

1 Erica D. Wilson (SBN 161386)
ewilson@goodwinprocter.com
2 Ruby M. Wayne (SBN 229538)
rwayne@goodwinprocter.com
3 GOODWIN PROCTER LLP
135 Commonwealth Drive
4 Menlo Park, CA 94025
Tel: (650) 752-3100
5 Fax: (650) 853-1038

6 Attorneys for Plaintiff SecuGen Corporation
7

8 **UNITED STATES DISTRICT COURT**
9 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**
10 **SAN JOSE DIVISION**

11
12 SecuGen Corporation,

13 *Plaintiff,*

14 vs.

15 Union Community Co. Ltd.,

16 *Defendant.*

Case No. C08 01306 RMW (HRL)

**SECOND AMENDED COMPLAINT FOR
PATENT INFRINGEMENT,
COPYRIGHT INFRINGEMENT AND
UNFAIR COMPETITION**

DEMAND FOR JURY TRIAL

17
18 **SECOND AMENDED COMPLAINT**

19 Plaintiff SecuGen Corporation (“SecuGen”), for its Second Amended Complaint against
20 Union Community Co. Ltd. (“Union Community”) alleges as follows:

21 **NATURE OF ACTION**

22 1. This is an action for patent infringement arising under the patent laws of the United
23 States, Title 35, United States Code, §§ 100 *et seq.*, copyright infringement arising under the laws of
24 the United States, Title 17 United States Code, § 101 *et seq.*, and unfair competition arising under
25 California Business & Professional Code, § 17200, *et seq.*

26 **PARTIES**

27 2. Plaintiff SecuGen is a corporation organized and existing under the laws of the State
28 of Delaware, having its principal place of business at 2356 Walsh Avenue, Santa Clara, California

1 95051.

2 3. On information and belief, Defendant Union Community is a corporation organized
3 and existing under the laws of the Republic of Korea, having its principal place of business at (138-
4 050) Hyundai Topics Building 3F, 44-3 Bangi-Dong Songpa-gu, Seoul, South Korea.

5 **JURISDICTION AND VENUE**

6 4. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C.
7 §§ 1331, 1338(a) and 1367.

8 5. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391 and 1400(a)
9 and (b). Union Community is transacting, doing and/or soliciting business and committing acts of
10 patent and copyright infringement in this judicial district and elsewhere in the United States.

11 **INTRADISTRICT ASSIGNMENT**

12 6. Assignment to the San Jose Division is proper because Plaintiff SecuGen has its
13 principal place of business in Santa Clara County, and acts of infringement have occurred in Santa
14 Clara County.

15 **BACKGROUND**

16 7. Plaintiff SecuGen is a leading provider of biometric devices including fingerprint
17 recognition devices (“FRD”). An FRD is a device used to identify any individual by his or her
18 fingerprint. FRDs have a variety of uses including, among other things, providing security for
19 electronic devices such as computers, door locks, and cell phones.

20 8. On November 27, 2001, U.S. Patent No. 6,324,020 (“the ‘020 patent”) entitled
21 “Method and Apparatus of Trapezoidal Distortion and Improvement of Image Sharpness in an
22 Optical Image Capturing System” was duly and legally issued to inventors Harry H. Teng and Sung-
23 Chan Jo. SecuGen is the owner by assignment of all rights, title and interest in the ‘020 patent. A
24 true and correct copy of the ‘020 patent is attached as Exhibit A.

25 9. The technology disclosed and claimed in the ‘020 patent is directed to optics modules
26 used in FRDs.

27 10. SecuGen is the owner of a copyright in and to computer programs that are necessary
28 to operate the optics modules in FRDs, including those found on FDxSDK version 3.01 collection 8

1 which was released in March 2005. In particular, the programs include the library FPLIB.DLL,
2 including but not limited to Extdllr.dll (SecuGen's fingerprint extraction algorithm), and Vrfdllr.dll
3 (SecuGen's fingerprint verification algorithm). SecuGen's computer programs are the subject of
4 Copyright Registration Certificate No. TX 6-836-797 ("Computer Programs"). A true and correct
5 copy of Copyright Registration Certificate No. TX 6-836-797 is attached as Exhibit B.

6 11. Union Community is a former SecuGen customer. Union Community purchased
7 optics modules from SecuGen for use in Union Community's FRDs. On or about February 20,
8 2003, SecuGen and Union Community entered into a Mutual Non-Disclosure Agreement ("NDA").
9 A true and correct copy of the NDA is attached as Exhibit C.

10 12. Pursuant to the NDA, SecuGen provided Union Community with certain confidential
11 information, including design drawings of SecuGen's optics modules, to permit Union Community
12 to use SecuGen's optics modules into its products such as doorlocks, computer mouse and
13 fingerprint readers.

14 13. Union Community also obtained SecuGen's Software Developer's Kit FDxSDK 3.01
15 to permit Union Community to use the optics modules in its FRDs.

16 14. On November 28, 2005, Union Community filed U.S. Application No. 29/243,530
17 (the '530 application'), which issued on October 23, 2007 as U.S. Patent No. D553,515 S ("the '515
18 patent"). Union Community is the named assignee of the '515 patent. The named inventor of the
19 '515 patent is Yo Shik Shin, Union Community's Chief Executive Officer. A true and correct copy
20 of the '515 patent is attached as Exhibit D.

21 15. The '515 patent claims and describes a FRD optics module that is identical in all
22 relevant aspects to the optics module designed and sold by SecuGen.

23 16. Between 2006-2007, Union Community significantly reduced the number of optics
24 modules that it purchased from SecuGen. Rather than purchase optics modules from SecuGen,
25 Union Community largely copied SecuGen's optics module and incorporated the copied optics
26 modules into its products.

27 17. Defendant Union Community imports into the United States, offers to sell, distributes
28 and sells within the United States FRDs including, among others, the VIRDI FOH01 USB

1 Fingerprint Reader, the VIRDI RF700 USB Fingerprint Reader, the VIRDI FSH01 and FSH01RF
2 Fingerprint Readers, the VIRDI FOM01 Fingerprint Mouse, the VIRDI 3000 series (including the
3 VIRDI 3000, 3000SC and 3000RF) and VIRDI 200N Fingerprint Terminals, the VIRDI 400FP
4 series (including the VIRDI 400FP, 430FP and 450FP) Fingerprint Authentication Door Locks, the
5 VIRDI 4000 series (including the VIRDI 4000, 4000SC and 4000RF) Fingerprint Terminals, the
6 VIRDI 600FP series Fingerprint Panel, the VIRDI Safe200, Safe300, Safe400 and Safe500 and the
7 VIRDI 10BU and 20BU Fingerprint Recognition OEM Modules. The foregoing devices listed in
8 this paragraph 17 will be referred to collectively herein as the “Union Community FRDs.”

9 18. Union Community distributes what Union Community represented was software for
10 use with Union Community’s FRDs. The software is contained on a CD which bears Union
11 Community’s name and purports to reserve for itself copyright protection.

12 19. The CD contains computer programs that were copied directly from SecuGen and are
13 the subject of SecuGen’s Copyright Registration Certificate No. TX 6-836-797. The copied
14 computer programs include at least FPLIB.DLL, Extdllr.dll and Vrfdllr.dll.

15 **FIRST CAUSE OF ACTION**

16 **(Infringement of the ‘020 patent)**

17 20. SecuGen incorporates the allegations set forth in Paragraphs 1-19 above as if fully set
18 forth herein.

19 21. The Union Community FRDs that Union Community imports into the United States,
20 and distributes, offers to sell and sells within the United States include optics modules that are
21 covered by one or more claims of the ‘020 patent.

22 22. Union Community’s importation into the United States, and offers to sell,
23 distribution, and sales within the United States of the Union Community FRDs that contain optics
24 modules that are covered by one or more claims of the ‘020 patent is unauthorized.

25 23. Union Community’s importation into the United States, and distribution, offers to sell
26 and sales within the United States of Union Community FRDs that contain optics modules that are
27 covered by one or more claims of the ‘020 patent thus constitutes infringement of the ‘020 patent in
28 violation of 35 U.S.C. § 271(a).

Goodwin Procter LLP
135 Commonwealth Drive
Menlo Park, California 94025

1 24. Union Community actively induces third-parties to use within the United States the
2 Union Community FRDs. Third-parties who use the Union Community FRDs infringe one or more
3 claims of the '020 patent.

4 25. Union Community thus actively induces infringement of the '020 patent in violation
5 of 35 U.S.C. § 271(b).

6 26. The optics modules incorporated into the Union Community FRDs that Union
7 Community imports into the United States, distributes, offers to sell and sells within the United
8 States are not staple articles or commodities of commerce and have no substantial non-infringing
9 use. On information and belief, Union Community knows that such optics modules are especially
10 made or especially adapted for use in an infringement of the '020 patent. Third-parties who use
11 Union Community's FRDs infringe one or more claims of the '020 patent.

12 27. Union Community thus contributes to infringement of the '020 patent in violation of
13 35 U.S.C. § 271(c).

14 28. Union Community's acts of infringement are willful. Union Community knew and
15 knows of the '020 patent and that its FRDs infringe the '020 patent.

16 29. Union Community's acts of infringement have caused irreparable harm to SecuGen
17 and SecuGen will continue to suffer such irreparable harm unless Union Community is preliminarily
18 and permanently enjoined by this Court.

19 **SECOND CAUSE OF ACTION**

20 **(Infringement of Copyright Registration Certificate No. TX 6-836-797)**

21 30. SecuGen incorporates the allegations set forth in Paragraphs 1-29 above as if fully set
22 forth herein.

23 31. Pursuant to 17 U.S.C. § 411, SecuGen has properly registered the Computer
24 Programs with the Copyright Office of the United States. The Computer Programs are the subject of
25 Copyright Registration Certificate No. TX 6-836-797.

26 32. Union Community has willfully stolen and made unauthorized copies of the
27 Computer Programs and used SecuGen's Computer Programs without SecuGen's authorization.

28 33. The copying of the Computer Programs by Union Community constitutes willful

1 infringement of SecuGen’s registered copyright in the Computer Programs, in violation of the
2 Copyright Act, 17 U.S.C § 501, resulting in harm and injury to SecuGen.

3 34. As a result of the above-described wrongful acts of Union Community in creating
4 infringing copies of the Computer Programs, SecuGen’s copyright in the Computer Programs has
5 been infringed and it is entitled to recover actual damages and that portion of the profits realized by
6 Union Community from the use of and commercial exploitation of the infringing copies attributable
7 to the unlawful use by Union Community of the copyrighted material contained in the Computer
8 Programs that is the subject of Copyright Registration Certificate No. TX 6-836-797.

9 35. Further, the conduct of Union Community is causing, and unless enjoined and
10 restrained by this Court, will continue to cause SecuGen irreparable injury that cannot fully be
11 compensated in money. Pursuant to 17 U.S.C. §§ 502 and 503, Plaintiffs are entitled to injunctive
12 relief prohibiting Union Community from further infringing SecuGen’s copyright, and ordering each
13 Union Community to destroy all copies of the Computer Programs made in violation of SecuGen’s
14 exclusive rights.

15 **THIRD CAUSE OF ACTION**

16 **(Unfair Competition Under Cal. Bus. & Prof. Code § 17200, et seq.)**

17 36. SecuGen incorporates the allegations set forth in Paragraphs 1-35 above as if fully set
18 forth herein.

19 37. California Business & Professions Code section 17200, *et seq.* prohibits acts of unfair
20 competition, including any “unlawful, unfair or fraudulent business act or practice”

21 38. Union Community engaged in unfair business acts or practices in violation of
22 California Business & Professions Code section 17200, *et seq.* by engaging in unfair conduct
23 including but not limited to (a) applying for and receiving a patent that claims and describes a FRD
24 optics module that is identical in all relevant aspects to the optics module designed and sold by
25 SecuGen; (b) copying SecuGen’s optics module and incorporating the copied optics modules into
26 Union Community’s products; and (c) selling and offering for sale these products to the public.

27 39. Union Community’s conduct has constitutes unfair business practices as it copied
28 SecuGen’s optic module, inserted it into Union Community’s products and profited from the

1 resulting sales.

2 40. Union Community has been unjustly enriched through its acts of unfair competition
3 and unlawful business practices.

4 **PRAYER**

5 By reason of the foregoing, SecuGen respectfully requests that this Court:

- 6 (a) enter judgment that Union Community has infringed the '020 patent;
- 7 (b) enter judgment that Union Community's acts of patent infringement are willful;
- 8 (c) preliminarily and permanently enjoin Union Community, its officers, subsidiaries, affiliates
9 distributors, agents, servants, employees, attorneys, and all persons in active concert with it,
10 from any further infringement of the '020 patent;
- 11 (d) award damages, costs, and prejudgment interest to SecuGen under 35 U.S.C. § 284;
- 12 (e) declare this case exceptional and award SecuGen its reasonable attorneys' fees pursuant to
13 35 U.S.C. § 285;
- 14 (f) award SecuGen treble damages for Union Community's willful patent infringement;
- 15 (g) a declaration that the Union Community has willfully infringed SecuGen's exclusive rights
16 in the copyrighted material contained in the Computer Programs that is the subject of
17 Copyright Registration Certificate No. TX 6-836-797;
- 18 (h) a permanent injunction against Union Community, its officers, subsidiaries, affiliates
19 distributors, agents, servants, employees, attorneys, and all persons in active concert with it,
20 directing defendants to:
 - 21 1. cease and desist from infringing SecuGen's copyright in the Computer
22 Programs;
 - 23 2. destroy all copies of the Computer Programs, including any and all
24 advertisements, catalogs and other materials based on or derived from the
25 Computer Programs; and
 - 26 3. take all steps necessary to remove any refinements based or developed from
27 the copied Computer Programs;
- 28 (i) the impounding of all copies of the Computer Programs and any other materials derived

Goodwin Procter LLP
135 Commonwealth Drive
Menlo Park, California 94025

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

from the Computer Programs in, in whole or in part, incorporating any element of the Computer Programs, and all means by which such copies may be reproduced, and an order providing for the destruction or other reasonable disposition of materials containing copies of the Computer Programs that have been used in violation of SecuGen’s exclusive rights, and all means by which such copies may be reproduced; and in the event that certain such copies are no longer under the control of Union Community, provide the name, address and relevant contact information of those believed to be in possession and control of such materials; and

- (j) the filing with this Court and the service on SecuGen within 30 days following service of the injunction order, a report, under oath and in writing, setting forth in detail the manner and form in which Union Community have complied with the injunction; and
- (k) the awarding to SecuGen of damages in an amount equal to the actual damages suffered by SecuGen as a result of the infringement, and that portion of the profits earned by Union Community from the creation and commercial exploitation of the copied Computer Programs, including an award of the reasonable attorneys fees, costs and disbursements incurred by SecuGen in connection with this action;
- (l) enjoin Union Community from further sales of products incorporating the optics modules disclosed in the ‘515 Patent;
- (m) dedicate the ‘515 Patent to the public domain;
- (n) award SecuGen such other relief as this Court deems just and proper.

Dated: July 3, 2008

Respectfully submitted,

Plaintiff SecuGen Corporation

By its attorney,

_____/s/
 Ruby M. Wayne
 Email: rwayne@goodwinprocter.com
 GOODWIN PROCTER LLP
 181 Lytton Avenue
 Palo Alto, California 94301
 Telephone: 650-752-3100
 Facsimile: 650-853-1038

DEMAND FOR JURY TRIAL

Pursuant to Fed. R. Civ. P. 38, SecuGen hereby demands trial by jury of all issues triable to a jury.

Dated: July 3, 2008

Respectfully submitted,

Plaintiff SecuGen Corporation

By its attorney,

/s/

Ruby M. Wayne
Email: rwayne@goodwinprocter.com
GOODWIN PROCTER LLP
181 Lytton Avenue
Palo Alto, California 94301
Telephone: 650-752-3100
Facsimile: 650-853-1038

Goodwin Procter LLP
135 Commonwealth Drive
Menlo Park, California 94025

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28