

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF OHIO  
CINCINNATI DIVISION**

**LEXMARK INTERNATIONAL, INC.**

**Plaintiff,**

**v.**

**INK TECHNOLOGIES PRINTER SUPPLIES,  
LLC, ET AL.**

**Defendants.**

**Case No. 1:10-CV-564-MRB**

**JUDGE MICHAEL BARRETT**

**DEFENDANT IMPRESSION  
PRODUCTS, INC.'S SECOND  
MOTION TO DISMISS**

Defendant Impression Products, Inc., (“Impression”), by and through counsel, respectfully moves this Court for an order dismissing the claims against it, pursuant to Rule 12(b)(6) of the FRCP, failure to state a claim upon which relief can be granted. The reasons for this Motion are more fully set out in the accompanying Memorandum in Support.

Respectfully submitted,

*/s/ Edward F. O’Connor*

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**MEMORANDUM IN SUPPORT**

Defendant Impression previously filed a motion to dismiss Lexmark's case to the extent that it accuses the sale of remanufactured cartridges, which cartridges were first sold out side of the United States, as infringing cartridges. Lexmark bases its case on the *Jazz Photo* decision of the Federal Circuit, which held that first sale extinguishment of patent rights only applies if the first sale occurs within the United States. That was a decision which was on shaky grounds when it was decided. The recent decision of the United States Supreme Court in the *Kirtsaeng v. John Wiley and Sons, Inc.*, 133 S. Ct. 1351 (2012), made it very clear that there was no legal basis for continuing to uphold *Jazz Photo*.

In its opposition to that motion to dismiss, Lexmark informed this Court and that it was not only pursuing remanufactured cartridges, which cartridges were initially sold outside of the United States, but that it was also pursuing cartridges under its pre-bate program. Lexmark cited this Court to a decision of the Sixth Circuit, *Static Control Components, Inc. v. Lexmark International, Inc.*, 697 F.3d 387 (6<sup>th</sup> Cir. 2012), wherein the Sixth Circuit declined to decide the validity of the pre-bate program. The pre-bate program restricts purchasers of its cartridges from buying refurbished or replacement cartridges from anyone but *Lexmark*. *Quanta v. LG Electronics*, 553 U.S. 617; 125 S. Ct. 2109 (June 2008), prohibits patentees from restricting use of patented products once sold.

Impression, in its reply brief, cited this Court to the initial decision by the District Court in *Static Control Components, Inc. v. Lexmark International, Inc.*, 615 F. Supp. 2d 575, 588 (E.D. KY, March 2009).

The District Court had originally upheld the validity of the pre-bate program, but, after the United States Supreme Court entered its decision in *Quanta*, the Court determined that

*Quanta* effectively established that the pre-bate program was invalid as a matter of patent law. To date, that is the only decision regarding the validity of the pre-bate program, subsequent to the Supreme Court's decision in *Quanta*.

Impression agrees with the decision of the District Court which held that the pre-bate program is invalid in light of *Quanta*. Since Lexmark has specifically raised that issue, in its opposition to Impression's previous motion, it has placed that issue front and center before this Court.

Accordingly, Impression respectfully requests that, in addition to dismissing Lexmark's case regarding remanufactured products first sold outside of the United States, it also dismiss Lexmark's case regarding its pre-bate cartridges.

Finally, as a matter of editorial comment, the illegal Lexmark pre-bate program and the *Jazz Photo* decision have served to undermine the responsible efforts of those who are attempting to recycle cartridges in this industry. As a result of the overreaching by Lexmark in this case, those two issues are ripe for their elimination.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

This is to confirm that a copy of the foregoing was electronically filed on September 16, 2013. A true and accurate copy of the foregoing will be served electronically to designated CM/ECF participant counsel through the Court's electronic filing system, or delivered via U.S. Mail, postage prepaid, as indicated below:

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