

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

CATR CO., LTD.,

Plaintiff,

v.

IPMEDIA HOLDINGS, INC., d/b/a
CUSTOM USB and CUSTOMUSB.COM

Defendant.

CASE NO. _____

JURY TRIAL DEMANDED

COMPLAINT

Plaintiff CATR Co., Ltd. ("CATR") complains of defendant IPMedia Holdings, Inc., d/b/a Custom USB and CustomUSB.com ("IPMedia" or "Defendant") as follows:

THE PARTIES

1. CATR is a South Korean company with a principal place of business located at 811 Korea Business Center, Gangnamdaero 309, Seocho-gu, Seoul 137-860, Republic of Korea.

2. IPMedia is an Illinois corporation having a principal place of business located at 3223 Arnold Lane, Northbrook, Illinois 60062. IPMedia owns, operates and conducts business through the website www.CustomUSB.com.

JURISDICTION AND VENUE

3. This is an action for patent infringement arising under the patent laws of the United States, Title 35 of the United States Code. The Court has original subject matter jurisdiction of this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

4. IPMedia has conducted business in this District and has committed acts of infringement in this District. Such acts include soliciting, advertising (including through

websites), offering to sell, selling and/or distributing infringing products, either directly or through intermediaries and agents, within this District. IPMedia has purposely availed itself of the privilege of conducting business with residents of this District, has established sufficient minimum contacts with the State of Illinois such that it should reasonably and fairly anticipate being brought into court in Illinois, and had purposely reached out to residents of Illinois by and through its website, www.CustomUSB.com.

5. Venue is proper in this district under 28 U.S.C. §§ 1391(b)-(c) and 1400(b). IPMedia is subject to personal jurisdiction in this District and has committed acts of infringement in this District.

IPMEDIA'S INFRINGEMENT OF THE PATENT-IN-SUIT

A. The Patent-in-Suit

6. United States Patent No. 6,926,544 ("the '544 patent"), entitled "Flash Memory Apparatus Having Single Body Type Rotary Cover," was duly and legally issued by the United States Patent and Trademark Office on August 9, 2005. A copy of the '544 patent is attached hereto as Exhibit A.

7. CATR owns all right, title and interest in, and has standing to sue for infringement of, the '544 patent.

B. Infringement of the Patent-in-Suit

8. IPMedia owns the website www.CustomUSB.com.

9. IPMedia operates the website www.CustomUSB.com.

10. IPMedia provides the website www.CustomUSB.com to the public via the Internet.

11. IPMedia offers for sale and sells products through the www.CustomUSB.com website, including products that constitute USB flash memory devices.

12. IPMedia generates revenue as a result of its sale of products through the www.CustomUSB.com website, including as a result of the sale of products that constitute USB flash memory devices.

13. IPMedia generates profits as a result of its sale of products through the www.CustomUSB.com website, including as a result of the sale of products that constitute USB flash memory devices.

14. IPMedia has engaged in, and continues to be engaged in, the manufacture, offer for sale and/or sale within the United States, and/or the importation into the United States, of USB flash memory devices which infringe the '544 patent. Such USB flash memory devices include, without limitation, products currently and/or previously marketed, offered for sale, and sold by IPMedia through the www.CustomUSB.com website which IPMedia identifies as the "Spin," the "SanDisk CustomUSB Spin", the "Spin Mobile" and the "Mini Spin Mobile" flash drives.

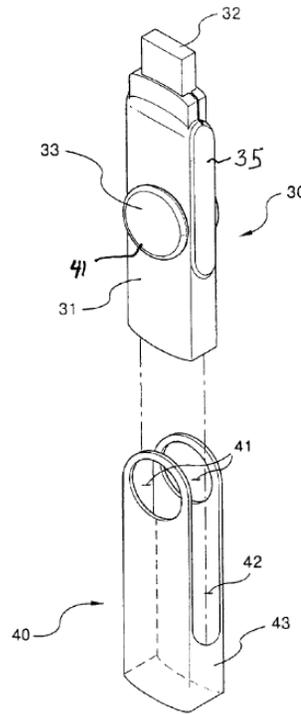
15. The product which IPMedia has sold and/or offered for sale under the name "Spin" constitutes a USB flash memory device having a rotatable cover.

16. The "Spin" is the "most popular drive" that IPMedia sells through the www.CustomUSB.com website. (See www.customusb.com/spin-flash-drive, accessed on March 14, 2014).

17. The "Spin" has a "simple capless design that is easy to use," and this benefit drives customer demand for the "Spin." (See www.customusb.com/spin-flash-drive, accessed on March 14, 2014).

18. The image that appears to the left below is a reproduction of a photograph of a "Spin" flash drive that was purchased from IPMedia through the www.CustomUSB.com website.

The image that appears to the right below is a reproduction of Figure 2 of the '544 patent.



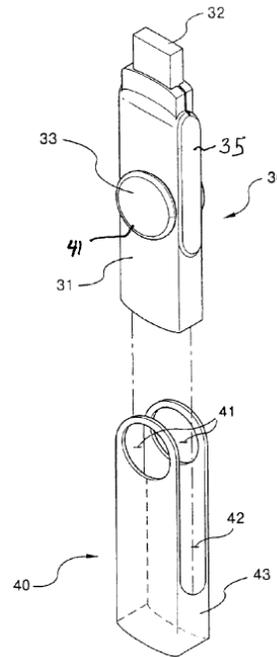
19. The product which IPMedia has sold and/or offered for sale under the name "SanDisk CustomUSB Spin" constitutes a USB flash memory devices having a rotatable cover.

20. The "SanDisk Custom USB Spin" is substantially identical to the "Spin" with respect to its structural design and configuration. An image of the "SanDisk CustomUSB Spin" appears below.



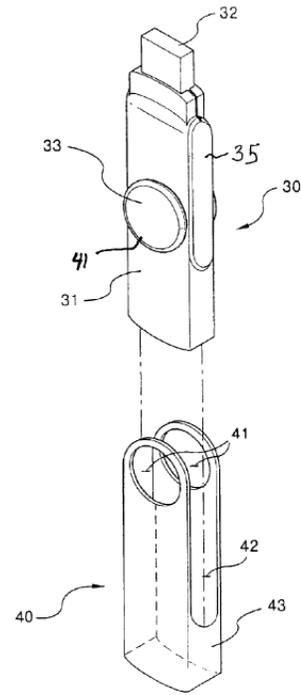
21. The product which IPMedia has sold and/or offered for sale under the name "Spin Mobile" constitutes a USB flash memory devices having a rotatable cover.

22. The image that appears to the left below is a reproduction of a photograph of a "Spin Mobile" flash drive that was purchased from IPMedia through the www.CustomUSB.com website. The image that appears to the right below is a reproduction of Figure 2 of the '544 patent.



23. The product which IPMedia has sold and/or offered for sale under the name "Mini Spin Mobile" constitutes a USB flash memory devices having a rotatable cover.

24. The image that appears to the left below is a reproduction of a photograph of a "Mini Spin Mobile" flash drive that was purchased from IPMedia through the www.CustomUSB.com website. The image that appears to the right below is a reproduction of Figure 2 of the '544 patent.



C. Notice of Infringement

25. IPMedia's infringement has occurred with knowledge of the '544 patent.

26. IPMedia was given actual notice of the '544 patent on or about August 17, 2012, when CATR's legal counsel sent a letter regarding the '544 patent to IPMedia. CATR's August 17, 2012 letter to IPMedia expressly informed IPMedia of CATR's belief that IPMedia was infringing the '544 patent.

COUNT I
INFRINGEMENT OF THE '544 PATENT

27. CATR re-alleges and incorporates by reference each and every allegation set forth in the preceding paragraphs 1-26 as if fully set forth here.

28. IPMedia has infringed and continues to infringe at least claim 8 of the '544 patent through, among other activities, manufacturing, selling and/or offering to sell within the United States, and/or importing into the United States, USB flash memory devices that employ the

inventions of the '544 patent within the meaning of 35 U.S.C. § 271(a). Such infringing USB flash memory devices include, without limitation, the products currently and/or previously marketed, offered for sale, and sold by IPMedia through the www.CustomUSB.com website which IPMedia identifies as the "Spin," the "SanDisk CustomUSB Spin", the "Spin Mobile" and the "Mini Spin Mobile" flash drives.

29. IPMedia has indirectly infringed at least claim 8 of the '544 patent under 35 U.S.C. § 271(b) by knowingly and actively inducing infringement of that claim. IPMedia has known about the '544 patent and its infringement since at least August 17, 2012 (or shortly thereafter) when CATR wrote to IPMedia and provided such notice. IPMedia has knowingly and actively induced infringement of at least claim 8, for example, by selling and offering for sale on behalf of its partners and/or customers, and by aiding, assisting, encouraging, causing and urging others such as its partners and/or customers to offer to sell, sell or use USB flash memory devices which infringe claim 8 of the '544 patent, including without limitation the "SanDisk CustomUSB Spin" flash drive. Thus, IPMedia knew of the '544 patent, sold and offered for sale on behalf of others a device which infringes claim 8 of the '544 patent, induced resale or the use of that device, and the device was resold, offered for sale or used by IPMedia's partners and/or the customers thereof.

30. As a direct and proximate result of IPMedia's infringement, CATR has suffered, and will continue to suffer, serious irreparable injury for which CATR is entitled to recover damages adequate to compensate it for such infringement, but, in no event, less than a reasonable royalty.

31. IPMedia's infringement has been willful, deliberate and objectively reckless in violation of 35 U.S.C. § 284. This infringement continues today despite an objectively high

likelihood that IPMedia's actions constitute infringement of the '544 patent. This objectively high likelihood of infringement was either known to IPMedia, or so obvious that it should have been known to IPMedia. IPMedia has failed to adequately respond to CATR's allegations of infringement and, upon information and belief, has not taken necessary steps to avoid infringement. IPMedia has not presented any competent advice of counsel upon which it has relied, nor has it presented any reasonable defense of non-infringement, invalidity or unenforceability. Instead, IPMedia has continued to infringe the '544 patent, in an objectively reckless manner, with complete disregard of CATR's rights in the '544 patent

PRAYER FOR RELIEF

WHEREFORE, CATR respectfully requests that this Court enter judgment in its favor and against IPMedia and its respective subsidiaries, affiliates, assumed business entities, agents, servants, employees and all persons in active concert or participation with IPMedia and grant the following relief:

- A. Adjudge and decree that IPMedia has been and is currently infringing the '544 patent;
- B. Award damages to CATR to compensate CATR for each of IPMedia's unlawful actions set forth in CATR's complaint;
- C. Adjudge and decree that IPMedia's infringement of the '544 patent has been willful, and award damages for such willful infringement pursuant to 35 U.S.C. § 284;
- D. Award prejudgment interest on all damages awarded to CATR from the date IPMedia's infringement of the '544 patent began;
- E. Determine that this patent infringement case is exceptional and award CATR its costs and attorneys' fees incurred in this action pursuant to 35 U.S.C. § 285; and
- F. Award CATR such other relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

CATR respectfully requests a trial by jury on all the issues triable thereby.

Dated: March 26, 2014

Respectfully submitted,

/s/ Robert A. Conley _____

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