### UNITED STATES DISTRICT COURT EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

# CISCO SYSTEMS, INC. and LINKSYS LLC,

Plaintiffs,

Case No.

v.

Honorable

CHRIMAR SYSTEMS INC. D/B/A CMS TECHNOLOGIES, Magistrate Judge

Defendant.

# COMPLAINT AND JURY DEMAND

Plaintiffs Cisco Systems, Inc. and Linksys LLC (collectively "Cisco") hereby demand a jury trial and allege as follows for their complaint against Defendant ChriMar Systems Inc. d/b/a CMS Technologies ("ChriMar"):

## **COMPLAINT**

### PARTIES

1. Cisco Systems, Inc. is a California corporation with its principal place of business on Tasman Drive in San Jose, California 95134.

2. Linksys LLC is a limited liability corporation organized under the laws of California with its principal place of business at 12045 East Waterfront Drive, Playa Vista, California, 90094.

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3. On information and belief, ChriMar Systems, Inc. d/b/a CMS Technologies is a Michigan corporation with its principal place of business at 36528 Grand River Avenue, Suite A-1 in Farmington Hills, Michigan.

#### JURISDICTION AND VENUE

4. This action is predicated on the patent laws of the United States, Title 35 of the United States Code, with a specific remedy sought based upon the laws authorizing actions for declaratory judgment in the courts of the United States, 28 U.S.C. §§ 2201 and 2202. This court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1338(a), and 1367.

5. An actual and justiciable controversy exists between ChriMar and Cisco as to the noninfringement, invalidity, and unenforceability of U.S. Patent No. 8,155,012 ("'012 Patent") (attached as Exhibit A). As further alleged below, ChriMar is and has been engaged in a campaign to license and enforce its patent portfolio against manufacturers and sellers of Power over Ethernet ("PoE") networking products, including Cisco. In connection with ChriMar's licensing campaign targeting PoE products, Cisco is currently involved in litigation against ChriMar with respect to U.S. Patent No. 7,457,250 ("'250 Patent").<sup>1</sup> This litigation involves PoE products implementing the IEEE 802.3af and 802.3at standards.

<sup>1.</sup> ChriMar Systems, Inc. v. Cisco Systems, Inc., No. 3:13-cv-1300-JSW (N.D. Cal.).

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Cisco maintains that the '250 and '012 Patents are invalid, unenforceable, and are not infringed by Cisco's PoE products implementing IEEE Standards 802.3af/at.

6. This Court has personal jurisdiction over ChriMar at least because, on information and belief, ChriMar is a Michigan corporation having its principal place of business within the Eastern District of Michigan at 36528 Grand River Avenue, Suite A-1 in Farmington Hills, Michigan. ChriMar has made substantial business contacts in Michigan including product sales to Michigan entities and ChriMar's campaign to enforce and license its patent portfolio, including the '012 Patent, has a substantial relationship to Michigan. ChriMar has availed itself of the laws of this district in connection with its current portfolio licensing efforts targeting PoE products, including by litigating patent infringement claims involving that portfolio in this district.

7. Venue is proper in this Court under 28 U.S.C. § 1391(b)(1), (c) and § 1400(b) at least because ChriMar is subject to personal jurisdiction in this District and is located within this District and because a substantial part of the events that give rise to the claims herein occurred in this district.

#### BACKGROUND

#### A. CHRIMAR'S PATENTS

8. ChriMar's patent portfolio includes the '250 Patent, the '012 Patent, U.S. Patent No. 6,650,622 (the "'622 Patent"), and U.S. Patent No. 5,406,260 (the "'260 Patent").

9. The '012 Patent, entitled "System and Method for Adapting a Piece of Terminal Equipment," reports that it was filed on September 26, 2008 as Application No. 12/239,001, and issued on April 10, 2012. The '012 Patent reports that it is a continuation of Application No. 10/668,708, filed on September 23, 2003, now the '250 Patent, which is a continuation of Application No. 09/370,430, filed on August 9, 1999, now the '622 Patent, which is a continuation-in-part of application No. PCT/US99/07846, filed on April 8, 1999. The inventors named on the '012 Patent are John F. Austermann, III and Marshall B. Cummings.

10. As alleged herein, Cisco denies that the '012 Patent was duly and legally issued.

11. On information and belief, ChriMar is the current assignee of the '012Patent.

12. The '250 Patent, entitled "System for Communicating with Electronic Equipment," reports that it was filed on September 23, 2003, issued on November 25, 2008 and then had a reexamination certificate issued on March 1, 2011. The

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'250 Patent reports that it is a continuation of Application No. 09/370,430, filed on August 9, 1999, now the '622 Patent, which is a continuation-in-part of Application No. PCT/US99/ 07846, filed on April 8, 1999. The inventors named on the '250 Patent are John F. Austermann, III, and Marshall B. Cummings.

13. On information and belief, ChriMar Systems is the current assignee of the '250 Patent.

14. The '012 Patent shares a common specification with its parent, the '250 Patent.

15. As alleged herein, on information and belief, Cisco believes that ChriMar asserts, and will assert, that the '012 Patent covers products with PoE functionality.

## B. CHRIMAR'S LICENSING AND ENFORCEMENT EFFORTS TARGETING PRODUCTS WITH POWER OVER ETHERNET FUNCTIONALITY

16. For many years, ChriMar has actively pursued a patent licensing and enforcement campaign targeting products with Power Over Ethernet ("PoE") functionality specified by certain standards promulgated by the Institute of Electrical and Electronics Engineers ("IEEE") and sellers of such products, including numerous California-based companies.

17. ChriMar's licensing and enforcement campaign began in 2001, when ChriMar sued Cisco in this District for allegedly infringing the '260 Patent.

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