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 DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA

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9 Attorneys for Plaintiff Smugmug, Inc.

10 UNITED STATES DISTRICT COURT
 11
 12 NORTHERN DISTRICT OF CALIFORNIA

PVT

13 SMUGMUG, INC.,

CV 09
 Case No.

2255

14 Plaintiff,

**COMPLAINT FOR DECLARATORY
 JUDGMENT OF NON-INFRINGEMENT**

15 v.

16 VIRTUAL PHOTO STORE LLC, dba VPS,
 17 LLC,

18 Defendant.

19 **THE PARTIES**

20 1. Plaintiff Smugmug, Inc. is a Delaware corporation with its principal place of business
 21 at 3347 Shady Spring Lane, Mountain View, CA 94040 ("Smugmug").

22 2. Upon information and belief, Virtual Photo Store LLC dba VPS, LLC ("VPS") is a
 23 limited liability company organized under the laws of Illinois and headquartered at 233 South Wacker
 24 Drive, 6300 Sears Tower, Chicago, IL 60606.

25 **NATURE OF THE ACTION**

26 3. This is a declaratory judgment action seeking a determination that Smugmug does not
 27 infringe any valid or enforceable claim of U.S. Patent Nos. 6,321,231; 6,332,146; and 7,487,155
 28 ("Patents-In-Suit") under 35 U.S.C. § 271.

1 his business in California including at least *Lipski v. Chapman Industries, Inc.* in the Central District
2 of California, and *Syva Company v. Abbott Laboratories, Inc.* with the American Arbitration
3 Association in San Francisco, California.

4 14. On information and belief, VPS LLC Manager Vezeau is an attorney and claims to
5 have repeatedly represented Sanyo North America, which is based in San Diego, California, according
6 to his professional biography ([http://www.kattenlaw.com/abc.aspx?url=http%3a%2f%2fwww.kattenlaw.com%2fpeople%2fDetail.aspx%3fattorney%3d2bf39d4b-6afa-474d-
7 a5132adf45e661d0%26pdf%3dtrue](http://www.kattenlaw.com/abc.aspx?url=http%3a%2f%2fwww.kattenlaw.com%2fpeople%2fDetail.aspx%3fattorney%3d2bf39d4b-6afa-474d-a5132adf45e661d0%26pdf%3dtrue)). Additionally, he served as an expert retained by Friskit Inc.,
8 based in San Francisco, California.

9
10 15. On information and belief, VPS LLC third Manager Nate F. Scarpelli (Scarpelli), is
11 identified at the USPTO attorney database ([https://oedci.uspto.gov/OEDCI/details.do?
12 regisNum=2232](https://oedci.uspto.gov/OEDCI/details.do?regisNum=2232)) as a patent attorney associated with VPS's counsel Marshall, Gerstein and Borun.

13 16. Venue is proper in this judicial district under 28 U.S.C. §§ 1391(b) and 1391(c)
14 because, among other reasons, VPS is subject to personal jurisdiction in this judicial district, VPS and
15 its directors have conducted or conduct business in this judicial district, or because a substantial part
16 of the events or omissions giving rise to the claim occurred in this judicial district.

17 **THE SUBSTANTIAL CONTROVERSY BETWEEN THE PARTIES**

18 17. VPS is a non-practicing holder of the Patents-in-Suit. Prior to assignment of the
19 Patents-in-Suit to VPS, the Patents-in-Suit were assigned to Marshall, Gerstein & Borun, which serves
20 as legal counsel for VPS.

21 18. On March 3, 2009, Marshall, Gerstein & Borun sent Smugmug a letter (Exhibit D)
22 communicating VPS's recent successes in enforcing the Patents-in-Suit family against other
23 companies. In the letter, VPS listed many large commercial entities that have entered into licenses,
24 including some through settlement agreements resulting from patent enforcement actions of one or
25 more of the Patents-in-Suit. VPS's letter implied that Smugmug must take a license or be subjected to
26 a patent enforcement action.

27 19. Moreover, VPS admits knowledge of and awareness of Smugmug's business activities
28 related to the Patents-in-Suit for "some time" prior to "turning its attention back to Smugmug." On

1 information and belief, VPS has not asserted that Smugmug violated its patents prior to the March 3,
2 2009 letter.

3 20. Moreover, VPS identified the '155 patent in its April 4, 2009 letter to Smugmug's
4 counsel (Exhibit E).

5 21. Smugmug has not infringed and does not infringe, either directly or indirectly, any
6 valid and enforceable claim of any of the Patents-in-Suit, either literally or under the doctrine of
7 equivalents.

8 22. By virtue of the foregoing, a substantial controversy exists between the parties that is of
9 sufficient immediacy and reality to warrant declaratory relief.

10 **COUNT I**

11 **(DECLARATORY JUDGMENT OF NON-INFRINGEMENT ('231 PATENT))**

12 23. Smugmug realleges and incorporates herein the allegations of the preceding paragraphs
13 of this Complaint as if fully set forth herein.

14 24. As a result of the acts described in the foregoing paragraphs, there exists a substantial
15 controversy of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.

16 25. A judicial declaration is necessary and appropriate so that VPS may ascertain its rights
17 regarding the '231 patent.

18 26. Smugmug is entitled to a declaratory judgment that it has not infringed and does not
19 infringe, directly or indirectly, any valid and enforceable claim of the '231 patent.

20 **COUNT II**

21 **(DECLARATORY JUDGMENT OF NON-INFRINGEMENT ('146 PATENT))**

22 27. Smugmug realleges and incorporates herein the allegations of the preceding paragraphs
23 of this Complaint as if fully set forth herein.

24 28. As a result of the acts described in the foregoing paragraphs, there exists a substantial
25 controversy of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.

26 29. A judicial declaration is necessary and appropriate so that VPS may ascertain its rights
27 regarding the '146 patent.

28 30. Smugmug is entitled to a declaratory judgment that it has not infringed and does not

1 infringe, directly or indirectly, any valid and enforceable claim of the '146 patent.

2 **COUNT III**

3 **(DECLARATORY JUDGMENT OF NON-INFRINGEMENT ('155 PATENT))**

4 31. Smugmug realleges and incorporates herein the allegations of the preceding paragraphs
5 of this Complaint as if fully set forth herein.

6 32. As a result of the acts described in the foregoing paragraphs, there exists a substantial
7 controversy of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.

8 33. A judicial declaration is necessary and appropriate so that VPS may ascertain its rights
9 regarding the '155 patent.

10 34. Smugmug is entitled to a declaratory judgment that it has not infringed and does not
11 infringe, directly or indirectly, any valid and enforceable claim of the '155 patent.

12 **COUNT IV**

13 **(DECLARATORY JUDGMENT OF UNENFORCEABILITY DUE TO LACHES)**

14 35. Smugmug realleges and incorporates herein the allegations of the preceding paragraphs
15 of this Complaint as if fully set forth herein.

16 36. On information and belief, VPS and the prior owners of the '231 and '146 patents have
17 been, or should have been, aware of Smugmug's website, products, and services for many years.

18 37. On information and belief, VPS and the prior owners of the '231 and '146 patents
19 delayed in bringing a patent infringement lawsuit against Smugmug.

20 38. On information and belief, VPS and Marshall, Gerstein & Borun, the counsel
21 representing VPS, was the prior owner of the '231 and '146 patents, and that VPS is a limited liability
22 company organized to hold the '231 and '146 patents for Marshall, Gerstein & Borun, or one or more
23 employees of Marshall, Gerstein & Borun.

24 39. On information and belief, this delay is unreasonably and unexcused.

25 40. VPS's delay has caused at least one of economic and evidentiary prejudice to
26 Smugmug.

27 41. VPS is barred in whole or in part from enforcing one or both of the '231 and '146
28 patents, or otherwise barred from obtaining damages for any alleged infringement of one or both of

1 the '231 and '146 patents under the doctrine of laches.

2 42. As a result of the acts described in the foregoing paragraphs, a substantial controversy
3 exists of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.

4 43. A judicial declaration is necessary and appropriate so that Smugmug may ascertain its
5 rights regarding VPS's ability to enforce the '231 and '146 patents or otherwise recover for any
6 alleged infringement of the '231 and '146 patents.

7 **PRAYER FOR RELIEF**

8 WHEREFORE, Smugmug prays for the following relief:

9 1. A declaration that Smugmug has not infringed, either directly or indirectly, any valid
10 and enforceable claim of the '231 patent;

11 2. A declaration that Smugmug has not infringed, either directly or indirectly, any valid
12 and enforceable claim of the '146 patent;

13 3. A declaration that Smugmug has not infringed, either directly or indirectly, any valid
14 and enforceable claim of the '155 patent;

15 4. A declaration that any damages VPS claims are barred in whole or in part by the
16 doctrine of laches;

17 5. An order declaring that Smugmug is a prevailing party and that this is an exceptional
18 case, awarding Smugmug its costs, expenses, disbursements, and reasonably attorney's fees under 35
19 U.S.C. § 285, and all other statutes, rules, and common law; and

20 6. That VPS be ordered to pay all costs associated with this action; and

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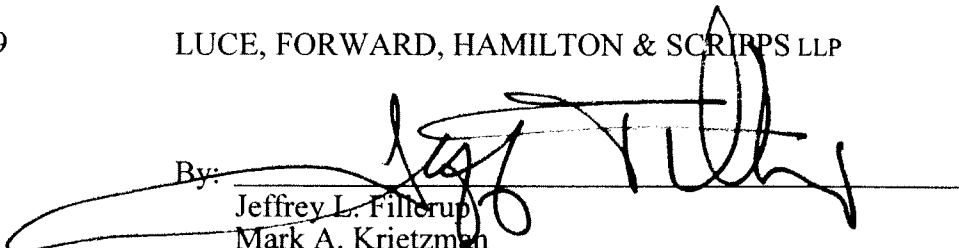
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7. That Smugmug be granted such other and additional relief as the Court deems just and proper.

DATED: May 21, 2009

LUCE, FORWARD, HAMILTON & SCRIPPS LLP

By: 
Jeffrey L. Fillerup
Mark A. Krietzman
Attorneys for Plaintiff Smugmug, Inc.

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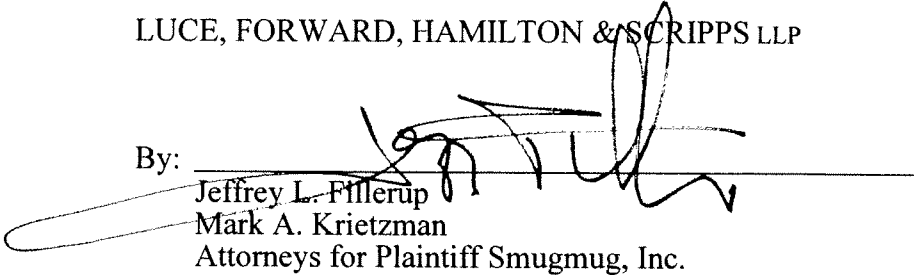
DEMAND FOR JURY TRIAL

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiff Smugmug, Inc. demands a trial by jury.

DATED: May 21, 2009

LUCE, FORWARD, HAMILTON & SCRIPPS LLP

By: _____



Jeffrey L. Fillerup
Mark A. Krietzman
Attorneys for Plaintiff Smugmug, Inc.