

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
TYLER DIVISION

SONIX TECHNOLOGY CO., LTD

Plaintiff,

v.

VTECH ELECTRONICS NORTH
AMERICA, LLC and VTECH HOLDINGS
LTD.

Defendants.

CIVIL ACTION NO. 6:10-cv-68

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff SONIX TECHNOLOGY CO., LTD (“Sonix” or “Plaintiff”), hereby complains and alleges against Defendants VTECH ELECTRONICS NORTH AMERICA, LLC and VTECH HOLDINGS LTD. (collectively “Vtech” or “Defendants”) as follows:

1. Plaintiff Sonix is a company organized and existing under the laws of the country of Taiwan, having a principal place of business in Chupei City, Hsinchu, Taiwan.
2. Defendant Vtech Electronics North America, LLC is a corporation organized and existing under the laws of the State of Illinois, having its principal place of business in Arlington Heights, Illinois. On information and belief, Defendant Vtech Holdings Ltd. is a company organized and existing under the laws of Hong Kong, having its principal place of business at Tai Po, Hong Kong

JURISDICTION AND VENUE

3. This is a civil action for patent infringement arising under the patent laws of the United States of America, 35 U.S.C. § 1, *et seq.*, and false advertising under the federal Lanham Act 15 U.S.C. § 1051, *et. al.*

4. This Court has jurisdiction over the subject matter of the Complaint pursuant to 28 U.S.C. §§1331 & 1338.

5. This Court has personal jurisdiction over Defendants because Defendants purposefully ship their infringing Bugsby Reading System through established distribution channels into the State of Texas and the Eastern District of Texas. On information and belief, Defendants maintain and/or use a distribution facility located in the State of Texas. In addition, Defendants have sold their infringing Bugsby Reading System through established retail channels in the State of Texas and the Eastern District of Texas, and are otherwise engaged in substantial and regular business in the State of Texas and the Eastern District of Texas.

6. Venue is proper under 28 U.S.C. §§1391(b) and (c) and 1400(b) because Defendants sell infringing products in the Eastern District of Texas and because Defendants are subject to personal jurisdiction in the Eastern District of Texas.

GENERAL ALLEGATIONS

7. Established in 1996, Sonix has grown to become a leading international developer of integrated circuits and related products used in a wide range of applications including video, image, and USB controllers.

8. With the majority of its employees focused on research and development, Sonix creates and applies proprietary technologies to the design of its entire range of products.

9. On February 12, 2008, United States Patent No. 7,328,845 B2 (the ‘845 patent), on an invention entitled “Method for Producing Indicators and Processing Apparatus and System Utilizing the Indicators,” was duly and legally issued by the United States Patent and Trademark Office.

10. The ‘845 patent has been in force and effect since its issuance. Sonix has been at all times, and still is, the owner of the entire right, title and interest in and to the ‘845 patent.

11. Vtech sells throughout the United States a product line it refers to as the BUGSBY™ READING SYSTEM. The BUGSBY™ READING SYSTEM includes a device called the “Bugsby the Bookworm” touch pen as well as a collection of books and associated cartridges for use with the touch pen.

COUNT I

(INFRINGEMENT OF THE ‘845 PATENT)

12. Sonix realleges and incorporates the previous paragraphs of this Complaint as though set forth in full herein.

13. Vtech has used, offered for sale, sold and/or caused to be imported into the United States products, including at least the BUGSBY™ READING SYSTEM, which literally and under the doctrine of equivalents infringes one or more claims of the ‘845 patent in violation of 35 U.S.C. §271.

14. Sonix has been damaged and has suffered irreparable injury due to acts of infringement by Vtech and will continue to suffer irreparable injury unless Vtech's activities are enjoined.

15. Sonix has suffered and will continue to suffer substantial damages by reason of Vtech's acts of patent infringement alleged above, and Sonix is entitled to recover from Vtech the damages sustained as a result of Vtech's acts.

16. Vtech has willfully and deliberately infringed the '845 patent in disregard of Sonix's rights.

PRAYER FOR RELIEF

WHEREFORE, Sonix prays that judgment be entered by this Court in its favor and against Vtech as follows:

- A. That Vtech has infringed the '845 patent;
- B. Permanently enjoining and restraining Vtech, its agents, affiliates, subsidiaries, servants, employees, officers, directors, attorneys and those persons in active concert with or controlled by Vtech from further infringing the '845 patent;
- C. That Vtech's infringement of the '845 patent was willful;
- D. For an award of damages adequate to compensate Sonix for that damages it has suffered as a result of Vtech's conduct, including pre-judgment interest and a trebling of such damages due to Vtech's willful infringement;
- E. That Vtech be directed to withdraw from distribution all infringing products, whether in the possession of Vtech or its distributors or retailers, and that all infringing products or materials be impounded or destroyed;

- F. For monetary damages in an amount according to proof;
- G. For interest on said damages at the legal rate from and after the date such damages were incurred;
- H. That this is an exceptional case and for an award of Sonix's attorney fees and costs;
- I. For such other relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff Sonix hereby demands a jury trial as to all issues that are so triable.

Date: February 27, 2010

Respectfully submitted,

/s/ Eric H. Findlay
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