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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JUDGE BERMAN
MOSAIC LEGENDS LLC

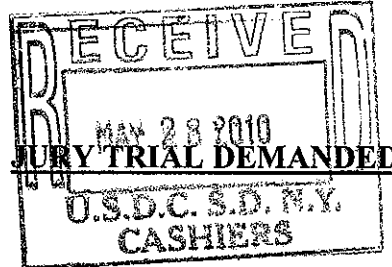
Plaintiff,

v.

BLANKINAKI (a Delaware Corporation)
doing business as PIXABLE

Defendant.

Case No.:



COMPLAINT AND JURY DEMAND

Plaintiff Mosaic Legends LLC (hereinafter, "Mosaic Legends"), alleges against defendant BLANKINAKI (a Delaware Corporation) doing business as PIXABLE, as follows:

NATURE OF THE CASE

1. This action arises under the Patent Laws of the United States, 35 U.S.C. § 1, *et seq.* The Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

2. This is an action for permanent injunctive relief and compensatory damages for patent infringement.

PARTIES

3. Mosaic Legends, is a limited liability company organized and existing under the laws of the State of New York, having its principal place of business at 34 West 9th Street, 2nd Floor, New York, NY 10011.

4. Mosaic Legends is and has at all relevant times been in the business of selling photographic mosaics and related products and services.

5. Upon information and belief, defendants BLANKINAKI is a Delaware corporation doing business as Pixable, and at times, as Pixable.com. Defendant has its principal place of business at 160 Varick St., 12th Floor, New York, NY 10013.

6. Defendant maintains a website at www.pixable.com (the "Website"). Through the Website, defendant is and has at all relevant times offered printed posters comprising photographic mosaics.

JURISDICTION AND VENUE

7. This Court has original jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

8. The Court has personal jurisdiction over the defendant by virtue of the fact that defendant commits infringement of the patent-in-suit within the state, defendant has offices within the state, defendant transacts business within the State and/or supplies goods within the State.

9. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391(b) in that the sole defendant corporation resides in this judicial district.

THE PATENT-IN-SUIT

10. On October 24, 2000, the United States Patent Office duly issued U.S. Patent No. 6,137,498 (the "Patent-in-suit" or the "Silvers' Patent"), entitled DIGITAL COMPOSITION OF A MOSAIC IMAGE. A true and correct copy of the Silvers' Patent is attached hereto as Exhibit 1.

11. The Silvers' Patent was issued to M.I.T. graduate Robert S. Silvers, and assigned to Runaway Technology, Inc. (hereinafter, "Runaway Technology").

12. Both Silvers himself, and the Silvers' Patent, are well known in the industry and the subject of substantial industry press.

13. Mr. Silvers has four books featuring his work, namely: Robert Silvers – Photomosaics (Scott Richards Contemporary Art/Runaway Technology); Photomosaics (Henry Holt and Company, Inc.); Disney's Photomosaics (Hyperion); and Photomosaic Portraits (Penguin Putnam, Inc.)

14. Mr. Silvers has appeared on the Oprah Winfrey Show and CBS News, and has created a photographic mosaic for Mastercard advertising and a video mosaic for a B52's music video.

15. Mr. Silvers' art is well known, and a well know photographic mosaic he created of Marilyn Monroe appeared in LIFE magazine. Indeed, when you visit Mr. Silvers' company's website at www.photomosaic.com, the *home* page presents Silvers' photographic mosaic of Marilyn Monroe:



The Silvers' website contains the following notice: "Photomosaic® is a registered trademark of Runaway Technology. The Photomosaic process is patented (US Patent No. 6,137,498) and protected by the patent, copyright, and other intellectual property laws of the United States and other major countries."

16. Upon information and belief, defendant, and at least some of its team (which comprises M.I.T. students and alumni including Inaki Berenguer, Andres Blank, Bernardo Gross, Alejandro Subelman, Gerardo Guzman and its advisor Professor Edward B. Roberts Founder and Chair of the M.I.T. Entrepreneurship Center, and who for over 30 years chaired the M.I.T. Sloan School of Management's Management of Technological Innovation and Entrepreneurship Group and co-founded and co-chaired for nearly 20 years the M.I.T. Management of Technology Program), were aware of the Silvers' Patent and willfully disregarded it in performing the acts complained of herein.

17. As further evidence of its knowledge of the patent, and indeed, of its bad faith, defendant's website *home* page advertises its infringing mosaic product in connection with a Marilyn Monroe photographic mosaic:



THE PATENT LICENSE

18. On September 9, 2005, Runaway Technology granted to Mosaic Legends a license to the Silvers' Patent. That license was amended on June 2, 2009 (hereinafter, as amended, the "License"). The License is valid and existing.

19. Under the License, subject to certain conditions precedent, Mosaic Legends has the exclusive right to seek to enforce the Silvers' Patent and accordingly, and Runaway Technology, the patent owner, has the obligation to join in the action if requested to do so by Mosaic Legends.

20. All conditions precedent to Mosaic Legends having the exclusive right under the License to seek to enforce the Silvers' Patent have been met.

COUNT I
(Patent Infringement)

21. Mosaic Legends realleges and incorporates by reference paragraphs 1-20 of this Complaint as if fully set forth herein.

22. Mosaic Legends has the exclusive right to seek to enforce the Silvers' Patent against the defendant's infringement complained of herein, on its own behalf, and with full control over the suit and any settlement thereof.

23. The defendant has implemented, and made available through the Website, an algorithm that generates a mosaic image with an appearance that approximates a target images, utilizing a plurality of photos. The defendant's algorithm finds and places photos in the optimal position within a mosaic based upon color and brightness.

24. To obtain a printed photographic mosaic using the Website, a user first selects a primary photo or target image, and then selects the size of her desired

mosaic. The user then selects the photo tiles or plurality of source images. The user can then order printed mosaics from defendant.

25. Upon information and belief, defendant then infringes one or more claims of the Silvers Patent through the use of its algorithm that generates a mosaic image and/or mosaic print that approximates the target image from the plurality of source images in the manner claimed in the patent. The defendant then delivers the infringing printed or electronic photographic mosaic to its customer.

26. Accordingly, the defendant is making, using, selling, offering for sale, importing to and/or exporting from the United States the patented invention.

27. The defendant's instructions concerning how to create a photographic mosaic using the Website induces others to infringe the Silvers' Patent.

28. The defendant's algorithm that generates a mosaic image and/or mosaic print that approximates the target image from the plurality of source images in the manner claimed in the patent has no substantial non-infringing uses. On information and belief, the defendant contributorily infringes the Silvers' Patent by, for example, providing its algorithm for the use of others and instructing others to download and print the photographic mosaic.

29. Mosaic Legends has been, and continues to be, damaged and irreparably harmed by defendant's infringement of the Silvers' Patent, which infringement will continue unless the defendant is enjoined by this Court.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment as follows:

I.. An order enjoining defendant and its officers, directors, agents, servants, employees, subsidiaries, affiliates, successors, assigns, attorneys, representatives, any

entities owned or controlled by any of them, and all those in active concert or participation with any of them and each of them who receives notice directly or otherwise, are preliminarily and permanently enjoined and restrained from continued direct infringement, inducing infringement and contributory infringement of the Silvers' Patent;

II. An award of damages, including past damages under 35 U.S.C. § 287, in favor of Mosaic Legends and against defendant sufficient to compensate Mosaic Legends for the defendant's infringement of the Silvers' Patent;

III. An assessment of pre- and post-judgment interest;

IV. A finding by the Court that the defendant's infringement was willful;

V. A finding by the Court that this case is exceptional under 35 U.S.C. § 285;

VI. An award to Mosaic Legends of its reasonable expenses, including attorneys' fees and costs in this action; and

VII. Such other and further relief as the Court deems just and proper.

Respectfully Submitted,

Dated: May 28, 2010

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