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

THE CHAMBERLAIN GROUP, INC., a Connecticut corporation,)) Civil Action No. 02 C 6376
Plaintiff,) The Honorable Rebecca R. Pallmeyer
v .) Magistrate Judge Edward A. Bobrick
SKYLINK TECHNOLOGIES, INC., a foreign corporation,) JURY TRIAL DEMANDED)
Defendant.)

AMENDED COMPLAINT

Plaintiff, The Chamberlain Group, Inc. ("Chamberlain"), complains against Defendant, Skylink Technologies, Inc. ("Skylink"), as follows:

Chamberlain is a corporation incorporated under the laws of the State of Connecticut,

with its principal place of business in Elmhurst, Illinois.

2. Skylink is a foreign corporation. It has a principal place of business at 2213 Dunwin Drive, Mississauga, Ontario, Canada L5L 1X1

3. This is an action for patent infringement arising under the Patent Laws of the United States, 35 U.S.C. §§ 271 et seq., for copyright infringement arising under the Copyright Act, 17 U.S.C. § 1201, and for false description under 15 U.S.C. § 1125. The Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331, 1338(a), 1338(b), and 15 U.S.C. § 1121. Also, the matter in controversy exceeds, exclusive of interests and costs, the sum specified by 28 U.S.C. § 1332.

4. This Court has personal jurisdiction over Skylink. Venue in this judicial district is proper under 28 U.S.C. § 1391

<u>Count I</u> Infringement of Patent No. Re. 35,364

5. On June 7, 1988, U.S. Patent No. 4,750,118 ("the '118 Patent") entitled "Coding System for Multiple Transmitters and a Single Receiver for a Garage Door Opener" was duly and legally issued to Chamberlain Manufacturing Company, on an application filed by Carl Heitschel, Colin Willmott and Wayne Schindler. On October 29, 1996, the '118 Patent was duly and legally reissued as Reissue Patent No. Re. 35,364 ("the '364 Patent").

6. Chamberlain is the owner of all right, title and interest in the '364 Patent.

7. Skylink has been, and is, willfully infringing the '364 Patent: by making, using, offering to sell, and/or selling learning receivers and user non-changeable code transmitters for use in such receivers, including Model 838 rolling code systems, Model SC[security systems, Models ED and AD emergency dialer systems, Model 39 transmitters, and monitoring station systems within the United States and within this District; by inducing others to infringe the '364 Patent; and/or by contributing to the infringement by others of the '364 Patent. Unless enjoined by the Court, Skylink will continue to infringe, induce the infringement of, and/or contributorily infringe the '364 Patent.

8. The required statutory notice has been placed on products manufactured and sold under the '118 Patent and the '364 Patent.

<u>COUNT II</u> INFRINGEMENT OF PATENT NO. Re. 36,703

9. On May 16, 2000, the '118 Patent was duly and legally reissued to Chamberlain as Reissue Patent No. Re. 36,703 ("the '703 Patent"). Chamberlain is the owner of all right, title and interest in the '703 Patent.

Skylink has been and is willfully infringing the '703 Patent: by making, using, offering to sell, and/or selling learning receivers and user non-changeable code transmitters for use in such receivers, including Model 838 rolling code systems, Model SC[] security systems, Models ED and AD emergency dialer systems, Model 39 transmitters, and monitoring station systems within the United States and within this District; by inducing others to infringe the '703 Patent; and by contributing to the infringement by others of the '703 Patent. Unless enjoined by the Court, Skylink will continue to infringe, induce the infringement of, and contributorily infringe the '703 Patent.

12. The required statutory notice has been placed on products manufactured and sold under the '703 Patent.

COUNT III INFRINGEMENT OF PATENT NO. 4.502,105

On March 28, 1995, U.S. Patent No. 5,402,105 ("the '105 Patent") entitled "Garage Door Position Indicating System," was duly and legally issued on an application filed by Matthew P. Doyle and Patrick J. Bukiri.

14. Chamberlain is the owner of all right, title and interest in the '105 Patent.

15. Skylink has been and is willfully infringing claims 1 and 7 of the '105 Patent: by making, using, offering to sell, and/or selling Garage Door Monitors within the United States and within this District; by inducing others to infringe claims 1 and 7 of the '105 Patent; and by contributing to the infringement by others of claims 1 and 7 of the '105 Patent. Unless enjoined by the Court, Skylink will continue to infringe, induce the infringement of, and contributorily infringe claims and 7 of the '105 Patent.

COUNT IV COPYRIGHT INFRINGEMENT

16. In 1994, Chamberlain created and wrote a computer software program entitled "Code Guard Rolling Code" (the "original work").

17. This original work contains a large amount of material, wholly original with Chamberlain and is copyrightable subject matter under the laws of the United States.

18. On July 26, 2002, Chamberlain complied in all respects with the Copyright Act of 1976, 17 U.S.C. §101 *et seq.*, and all other laws governing copyrights, and secured the exclusive rights and privileges in and to the original work, and received from the Register of Copyrights a Certificate of Registration dated and identified as follows: "July 26, 2002, No. TX-5-533-065."

19. In early 1996, Chamberlain created and wrote a modification of the original work (the "derivative work").

20. On August 1, 2002, Chamberlain complied in all respects with the Copyright Act and all other laws governing copyrights, and secured the exclusive rights and privileges in and to the derivative work and received from the Register of Copyrights a Certificate of Registration dated and identified as follows: "August 1, 2002, No. TX-5-549-995."

21. Since the original work and the derivative work were developed, Chamberlain has placed a copyright notice on all copies of the original work and the derivative work that it has produced. Any copies of the original work and the derivative work published by Chamberlain have been published in strict conformance with the provisions of the Copyright Act of 1976, 17 U.S.C. §101 *et seq.*, and all other laws governing copyrights.

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The original work and the derivative work contain a technological measure that effectively controls access to the original work and the derivative work.

23. Since the creation of the original work and the derivative work, Chamberlain has been and still is the sole owner of all rights, title and interest in and to the respective copyrights in the original work and the derivative work.

24. After August 1, 2002, Skylink has made, imported, offered to the public, provided and otherwise trafficked in a Model 39 universal transmitter that (a) is designed or produced for the purpose of circumventing the technological measure; (b) has no commercially significant purpose or use other than to circumvent the technological measure; and c) is marketed by Skylink for use in circumventing the technological measure, in violation of 17 U.S.C. § 1201(a).

25. Chamberlain has notified Skylink that Skylink is violating section 1201, and Skylink has continued its violation.

COUNT V FALSE DESCRIPTION

Chamberlain is, and at all relevant times has been, in the business of manufacturing and selling high quality garage door openers, including rolling code receivers and rolling code transmitters, under the trademark SECURITY+TM. Such garage door openers are sold under the brand names Chamberlain, Lift-Master, and Sears Craftsman.

27. Chamberlain has expended substantial monies in advertising and promoting the garage security feature provided by SECURITY+ TM garage door openers. The security feature is the homeowner's defense against burglars equipped with hi-tech "code grabber" devices. In this connection, each time the homeowner activates the Chamberlain rolling code transmitter, it

automatically rolls the opener code over to one of over 100 billion new codes, never to be repeated. Thus, the stolen code is rendered useless.

28. Skylink is in the business of importing and selling Model 39 Universal Transmitters for use with Chamberlain's rolling code receivers. The Model 39 Universal Transmitter is sold in competition with Chamberlain's rolling code transmitters and universal transmitters

29. Skylink states in its advertisements on the package of each of its Model 39 Universal Transmitters sold in the United States that such a transmitter is "Compatible with the latest Rolling Code Technology: Chamberlain, Liftmaster, Sears, Security+...." (A copy of the advertisement is attached.)

30. This description or representation is false or is misleading because the Model 39 Universal Transmitter is not compatible with such Rolling Code Technology. The opener code transmitted by the Model 39 Universal Transmitter is not a rolling code which is different for each transmission, but is the same opener code for each transmission. This allows the burglar who steals the homeowner's opener code to easily defeat the security of Chamberlain's garage door opener, which the homeowner was depending upon.

31. Such sales by Skylink of its Model 39 Universal Transmitter on packaging containing such false or misleading description of fact will damage the reputation of Chamberlain's garage door openers and will result in the loss of sales and profits.

32. All the foregoing acts of Skylink have caused and, unless restrained by this Court will continue to cause, serious and irreparable injury, including, but not limited to, loss of competitive advantage, loss of business reputation and goodwill, loss of sales and profits, and other losses, for which Chamberlain has no adequate remedy at law.

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33 The aforesaid wrongful acts of Skylink constitute willful violation of the Lanham Act.

15 U.S.C. § 1125.

COUNT VI UNFAIR COMPETITION

34. Chamberlain realleges and incorporates herein by reference paragraphs 26 through33 above.

35. The aforesaid wrongful acts of Skylink constitute willful unfair competition under Illinois law.

COUNT VII CONSUMER FRAUD AND DECEPTIVE BUSINESS PRACTICES ACT

36. Chamberlain realleges and incorporates herein by reference paragraphs 26 through

33 above

37. The aforesaid wrongful acts of Skylink constitute willful violation of the Illinois

Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2.

COUNT VIII UNIFORM DECEPTIVE TRADE PRACTICES ACT

38. Chamberlain realleges and incorporates herein by reference paragraph 26 through 33

above.

39. The aforesaid wrongful acts of Skylink constitute willful violation of the Illinois

Uniform Deceptive Trade Practices Act, 815 ILCS 510/2.

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PRAYER FOR RELIEF

WHEREFORE, Chamberlain prays for:

Judgment that the '364 and '703 Patents and claims and 7 of the '105 Patent are valid, enforceable and infringed by Skylink;

2. A preliminary and permanent injunction enjoining Skylink, its officers, agents, employees and those persons acting in active concert or participation with Skylink from infringing, inducing infringement of, or contributorily infringing the '364 and '703 Patents and claims 1 and 7 of the '105 Patent;

3. An award of damages arising out of Skylink's infringement, inducing infringement or contributory infringement of the '364 and '703 Patents and claims 1 and 7 of the '105 Patent, together with interest;

4. A preliminary and permanent injunction enjoining Skylink, its officers, agents, servants, employees and those persons acting in active concert or participation with Skylink from violating Section 1201 by selling its Model 39 transmitter;

5. An order impounding all Model 39 transmitters in the custody or control of Skylink that are involved in the violation by Skylink of Section 1201;

6. Judgment awarding damages to Chamberlain, including statutory damages and/or such damages as Chamberlain has sustained as a result of the violation by Skylink of Section 1201;

7 Judgment awarding to Chamberlain all profits of Skylink that are attributable to the violation by Skylink of Section 1201;

8. Skylink be required to deliver up to be impounded during the pendency of this action all Model 39 transmitters in Skylink's custody or control that the Court has reasonable cause to believe was involved in violation of Section 1201, and to deliver up for destruction all Model 39 transmitters;

9. An order for the destruction of any Model 39 Universal Transmitter involved in the violation of section 1201 in Skylink's custody or control, or has been impounded under paragraph 5;

10. A preliminary and permanent injunction ordering that Skylink, its officers, agents, servants and employees, and all those persons in active concert or participation with them, shall not use, directly or indirectly, any advertisement stating that the Model 39 Universal Transmitter is compatible, in words or effect, with the Chamberlain rolling code receivers;

11 A preliminary and permanent injunction ordering that Skylink place on all packages of its Model 39 Universal Transmitter a warning that, if used with Chamberlain rolling code receivers, the transmitter will defeat the security features of such receivers.

12. An order that all advertisements and packages bearing the representation that is subject to the violation of 15 U.S.C. § 1125(a) in Skylink's custody or control be delivered up and destroyed;

13. An award of Skylink's profits and damages sustained by Chamberlain as a result of Skylink's violation of 15 U.S.C. § 1125(a) and violation of Illinois law.

14. Judgment that the damages so adjudged be trebled;

15. Judgment that Chamberlain be awarded its attorney's fees, costs and expenses incurred in this action; and

16. Such other and further relief as the Court may deem just and proper.

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JURY DEMAND

Chamberlain demands trial by jury of all issues triable of right by a jury.

Date: October 16, 2002

John F. Flannery Karl R. Fink Rudy I. Kratz FITCH, EVEN, TABIN & FLANNERY 120 South LaSalle Street Suite 1600 Chicago, Illinois 60603-3406 312/577-7000

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Attorneys for Plaintiff, The Chamberlain Group, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing AMENDED COMPLAINT was caused to be served as follows upon:

By Hand Delivery

Charles A. Laff, Esq. Michael A. Stiegel, Esq. Brian Lum, Esq. MICHAEL, BEST & FRIEDRICH 401 North Michigan Avenue, Suite 1900 Chicago, Illinois 60611

By Facsimile & First Class Mail

Andra Barmash Greene, Esq. David Nimmer, Esq. Peter T. Christensen, Esq. IRELL & MANELLA LLP 840 Newport Center Drive, Suite 400 Newport Beach, California 92660 Facsimile: 949/760-5200

Attorneys for Defendant, this 16th day of October, 2002.

Attorney for Plaintiff. The Chamberlain Group, Inc.



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