c).

Prayer for Relief

WHEREFORE, ISE prays for entry of a judgment against CBOE as follows:

- A. That CBOE infringed the '707 patent;
- B. That CBOE and its respective agents, officers, directors, servants, employees, and all persons acting in concert with them, directly or indirectly, be permanently enjoined from infringing, inducing others to infringe, or contributing to the infringement of the '707 patent;

C. That CBOE account for and pay to ISE damages adequate to compensate it for CBOE's infringement, including an accounting, in an amount to be proven, together with interest and costs as fixed by the Court;

D. That CBOE's infringement has been willful and trebling the award of damages;

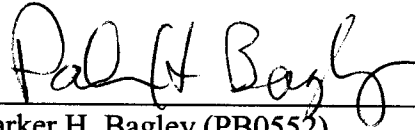
E. That this case is exceptional and awarding ISE its costs, expenses, and attorneys' fees in accordance with 35 U.S.C. § 285; and

F. That ISE be awarded such other and further relief as the Court deems just and equitable.

Jury Demand

ISE demands a trial by jury on all issues triable by a jury.

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November 22, 2006