

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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| UI TECHNOLOGIES, INC. and | : |
| UI DIGITAL INC., | : |
| | : |
| | : |
| Plaintiffs, | : |
| | : |
| -against- | : |
| | : |
| | : |
| RICOMA INTERNATIONAL CORP., | : |
| GUOFENG "HENRY" MA, and MIGUEL | : |
| ANDONI CIARRETA, | : |
| | : |
| Defendants. | : |
| -----X | |

Case No. 21-cv-11117

COMPLAINT

JURY TRIAL DEMANDED

Plaintiffs UI Technologies, Inc. ("UIT") and UI Digital Inc. ("UID," and together with UIT, "Plaintiffs" or "UI"), by their attorneys, as and for their Complaint against Defendants Ricoma International Corp. ("Ricoma"), Guofeng "Henry" Ma ("Ma"), and Miguel Andoni Ciarreta ("Ciarreta," and together with Ricoma and Ma, "Defendants") allege as follows:

NATURE OF THE ACTION

1. This is an action for patent infringement that arises under the patent laws of the United States, 35 U.S.C. § 1 et seq., and related claims of breach of contract and unfair competition under New York law.

2. UI manufactures, distributes, and sells printers, toner cartridges, and related products within the United States. UI owns patents that broadly cover conversion of cartridges and printers to print in colors other than that which are standard for the printer, and for allowing printers to over print, under print, and swap between the two.

3. Defendants led UI to disclose its confidential information in connection with their agreement to sell UI's products in partnership with UI, and then misappropriated UI's

confidential information to design, manufacture, and sell their own competing products that infringe UI's patents.

4. UI brings this action to enforce its intellectual property and contractual rights and seeks damages arising out of Defendants' misconduct.

THE PARTIES

5. Plaintiff UIT is a Nevada corporation with a principal place of business at 22 Old Dock Road, Yaphank, New York 11980. UIT owns a 90% interest in UID.

6. Plaintiff UID is a Delaware corporation with a principal place of business at 22 Old Dock Road, Yaphank, New York 11980.

7. UI is a worldwide original equipment manufacturer, distributor, and seller of printers, toner cartridges, and related products. UI sells its products in the United States.

8. Upon information and belief, Defendant Ricoma is a Florida corporation with a principal place of business at 11555 NW 124th St., Miami, Florida 33178. Defendant Ricoma does business and sells the infringing products at issue in New York and other locations throughout the United States.

9. Upon information and belief, Defendant Ma is the Chief Executive Officer of Ricoma and resides in Miami, Florida.

10. Upon information and belief, Defendant Ciarreta is the Vice President of Operations of Ricoma and resides in Fort Lauderdale, Florida.

JURISDICTION AND VENUE

11. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1338, and 1367.

12. This Court may exercise personal jurisdiction over Defendants based upon their

contacts with this District, including regularly and intentionally doing business in this District and advertising, offering to sell, and selling the infringing products at issue in this District.

13. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391(b) and 1400(b) because a substantial part of the events giving rise to Plaintiffs' claims occurred in this District, and Defendants have done business and committed the complained of acts of infringement in this District.

FACTS RELEVANT TO ALL ALLEGATIONS

I. UI's Patents

14. UI is the owner of U.S. Patent No. 9,835,968 (the "'968 Patent'"), entitled "Toner cartridge printer devices, systems, and methods for over printing and under printing", which issued on December 5, 2017. A true and correct copy of the '968 Patent is attached hereto as Exhibit A.

15. UI is the owner of U.S. Patent No. 9,835,981 (the "'981 Patent'"), entitled "Method and system for converting a toner cartridge printer to a metallic, clear fluorescent, or light toner printer", which issued on December 5, 2017. A true and correct copy of the '981 Patent is attached hereto as Exhibit B.

16. UI is the owner of U.S. Patent No. 9,835,982 (the "'982 Patent'"), entitled "Method and system for converting a toner cartridge printer to a white, clear, metallic, fluorescent, or light toner printer", which issued on December 5, 2017. A true and correct copy of the '982 Patent is attached hereto as Exhibit C.

17. UI is the owner of U.S. Patent No. 10,310,446 (the "'446 Patent'"), entitled "Method for converting a toner cartridge printer to a sublimation toner printer", which issued on June 4, 2019. A true and correct copy of the '446 Patent is attached hereto as Exhibit D.

18. UI is the owner of U.S. Patent No. 10,649,372 (the “‘372 Patent”), entitled “Method and system for converting a toner cartridge printer”, which issued on May 12, 2020. A true and correct copy of the ‘372 Patent is attached hereto as Exhibit E.

19. UI is also the Exclusive Licensee of U.S. Patent No. 10,459,670 (the “‘670 Patent”), entitled “Methods, systems, apparatuses and devices for facilitating printing of a digital image based on image splitting”, which issued on October 29, 2019. A true and correct copy of the ‘670 Patent is attached hereto as Exhibit F.

20. UI has the right to enforce the ‘670 Patent against infringers of the ‘670 Patent.

21. The ‘968, ‘981, ‘982, ‘446, ‘372, and ‘670 Patents are valid and enforceable, and are referred to herein collectively as “the Uninet Patents”.

22. The Uninet Patents broadly cover conversion of cartridges and printers to print in colors other than that which are standard for the printer, and for allowing printers to over print, under print, and swap between the two.

23. The ‘968 Patent comprises Independent Claim 1 and Dependent Claims 2-11.

24. The ‘981 Patent comprises Independent Claims 1, 9 and 17, and Dependent Claims 2-8, 10-16, and 18-23.

25. The ‘982 Patent comprises Independent Claims 1 and 11, and Dependent Claims 2-10 and 12-14.

26. The ‘446 Patent comprises Independent Claims 1, 4, 12, 18, 23, 28, and Dependent Claims 2-3, 5-11, 13-17, 19-22, 24-27, 29-32.

27. The ‘372 Patent comprises Independent Claims 1 and 7, and Dependent Claims 2-6 and 8-10.

28. Independent Claim 1 of the ‘968 Patent comprises a method of converting a

CMYK color toner printer to a CMYX color toner printer for over print printing in a single pass, comprising the steps: providing a color toner printer, comprising four toner printing cartridges: a cyan toner printing cartridge, a magenta toner printing cartridge, a yellow toner printing cartridge, and a black toner printing cartridge; removing said black toner printing cartridge from a first toner cartridge position; removing said cyan toner printing cartridge from a fourth toner cartridge position; providing a non-standard toner printing cartridge; installing said cyan toner printing cartridge into said first toner cartridge position; installing said non-standard toner printing cartridge into said fourth toner cartridge position; providing a raster image processor (“RIP”) software; wherein said RIP software is configured to remap said four toner printing cartridges of said color toner printer and allows said color toner printer to print a layer of non-standard toner over an image in a single pass; wherein said image is printed from at least one of: a cyan toner, a yellow toner, and a magenta toner.

29. Independent Claim 17 of the ‘981 Patent comprises a method of converting a printer to print with clear fluorescent toner, comprising the steps: providing a toner printer; wherein said toner printer has four printing cartridges; wherein said four printing cartridges comprise a black toner printing cartridge, a cyan toner printing cartridge, a magenta toner printing cartridge, and a yellow toner printing cartridge; wherein said black toner printing cartridge is in a first position of said toner printer; removing said black toner printing cartridge from said toner printer; wherein said cyan toner printing cartridge is in a fourth position of said toner printer; removing said cyan toner printing cartridge from said toner printer; providing a clear fluorescent toner printing cartridge; installing said cyan toner printing cartridge into said first position of said toner printer; installing said clear fluorescent toner printing cartridge into said fourth position of said toner printer; providing RIP software for printing cartridge

remapping; and wherein said clear fluorescent toner is only visible under an ultraviolet light.

30. Independent Claim 1 of the '982 Patent comprises a method of converting a CMYK printer to print with a non-standard toner, comprising the steps: providing a CMYK toner printer; wherein said CMYK toner printer has four toner printing cartridges, a black toner printing cartridge and three color toner printing cartridges, a cyan toner printing cartridge, a magenta toner printing cartridge, and a yellow toner printing cartridge; removing one or more of said three color toner printing cartridges from said toner printer, such that there are one or more empty toner printing cartridge positions; providing one or more non-standard toner printing cartridges; and installing said one or more non-standard toner printing cartridges into said one or more empty toner printing cartridges; wherein said one or more non-standard toner printing cartridges are selected from the group of non-standard toners consisting of a metallic toner and a fluorescent toner.

31. Independent Claim 1 of the '446 Patent comprises a method of converting a standard CMYK color toner printer to a CMYK sublimation color toner printer, comprising the steps: providing a standard CMYK color toner printer, comprising four toner printing cartridges: a cyan toner printing cartridge, a magenta toner printing cartridge, a yellow toner printing cartridge, and a black toner printing cartridge; removing said four toner printing cartridges, such that four empty toner cartridge slots are created: a cyan toner cartridge slot, a magenta toner cartridge slot, a yellow toner cartridge slot, and a black toner cartridge slot; providing four sublimation toner printing cartridges: a cyan sublimation toner printing cartridge, a magenta sublimation toner printing cartridge, a yellow sublimation toner printing cartridge, and a black sublimation toner printing cartridge; installing said cyan sublimation toner printing cartridge into said cyan toner cartridge slot; installing said magenta sublimation toner printing cartridge into

said magenta toner cartridge slot; installing said yellow sublimation toner printing cartridge into said yellow toner cartridge slot; and installing said black sublimation toner printing cartridge into said black toner cartridge slot.

32. Independent Claim 1 of the '372 Patent comprises a method of converting a CMYK toner printer to print with a non-standard toner, comprising the steps: providing a CMYK toner printer; wherein said CMYK toner printer has four printing cartridges; wherein said four printing cartridges comprise a black toner printing cartridge, a cyan toner printing cartridge, a magenta toner printing cartridge, and a yellow toner printing cartridge; removing said black toner printing cartridge from said CMYK toner printer, such that there is an empty toner cartridge slot; providing a non-standard toner printing cartridge that is filled with a non-standard toner; installing said non-standard toner printing cartridge into said empty toner cartridge slot which results in a converted CMYX non-standard toner printer; providing RIP software, wherein said RIP software is used by said converted CMYX non-standard toner printer to incorporate said non-standard toner into one or more images printed by said converted CMYX non-standard toner printer; and wherein said RIP software performs a cartridge remapping of said converted CMYX non-standard toner printer, such that said converted CMYX non-standard toner printer prints using said non-standard toner from different cartridge positions.

33. Independent Claim 1 of the '670 Patent comprises a method of recreating an original image design by splitting a digital image based on a combination of edge analysis and non-printing color analysis, digitally printing the image segments, and reassembling the image segments, the method comprising: receiving, using a communication device, the digital image from a user device; analyzing, using a processing device and edge detection algorithms, the digital image; determining, using the processing device or a user input, certain overlap zones

designated as splitting zones; generating, using the processing device, one or more edge paths comprising an edges map of the splitting zones; determining, a plurality of paths based on non-printing colors; determining, a plurality of paths based on transparent colors; generating, a splitting path consisting of one or more edge paths, and/or non-printing color paths, and/or transparent color paths; generating, using the processing device, a plurality of image segments based on splitting the digital image at the point of intersection of the generated splitting path; storing, using a storage device, the plurality of image segments; printing such image segments using conventional imaging methods to a substrate; aligning each printed image segment such that the splitting path will be correctly placed as per the original image; bonding the image segments in such a fashion that a produced result is as visually acceptable as the original image.

II. The Reseller Agreement

34. On May 11, 2020, UID and Ricoma entered into an Authorized Reseller Agreement (the “Reseller Agreement”).¹ Pursuant to the Reseller Agreement, UID agreed to sell its printers and related products (“UI Product”) to Ricoma for resale in the United States, and Ricoma agreed to sell and service that UI Product in the United States. A true and correct copy of the Reseller Agreement is attached hereto as Exhibit G.

43. Pursuant to the Reseller Agreement, UI shared with Defendants its confidential information, including technical documentation and know how, related to the UI Product (“Confidential Information”) with the understanding that Defendants would not misappropriate, steal, or use the Confidential Information outside the scope of the Reseller Agreement.

35. The Reseller Agreement provides that Ricoma shall maintain the confidentiality

¹ The Reseller Agreement provides that (i) Ricoma “shall comply with all laws, ordinances, regulations and rules applicable to [Ricoma’s] ... performance pursuant to this Agreement and in accordance with laws as set forth in the country of USA, state of New York” (Ex. G § 20); and (ii) UID “may assign this Agreement or any of its rights or obligations hereunder without the consent of [Ricoma] to affiliates” (*id.* § 17).

of the Confidential Information (*see* Ex. G § 10), and that Ricoma shall “immediately return to [UI] all technical documentation, know how and other proprietary information and materials owned by [UI]” upon the expiration or termination of the Reseller Agreement (*id.* § 13(a)).

36. Pursuant to the Reseller Agreement, during the period April 28, 2020 to April 30, 2021, UI sold UI Product to Ricoma, which consisted of approximately 219 printers for \$544,465 and related supplies for approximately \$231,042.

37. On or about March 1, 2021, Ricoma stopped purchasing UI Product from UI pursuant to the Reseller Agreement.

38. On or about April 9, 2021, the Reseller Agreement was terminated.

III. Ricoma’s Infringing, Breaching, and Wrongful Activities





45. Ricoma was able to design and manufacture the Accused Product relatively quickly specifically because Ricoma misappropriated, stole, and used the Confidential Information outside the scope of the Reseller Agreement.

46. The Accused Product is substantially similar to the UI Product that UI sold to Ricoma pursuant to the Reseller Agreement.

47. Both the Accused Product and the UI Product practice the Uninet Patents.

48. Ricoma sold the Accused Product outside the scope of the Reseller Agreement.

49. Ricoma has imported, used, sold, and/or offered to sell the Accused Product within the United States (including in New York) without receiving authorization or permission from UI to do so.

50. The Accused Product practices at least one claim of each of the Uninet Patents.

51. The Accused Product infringes each and every one of the Uninet Patents.

52. Claim Infringement Charts that show how the Accused Product infringes, at least, one independent claim of each of the Uninet Patents are attached hereto as Exhibit H.

53. As a result of Ricoma's misappropriation of UI's Confidential Information and blatant infringement of the Uninet Patents, Ricoma has significantly damaged UI's ability to negotiate and enter into license agreements with third parties.

54. Ricoma used the Confidential Information that Ricoma obtained from UI pursuant to the Reseller Agreement in order to design, manufacture, and sell the Accused Product.

55. Ricoma was not authorized by UI to use the Confidential Information to design, manufacture, and sell the Accused Product.

56. Ricoma was not authorized by UI to use the Confidential Information in any capacity after the Reseller Agreement was terminated.

57. Upon termination of the Reseller Agreement, Ricoma was required to return to UI all technical documentation, know how, and other proprietary information and materials owned by UI. Ricoma, however, failed to do so in breach of the Reseller Agreement.

58. Ricoma's marketing activities of the Accused Product include promotion from websites, sales to retailers, and solicitation of retail accounts.

59. In or about August 2021, UI became aware that Ricoma was offering for sale the Accused Product.

60. On August 13, 2021, UI sent Ricoma a demand letter notifying Ricoma of Ricoma's infringing activities and demanding that Ricoma cease and desist from manufacturing, advertising, offering for sale, and selling the Accused Product. A true and correct copy of this demand letter is attached hereto as Exhibit I.

61. Thereafter, UI attempted to settle its claims against Ricoma without court intervention, but was unable to do so.

62. To date, Ricoma has failed to cease manufacturing, advertising, offering for sale, and selling the Accused Product.

63. Upon information and belief, Ma and Ciaretta caused Ricoma to engage in and were responsible for each of Ricoma's wrongful actions.

64. UI has not authorized Ricoma to practice any claims of the Uninet Patents.

65. Upon information and belief, Ricoma was aware of the Uninet Patents before it began importing, using, selling, and/or offering to sell the Accused Product in the United States.

66. Upon information and belief, Ricoma continued importing, using, selling, and/or offering to sell the Accused Product in the United States with knowledge of the Uninet Patents even after UI provided notice of its infringement.

67. Upon information and belief, Ricoma ignored UI's notices and warnings to halt the promotion and sale of the Accused Product, and Ricoma continued to and continues to import, use, sell, and offer to sell the Accused Product.

68. Ricoma's knowing and continual infringement of the Uninet Patents has been and continues to be intentional and willful.

69. As a result of Ricoma's combined actions, the Accused Product, and potentially other infringing devices, have been and will be sold, offered for sale, and used in the United States to the harm of UI.

70. As a result of Ricoma's infringing actions, Ricoma has reaped tremendous financial profits and gains while UI has suffered financial losses.

71. Except as provided under the Reseller Agreement, Ricoma has never requested UI's permission or authorization to practice the claims of the Uninet Patents, and UI has never authorized Ricoma to do so. As such, Ricoma's infringing actions are in complete disregard of UI's rights.

CAUSES OF ACTION

COUNT I

(Patent Infringement - U.S. Patent No. 9,835,968)

72. Plaintiffs incorporate herein by reference the allegations of the preceding paragraphs as though fully set forth herein.

73. Defendants have imported, used, sold, and offered to sell in the United States, and are still importing, using, selling, and offering to sell into the United States at least the Accused Product that directly, or under the Doctrine of Equivalents, infringes the '968 Patent without Plaintiffs' authorization pursuant to 35 U.S.C. § 271(a) and other applicable law.

74. Specifically, the Accused Product infringes, at least, Independent Claim 1 of the '968 Patent.

75. By reason of the foregoing infringing acts, Plaintiffs have been damaged, continue to be damaged, and are entitled to no less than a reasonable royalty in accordance with

35 U.S.C. § 284 in an amount to be determined at trial. In addition, pursuant to 35 U.S.C. § 284, Plaintiffs are entitled to enhanced and treble damages against Defendants together with interest at the maximum legal rate and costs as fixed by the Court.

76. Upon information and belief, Defendants' infringements have been intentional and willful, making this an exceptional case.

77. Because this is an exceptional case, Plaintiffs are entitled to recover their attorneys' fees under 35 U.S.C. § 285.

78. Because of the aforesaid infringing acts, Plaintiffs have suffered and continue to suffer great and irreparable injury for which there is no adequate remedy at law.

COUNT II
(Patent Infringement - U.S. Patent No. 9,835,981)

79. Plaintiffs incorporate herein by reference the allegations of the preceding paragraphs as though fully set forth herein.

80. Defendants have imported, used, sold, and offered to sell in the United States, and are still importing, using, selling, and offering to sell into the United States at least the Accused Product that directly, or under the Doctrine of Equivalents, infringes the '981 Patent without Plaintiffs' authorization pursuant to 35 U.S.C. § 271(a) and other applicable law.

81. Specifically, the Accused Product infringes, at least, Independent Claim 17 of the '981 Patent.

82. By reason of the foregoing infringing acts, Plaintiffs have been damaged, continue to be damaged, and are entitled to no less than a reasonable royalty in accordance with 35 U.S.C. § 284 in an amount to be determined at trial. In addition, pursuant to 35 U.S.C. § 284, Plaintiffs are entitled to enhanced and treble damages against Defendants together with interest at the maximum legal rate and costs as fixed by the Court.

83. Upon information and belief, Defendants' infringements have been intentional and willful, making this an exceptional case.

84. Because this is an exceptional case, Plaintiffs are entitled to recover their attorneys' fees under 35 U.S.C. § 285.

85. Because of the aforesaid infringing acts, Plaintiffs have suffered and continue to suffer great and irreparable injury for which there is no adequate remedy at law.

COUNT III
(Patent Infringement - U.S. Patent No. 9,835,982)

86. Plaintiffs incorporate herein by reference the allegations of the preceding paragraphs as though fully set forth herein.

87. Defendants have imported, used, sold, and offered to sell in the United States, and are still importing, using, selling, and offering to sell into the United States at least the Accused Product that directly, or under the Doctrine of Equivalents, infringes the '982 Patent without Plaintiffs' authorization pursuant to 35 U.S.C. § 271(a) and other applicable law.

88. Specifically, the Accused Product infringes, at least, Independent Claim 1 of the '982 Patent.

89. By reason of the foregoing infringing acts, Plaintiffs have been damaged, continue to be damaged, and are entitled to no less than a reasonable royalty in accordance with 35 U.S.C. § 284 in an amount to be determined at trial. In addition, pursuant to 35 U.S.C. § 284, Plaintiffs are entitled to enhanced and treble damages against Defendants together with interest at the maximum legal rate and costs as fixed by the Court.

90. Upon information and belief, Defendants' infringements have been intentional and willful, making this an exceptional case.

91. Because this is an exceptional case, Plaintiffs are entitled to recover their

attorneys' fees under 35 U.S.C. § 285.

92. Because of the aforesaid infringing acts, Plaintiffs have suffered and continue to suffer great and irreparable injury for which there is no adequate remedy at law.

COUNT IV
(Patent Infringement - U.S. Patent No. 10,310,446)

93. Plaintiffs incorporate herein by reference the allegations of the preceding paragraphs as though fully set forth herein.

94. Defendants have imported, used, sold, and offered to sell in the United States, and are still importing, using, selling, and offering to sell into the United States at least the Accused Product that directly, or under the Doctrine of Equivalents, infringes the '446 Patent without Plaintiffs' authorization pursuant to 35 U.S.C. § 271(a) and other applicable law.

95. Specifically, the Accused Product infringes, at least, Independent Claim 1 of the '446 Patent.

96. By reason of the foregoing infringing acts, Plaintiffs have been damaged, continue to be damaged, and are entitled to no less than a reasonable royalty in accordance with 35 U.S.C. § 284 in an amount to be determined at trial. In addition, pursuant to 35 U.S.C. § 284, Plaintiffs are entitled to enhanced and treble damages against Defendants together with interest at the maximum legal rate and costs as fixed by the Court.

97. Upon information and belief, Defendants' infringements have been intentional and willful, making this an exceptional case.

98. Because this is an exceptional case, Plaintiffs are entitled to recover their attorneys' fees under 35 U.S.C. § 285.

99. Because of the aforesaid infringing acts, Plaintiffs have suffered and continue to suffer great and irreparable injury for which there is no adequate remedy at law.

COUNT V
(Patent Infringement - U.S. Patent No. 10,649,372)

100. Plaintiffs incorporate herein by reference the allegations of the preceding paragraphs as though fully set forth herein.

101. Defendants have imported, used, sold, and offered to sell in the United States, and are still importing, using, selling, and offering to sell into the United States at least the Accused Product that directly, or under the Doctrine of Equivalents, infringes the '372 Patent without Plaintiffs' authorization pursuant to 35 U.S.C. § 271(a) and other applicable law.

102. Specifically, the Accused Product infringes, at least, Independent Claim 1 of the '372 Patent.

103. By reason of the foregoing infringing acts, Plaintiffs have been damaged, continue to be damaged, and are entitled to no less than a reasonable royalty in accordance with 35 U.S.C. § 284 in an amount to be determined at trial. In addition, pursuant to 35 U.S.C. § 284, Plaintiffs are entitled to enhanced and treble damages against Defendants together with interest at the maximum legal rate and costs as fixed by the Court.

104. Upon information and belief, Defendants' infringements have been intentional and willful, making this an exceptional case.

105. Because this is an exceptional case, Plaintiffs are entitled to recover their attorneys' fees under 35 U.S.C. § 285.

106. Because of the aforesaid infringing acts, Plaintiffs have suffered and continue to suffer great and irreparable injury for which there is no adequate remedy at law.

COUNT VI
(Patent Infringement - U.S. Patent No. 10,459,670)

107. Plaintiffs incorporate herein by reference the allegations of the preceding

paragraphs as though fully set forth herein.

108. Defendants have imported, used, sold, and offered to sell in the United States, and are still importing, using, selling, and offering to sell into the United States at least the Accused Product that directly, or under the Doctrine of Equivalents, infringes the '670 Patent without Plaintiffs' authorization pursuant to 35 U.S.C. § 271(a) and other applicable law.

109. Specifically, the Accused Product infringes, at least, Independent Claim 1 of the '670 Patent.

110. By reason of the foregoing infringing acts, Plaintiffs have been damaged, continue to be damaged, and are entitled to no less than a reasonable royalty in accordance with 35 U.S.C. § 284 in an amount to be determined at trial. In addition, pursuant to 35 U.S.C. § 284, Plaintiffs are entitled to enhanced and treble damages against Defendants together with interest at the maximum legal rate and costs as fixed by the Court.

111. Upon information and belief, Defendants' infringements have been intentional and willful, making this an exceptional case.

112. Because this is an exceptional case, Plaintiffs are entitled to recover their attorneys' fees under 35 U.S.C. § 285.

113. Because of the aforesaid infringing acts, Plaintiffs have suffered and continue to suffer great and irreparable injury for which there is no adequate remedy at law.

COUNT VII
(Breach of Contract – Reseller Agreement)

114. Plaintiffs incorporate herein by reference the allegations of the preceding paragraphs as though fully set forth herein.

115. UID and Ricoma entered into the Reseller Agreement, which is a binding and enforceable contract.

116. Under the Reseller Agreement, Ricoma could use Confidential Information from UI only for purposes consistent with and inside the scope of the Reseller Agreement, Ricoma is obligated to maintain the confidentiality of the Confidential Information (*see* Ex. G § 10), and Ricoma shall “immediately return to [UI] all technical documentation, know how and other proprietary information and materials owned by [UI]” upon the expiration or termination of the Reseller Agreement (*id.* § 13(a)).

117. UID fully performed its obligations under the Reseller Agreement, and any and all conditions precedent to Ricoma’s obligations set forth above in the Reseller Agreement have been satisfied.

118. Ricoma breached its binding contractual obligations under the Reseller Agreement by, *inter alia*, failing to “immediately return to [UI] all technical documentation, know how and other proprietary information and materials owned by [UI]” upon termination of the Reseller Agreement and, instead, using the Confidential Information for its own use and benefit and for purposes not consistent with and outside the scope of the Reseller Agreement.

119. As a direct and proximate result of Ricoma’s willful breach, Plaintiffs have suffered damages in an amount to be determined at trial.

COUNT VIII
(Unfair Competition Under New York law)

120. Plaintiffs incorporate herein by reference the allegations of the preceding paragraphs as though fully set forth herein.

121. Plaintiffs own the Uninet Patents and the Confidential Information related thereto, for which Plaintiffs expended significant time, effort, and expense to develop and acquire.

122. Defendants acted in bad faith by leading UI to disclose its valuable Confidential Information in connection with the Reseller Agreement when Defendants had no intention of

selling UI Product pursuant to the Reseller Agreement. Defendants instead exploited UI's efforts and used its Confidential Information for Defendants' own commercial advantage.

123. UI shared with Defendants its Confidential Information pursuant to the Reseller Agreement with the understanding that Defendants would not misappropriate, steal, or use the Confidential Information outside the scope of the Reseller Agreement.

124. UI reasonably relied on the provisions in the Reseller Agreement requiring Defendants to keep confidential, and to not misappropriate for their own use and benefit, UI's Confidential Information.

125. Defendants misappropriated, stole, and used the Confidential Information outside the scope of the Reseller Agreement to design, manufacture, and sell the Accused Product.

126. Defendants exploited the commercial advantage UI had previously held.

127. At all relevant times, Defendants knew that the Confidential Information belonged to UI, that this information was confidential, and that Defendants could not use the Confidential Information outside the scope of the Reseller Agreement.

128. Defendants' conduct in misappropriating the Confidential Information, for their own use and benefit, in complete disregard of Plaintiffs' rights and at Plaintiffs' expense, constitutes unfair competition under New York state law.

129. As a direct and proximate result of Defendants' conduct, Plaintiffs have no adequate remedy at law, have been irreparably harmed and will continue to be irreparably harmed unless Defendants are enjoined from using or disclosing UI's Confidential Information, and enjoined from engaging in the infringing conduct set forth herein.

130. Plaintiffs are entitled to all damages they have sustained by virtue of the aforementioned conduct in an amount to be determined at trial.

131. Furthermore, because Defendants' conduct was wanton, willful, malicious, and undertaken in conscious disregard of Plaintiffs' rights, Defendants also are liable for punitive damages.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully pray for:

- (a) Judgment that Defendants have infringed the Uninet Patents in violation of 35 U.S.C. 271 (a) and (b), as well as other applicable law, and that such infringement was willful;
- (b) A temporary, preliminary, and permanent injunction against further infringement of the Uninet Patents by Defendants, their officers, agents, servants, employees, and attorneys, and all others in active concert or participation with any of them;
- (c) An order pursuant to the Court's inherent authority ordering seizure of all infringing articles, or any other copy, reproduction, or colorable imitation of the infringing articles in Defendants' possession or control, including all advertising and other materials used in furtherance of Defendants' infringements, whether in hard copy or electronic form, for destruction at Defendants' expense;
- (d) An award of damages adequate to compensate Plaintiffs for the patent infringements that have occurred pursuant to 35 U.S.C. § 284, which shall be trebled as a result of Defendants' willful patent infringement, together with pre- and post-judgment interest and costs;
- (e) An order directing Defendants to notify all purchasers of infringing articles that those products infringe the Uninet Patents and must be returned for destruction at Defendants' expense;
- (f) In addition, or in the alternative, an accounting of all infringing articles sold and an appropriate royalty be awarded to Plaintiffs;
- (g) On Count VII, damages in an amount to be determined at trial;
- (h) On Count VIII, damages in an amount to be determined at trial, including punitive damages;
- (i) An assessment of costs, including a declaration that this is an exceptional case and reasonable attorneys' fees and expenses, pursuant to 35 U.S.C. § 285;
- (j) Reimbursement of all of Plaintiffs' reasonable attorneys' fees and other costs and

expenses Plaintiffs have incurred and will incur in connection with this action pursuant to Section 9 of the Reseller Agreement;

- (k) An award of pre- and post-judgment interest; and
- (l) Such other and further relief as this Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury of all issues so triable in this action.

Dated: December 28, 2021
New York, New York

Respectfully submitted,
ARKIN SOLBAKKEN LLP

By: /s/ Deana Davidian
Deana Davidian, Esq. (DD 0804)
Thomas G. O'Brien, Esq. (TO 3855)
900 Third Avenue, 18th Floor
New York, New York 10022
(212) 333-0200 (phone)
(212) 333-2350 (fax)

- and -

HANKIN PATENT LAW, APC
Marc E. Hankin, Esq. (*pro hac vice* pending)
12400 Wilshire Boulevard, Suite 1265
Los Angeles, California 90025
(310) 979-3600 (phone)
(310) 979-3603 (fax)

Attorneys for Plaintiffs