

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF OKLAHOMA

ADVANCED CARD TECHNOLOGIES LLC, )  
a New York limited liability company, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
UV COLOR, INC., )  
a Minnesota corporation, )  
 )  
Defendant. )

Case No.  
**JURY TRIAL DEMANDED**

**COMPLAINT**

Advanced Card Technologies, LLC, by and through its undersigned attorneys, for its Complaint herein allege, on personal knowledge as to its own activities, and on information and belief as to the activities of others, as follows:

**BACKGROUND**

1. This an action for infringement of U.S. Patent Nos. 5,720,158 (the "'158 patent") and 5,921,584 (the "'584 patent"). The '158 and '584 patent may be referred to collectively as the "Patents". The Patents generally relate to one-piece card products in which a card including a magnetic stripe breaks away from a carrier. Such products are widely used for phone cards, gift cards, and other types of cards.

2. The inventor of the Patents is Ron E. Goade, Sr. Mr. Goade is the manager of REG Oklahoma Acquisitions, L.L.C., d/b/a SSI Technologies ("SSI"), located in Edmond, Oklahoma. SSI is one of the nation's premier manufacturers of card products covered by the Patents.

3. Prior to June 2003, SSI owned the Patents and attempted to license them to infringers thereof. SSI was successful in licensing some major manufactures of plastic card products. However, the financial, personnel, and other resources required to enforce and/or license the Patents against numerous and much larger parties was too much for SSI to handle. Therefore, in June 2003, ACT was formed for the purpose of licensing and enforcing the Patents. To affect this purpose, SSI transferred all right, title, and interest in the Patents to ACT. SSI continues to have a significant stake in the Patents and the outcome of this litigation by virtue of its ownership interest in ACT.

4. The licensing efforts of SSI and ACT have been quite successful. There currently are fourteen (14) licensees under the Patents, which include some of the largest companies in the card industry. These licensees produce and pay royalties on one-piece card products that are virtually identical to those produced by Defendant.

#### **PARTIES**

5. Plaintiff Advanced Card Technologies, LLC, is a New York limited liability company with its principal place of business located at 75 Montebello Road, Suffern, New York, 10901.

6. Defendant UV Color, Inc. is a Minnesota corporation with its principal place of business located at 2430 Prior Avenue, Roseville, Minnesota 55113

#### **JURISDICTION AND VENUE**

7. This Court has subject matter jurisdiction of this dispute pursuant to 28 U.S.C. § 1332(a) because this is a controversy between citizens of different states in

which the damages exceed \$75,000 and pursuant to 28 U.S.C. § 1338(a) because this controversy involves the infringement of two U.S. patents.

8. Defendant has placed or caused to be placed infringing products into the stream of commerce by knowingly shipping products into this district for ultimate sale to consumers in this district Defendant has also induced others to place infringing products into the stream of commerce by knowingly shipping infringing products into this district for ultimate sale to consumers in this district.

9. Venue is properly laid in this district pursuant to 28 U.S.C. §§ 1400(b) and 1391(b)(1) because Defendant resides in this judicial district and 28 U.S.C. § 1391(b)(2) because this is a judicial district in which a substantial part of the events giving rise to the claim occurred.

#### **FIRST CLAIM FOR RELIEF**

10. ACT repeats and realleges paragraphs 1 through 8 with the same force and effect as if fully set forth herein.

11. On February 24, 1998, the '158 patent was duly and legally issued for an invention by Ron Goade entitled "Information Card Package". Beginning in November 5, 2002, the '158 patent became the subject of extensive and thorough reexamination proceedings in the United States Patent and Trademark Office which lasted almost three years. On September 27, 2005, the United States Patent and Trademark Office issued a reexamination certificate for the '158 patent. A copy of the original '158 patent and its reexamination certificate are attached hereto, respectively, as **Exhibits 1** and **2**.

12. Plaintiff ACT is the owner of all right, title and interest in and to the reexamined '158 patent and has the right to sue and collect damages for the past infringement thereof.

13. Defendant has infringed and continues to infringe claims of the reexamined '158 patent by making, selling, and offering for sale, without permission from Plaintiff, one-piece card products in which a card including a magnetic stripe breaks away from a carrier.

14. Defendant's infringement of the '158 patent has been willful and deliberate.

#### **SECOND CLAIM FOR RELIEF**

15. ACT repeats and realleges paragraphs 1 through 14 with the same force and effect as if fully set forth herein.

16. On July 13, 1999, the '584 patent was duly and legally issued for an invention by Ron Goade entitled "Card Display Package". Beginning in November 5, 2002, the '584 patent became the subject of extensive and thorough reexamination proceedings in the United States Patent and Trademark Office which lasted more than three years. On November 15, 2005, the United States Patent and Trademark Office issued a reexamination certificate for the '584 patent. A copy of the original '584 patent and its reexamination certificate are attached hereto, respectively, as **Exhibits 3** and **4**.

17. Plaintiff ACT is the owner of all right, title and interest in and to the reexamined '584 patent and has the right to sue and collect damages for the past infringement thereof.

18. Defendant has infringed and continues to infringe claims of the reexamined '584 patent by making, selling, and offering for sale, without permission from Plaintiff one-piece card products in which a card including a magnetic stripe breaks away from a carrier.

19. Defendant's infringement of the '584 patent has been willful and deliberate.

WHEREFORE, Plaintiff ACT demands judgment:

- (a) that Plaintiff is the owner of the Patents, and that the Plaintiff has the right to sue and to recover for infringement thereof;
- (b) that Defendant has infringed the Patents;
- (c) that Plaintiff's Patents are valid and enforceable;
- (d) a preliminary and permanent injunction against Defendant, each of its officers, agents, servants, employees, and attorneys, all parent and subsidiary corporations, their assigns and successors in interest, and those persons acting in active concert or participation with them, including distributors and customers, enjoining them from continuing acts of infringement of the Patents;
- (e) an accounting for damages under 35 U.S.C. §284 for infringement of the Patents and award of damages so ascertained to Plaintiff together with interest as provided by law;
- (f) a finding that Defendant is a willful infringer and an award of treble damages to Plaintiff pursuant to 35 U.S.C. §284;

- (g) an award of reasonable attorney's fees to Plaintiff pursuant to 35 U.S.C. §285;
- (h) an award of Plaintiff's costs and expenses; and
- (i) such other and further relief as this Court may deem just.

**JURY TRIAL DEMANDED.**

Respectfully submitted this 7th day of **September, 2006.**

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