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UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

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|--------------------|------------------|-----|--|
| ZAXCOM, INC. | | | DOCUMENT FILED ELECTRONICALLY |
| | Plaintiff, v. | : | Civil Action No. |
| TEAC AMERICA, INC. | ۷. | | <u>COMPLAINT AND DEMAND</u> FOR TRIAL BY JURY |
| | Defendant. | : | |
| | | - X | |

Plaintiff Zaxcom, Inc. ("Zaxcom") alleges as follows, with knowledge as to its own actions and upon information and belief as to the activities of others:

THE PARTIES

1. Plaintiff Zaxcom is a corporation organized and existing under the laws of the state of New Jersey with it principal place of business at 230 West Parkway, Unit 9, Pompton Plains, NJ.

2. Upon information and belief, Defendant TEAC America, Inc. ("TEAC") is a corporation having its principal place of business at 1834 Gage Road, Montebello, CA.

JURISDICTION AND VENUE

This action arises under the patent laws of the United States of America,
U.S.C. § 1, et seq. This Court has jurisdiction under 28 U.S.C. §§ 1331 and 1338(a).

4. This Court has personal jurisdiction over TEAC because TEAC has solicited and conducted business within the state of New Jersey, in part through commercial internet websites knowing that its products will be sold and/or available for sale in this district, thereby availing itself of the privilege of acting in the state of New Jersey.

5. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b) and § 1400(b).

ZAXCOM'S BUSINESS AND PATENTS

6. Zaxcom is a leading designer and manufacturer of professional audio equipment for the television and film industries and an Emmy award winner for outstanding achievement in Engineering Development.

7. As a result of its development and promotional efforts, Zaxcom's audio equipment is sought after by consumers, especially consumers in the television and film industries.

8. Zaxcom owns a variety of U.S. utility patents and patent applications covering wireless multitrack recording systems, which entitle Zaxcom to exclusive use of the claimed features.

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9. Zaxcom's exclusive rights to the innovative technological features of wireless multitrack recording systems are embodied in at least United States Patent Numbers 7,711,443 ("the '443 Patent"); 7,929,902 ("the '902 Patent"); and 8,385,814 ("the '814 Patent"). True and correct copies of these patents are attached as Exhibits A-C, respectively.

10. Zaxcom is currently the sole supplier in the television and film industries for recording systems that allow for recording audio data wirelessly in combination with a locally recorded backup for use in post-recording engineering.

11. The '443 Patent, entitled "Virtual Wireless Multitrack Recording System," was issued on May 4, 2010 and is in full force and effect.

12. The '902 Patent, entitled "Virtual Wireless Multitrack Recording System," was issued on April 19, 2011 and is in full force and effect.

13. The '814 Patent, entitled "Virtual Wireless Multitrack Recording System," was issued on February 26, 2013 and is in full force and effect.

14. Zaxcom is the owner by assignment of all rights, title and interest in and to the '443 Patent, the '902 Patent, and the '814 Patent (collectively "the patents-in-suit") and possesses all rights of recovery thereunder, including the right to sue for infringement and recover past damages.

TEAC'S ACTIVITIES

15. TEAC America, Inc. is a subsidiary of TEAC Corporation based in Tokyo, Japan. TEAC has developed, and is advertising for sale, a line of micro linear pulse-code modulation (PCM) recorders with wireless system products through its division TASCAM, including the DR-10CS and DR-10CL recorders. The DR-10 series of products provide a mobile compact recording system that can be used as a backup or primary recording system. 16. TASCAM markets and offers for sale the DR-10CS and DR-10CL products in this judicial district and throughout the United States through its website (http://tascam.com/product/dr-10c/overview/).

CLAIMS FOR RELIEF

<u>COUNT I – PATENT INFRINGEMENT</u> (Infringement of the '443 Patent)

17. Zaxcom repeats and realleges the allegations of the preceding paragraphs as if fully set forth herein.

18. TEAC has infringed and continues to infringe one or more claims of the '443 Patent by (i) manufacturing, importing, selling, and/or offering to sell in the United States, and/or (ii) by contributing to and/or inducing the infringement of others by using, selling and/or offering for sale: recording systems with instructions for combination and use by end users in a manner such that the recording system infringes one or more claims of the '443 Patent. TEAC's infringing products include, but are not limited to, TEAC products under the names DR-10CS and DR-10CL.

19. TEAC's infringing activities violate 35 U.S.C. § 271.

20. Defendant has actual notice of the '443 Patent by reason of the filing of this complaint.

21. Upon information and belief, TEAC's infringement has been willful pursuant to 35 U.S.C. § 284.

22. Upon information and belief, TEAC's marketed products directly compete with Zaxcom's products based on the technology of the '443 Patent including, but not limited to, Zaxcom's TRX series transmitter products.

23. TEAC's acts of infringement have caused Zaxcom to sustain monetary damage, loss, and injury in an amount to be determined at trial.

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24. TEAC's acts of infringement, unless enjoined by this Court, will continue to cause Zaxcom to sustain irreparable damage, loss, and injury, for which Zaxcom has no adequate remedy at law.

<u>COUNT II – PATENT INFRINGEMENT</u> (Infringement of the '902 Patent)

25. Zaxcom repeats and realleges the allegations of the preceding paragraphs as if fully set forth herein.

26. TEAC has infringed and continues to infringe one or more claims of the '902 Patent by (i) manufacturing, importing, selling, and/or offering to sell in the United States, and/or (ii) by contributing to and/or inducing the infringement of others by using, selling and/or offering for sale: recording systems with instructions for combination and use by end users in a manner such that the recording system and/or method of use infringes one or more claims of the '902 Patent. TEAC's infringing products include, but are not limited to, TEAC products under the names DR-10CS and DR-10CL.

27. TEAC's infringing activities violate 35 U.S.C. § 271.

28. Defendant has actual notice of the '902 Patent by reason of the filing of this complaint.

29. Upon information and belief, TEAC's infringement has been willful pursuant to 35 U.S.C. § 284.

30. Upon information and belief, TEAC's marketed products directly compete with Zaxcom's products based on the technology of the '902 Patent including, but not limited to, Zaxcom's TRX series transmitter products.

31. TEAC's acts of infringement have caused Zaxcom to sustain monetary damage, loss, and injury in an amount to be determined at trial.

32. TEAC's acts of infringement, unless enjoined by this Court, will continue to cause Zaxcom to sustain irreparable damage, loss, and injury, for which Zaxcom has no adequate remedy at law.

<u>COUNT III – PATENT INFRINGMENT</u> (Infringement of the '814 Patent)

33. Zaxcom repeats and realleges the allegations of the preceding paragraphs as if fully set forth herein.

34. TEAC has infringed and continues to infringe one or more claims of the '814 Patent by (i) manufacturing importing, selling, and/or offering to sell in the United States, and/or (ii) by contributing to and/or inducing the infringement of others by using, selling and/or offering for sale: recording systems with instructions for combination and use by end users in a manner such that the recording system and/or method of use infringes one or more claims of the '814 Patent. TEAC's infringing products include, but are not limited to, TEAC products under the names DR-10CS and DR-10CL.

35. TEAC's infringing activities violate 35 U.S.C. § 271.

36. Defendant has actual notice of the '814 Patent by reason of the filing of this complaint.

37. Upon information and belief, TEAC's infringement has been willful pursuant to 35 U.S.C. § 284.

38. Upon information and belief, TEAC's marketed products directly compete with Zaxcom's products based on the technology of the '814 Patent including, but not limited to, Zaxcom's TRX series transmitter products.

39. TEAC's acts of infringement have caused Zaxcom to sustain monetary damage, loss, and injury in an amount to be determined at trial.

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40. TEAC's acts of infringement, unless enjoined by this Court, will continue to cause Zaxcom to sustain irreparable damage, loss, and injury, for which Zaxcom has no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Zaxcom prays for the following relief against Defendant TEAC:

- A. A judgment that TEAC has infringed one or more claims of each of Zaxcom's asserted patents;
- B. A permanent injunction against TEAC and each of its affiliates, officers, agents, servants, and employees and all persons in active concert or participation with it who receive actual notice of the Order, by personal service or otherwise:
 - Restraining and enjoining TEAC from further acts of infringement of Zaxcom's asserted patents;
 - b. Restraining and enjoining TEAC from violating 35 U.S.C. § 271;
- C. An order that TEAC deliver to this Court for destruction all products that infringe, directly or otherwise, or the use of which would infringe, directly or otherwise, any claim of Zaxcom's asserted patent;
- D. An award of money damages in the amount of TEAC's profits and Zaxcom's damages resulting from TEAC's unlawful acts set forth herein, in an amount to be proven at the time of trial, together with legal interest from the date of accrual thereof;
- E. An award of treble damages, in an amount to be proven at the time of trial, pursuant to 35 U.S.C. § 284;
- F. An award of exemplary and punitive damages and/or increased profits, in an amount to be proven at the time of trial;

- G. An award of attorneys' fees and disbursements incurred by Zaxcom in this action;
- H. An award of costs of this action; and
- I. Such other and further relief as the Court may deem equitable and proper.

DEMAND FOR JURY TRIAL

Zaxcom demands trial by jury.

Respectfully submitted, By: <u>s/ Y. Jae Kim</u> Y. Jae Kim, Esq. Firouzeh Nur-Vaccaro, Esq. **KIM WINSTON LLP** 1307 White Horse Road, Suite 601 Voorhees, NJ 08043 Tel: (856) 520-8988 yjaekim@kimwinston.com firouzehnurvaccaro@kimwinston.com

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Attorneys for Plaintiff Zaxcom, Inc.

Dated: October 30, 2014