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BLACKBOARD INC.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

ORIGINAL FILED
AUG - 3 2007

RICHARD W. WIEKING
CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

E-FILED

AND

CASE NO. **07 04001 HRL**

BLACKBOARD INC., a Delaware corporation,

Plaintiff,

v.

iPARADIGMS, LLC., a California limited liability company,

Defendant.

**COMPLAINT OF PLAINTIFF
BLACKBOARD INC. FOR
DECLARATORY AND INJUNCTIVE
RELIEF**

DEMAND FOR JURY TRIAL

1 Plaintiff Blackboard Inc. ("Blackboard"), by its attorneys McDermott Will & Emery LLP,
2 brings this Complaint for Declaratory and Injunctive Relief against Defendant iParadigms, LLC
3 ("iParadigms"). Upon information and belief, Blackboard alleges as follows:

4 **NATURE OF THE ACTION**

5 1. This is an action for a declaratory judgment pursuant to 28 U.S.C. § 2201 *et seq.*
6 This is also an action for breach of contract.

7 2. Blackboard seeks a declaration that iParadigms has agreed by contract not to assert
8 against Blackboard any intellectual property rights related to iParadigms' Turnitin software
9 products, including U.S. Patent 7,219,301 (the "'301 patent").

10 3. Blackboard also seeks a permanent injunction enjoining iParadigms from filing
11 against Blackboard any claim or counterclaim alleging patent infringement by Blackboard with
12 respect to any patent related to iParadigms' Turnitin software products, including the '301 patent.

13 4. Blackboard also seeks a declaration that it does not infringe any valid and
14 enforceable claim of the '301 patent.

15 5. Blackboard also seeks a declaration that iParadigms has expressly licensed
16 Blackboard to practice the '301 patent.

17 6. Blackboard also seeks a declaration that the '301 patent is invalid.

18 7. Blackboard also alleges that iParadigms has breached a valid contract between
19 Blackboard and iParadigms. Blackboard seeks an award of damages.

20 **THE PARTIES**

21 8. Blackboard is a Delaware corporation with its principal place of business at 1899
22 L Street, N.W., Washington, D.C. 20036.

23 9. Upon information and belief, iParadigms is a limited liability company organized
24 under the laws of California, with its principal place of business at 1624 Franklin Street, 7th
25 Floor, Oakland, California 94612.

26 **JURISDICTION AND VENUE**

27 10. This is an action arising under the patent laws of the United States, 35 U.S.C. §§ 1
28 *et seq.* Accordingly, this Court has jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

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ATTORNEYS AT LAW

1 11. Additionally, this is an action between citizens of different states, and the matter in
2 controversy exceeds \$75,000 exclusive of interest and costs. Accordingly, this Court also has
3 jurisdiction pursuant to 28 U.S.C. § 1332.

4 12. Venue is proper in the Northern District of California pursuant to 28 U.S.C §§
5 1391 and 1400(b).

6 **PATENT IN SUIT**

7 13. The '301 patent (a true and correct copy of which is attached hereto as Exhibit 1),
8 entitled "Systems and Methods for Conducting a Peer Review Process and Evaluating the
9 Originality of Documents") issued on May 15, 2007.

10 **FACTUAL ALLEGATIONS**

11 ***Background on Blackboard***

12 14. Blackboard is an educational software company. Among Blackboard's product
13 offerings is the Blackboard Academic Suite, which includes the Blackboard Learning System.

14 15. Blackboard recently acquired plagiarism prevention technology (the "Acquired
15 Technology") from Sciworth Inc.

16 ***Background on iParadigms***

17 16. Upon information and belief, iParadigms licenses software products under the
18 Turnitin brand. iParadigms characterizes Turnitin as a plagiarism prevention service. Turnitin
19 product offerings including the Turnitin Digital Assessment Suite, which features the Turnitin
20 Plagiarism Prevention, Peer Review, GradeMark, and GradeBook tools.

21 17. Upon information and belief, Turnitin products, including but not limited to the
22 Turnitin Plagiarism Prevention tool, are designed to operate in combination with the Blackboard
23 Academic Suite.

24 18. iParadigms is the holder of the '301 patent.

25 19. The '301 patent relates to plagiarism prevention.

26 ***The Agreement Between Blackboard and iParadigms***

27 20. On or about April 2, 2007, iParadigms executed the Blackboard Developer's
28 Network Agreement (the "Agreement"). The Agreement was executed on behalf of iParadigms

1 by Melissa Lipscomb, iParadigms' chief operating officer. On or about April 3, 2007,
2 Blackboard executed the Agreement. A true and correct copy of the Agreement is attached hereto
3 as Exhibit 2.

4 21. Upon information and belief, iParadigms executed the Agreement because
5 iParadigms desired to join the Blackboard Developers Network. According to Paragraph 1 of the
6 Agreement, members of the Blackboard Developers Network "have access to a Software
7 Developers Kit . . . , a package containing APIs and documentation that allow [a member] to write
8 code that interfaces with certain Blackboard software, reference material and other
9 documentation, support provided via a communication discussion forum and a copy of
10 Blackboard Academic Suite.™"

11 22. In the Agreement, the defined term "Developer" refers to iParadigms.

12 23. Paragraph 2.7 of the Agreement defines "Developer Software," in pertinent part,
13 as:

14 (i) software application programs created by the Developer that are
15 designed to operate in combination with the Blackboard Academic
16 Suite™ software that is provided pursuant to this Agreement; (ii)
17 software applications marketed or bundled together with software
application programs described in (i); and (iii) all documentation
for these software application programs.

18 24. Paragraph 6.2 of the Agreement provides, in pertinent part: "Developer agrees
19 that it will not assert any intellectual property rights related to Developer Software against
20 Blackboard or its employees, customers, or affiliates and hereby licenses to Blackboard all patent
21 rights related to Developer Software. Such agreement is binding on Developer, its affiliates and
22 successors and assigns of such intellectual property and patent rights."

23 ***iParadigms Asserts that Blackboard Infringes the '301 Patent***

24 25. On July 6, 2007 iParadigms' attorney David Casimir sent a letter to Matthew
25 Small, Chief Legal Officer of Blackboard. Mr. Casimir wrote "to advise you that our client
26 iParadigms is the owner of United States Patent No. 7,219,301 (a copy of which is included with
27 the confirmation copy of this letter), as well as additional pending patent applications in the
28 United States and foreign countries and regions." According to Mr. Casimir, the "issued patents

1 and pending applications cover software-based systems and technologies for submitting,
2 reviewing, editing, grading, and detecting plagiarism in written works.” Mr. Casimir demanded
3 that Blackboard contact him by July 20, 2007 “to discuss a possible business relationship with
4 Blackboard that would allow your company to proceed with any present or future plans to acquire
5 or develop a software-based plagiarism determination system without violating the intellectual
6 property rights of our client.”

7 26. Blackboard responded the same day. Blackboard’s counsel informed Mr. Casimir
8 by letter that the Acquired Technology does not infringe the ’301 patent. Blackboard’s counsel
9 also stated that “iParadigms has agreed by contract not to assert any intellectual property rights
10 against Blackboard with respect to either U.S. Patent No. 7,219,301 or any other patent related to
11 [Turnitin] or any [iParadigms] products offered as part of the Blackboard Building Blocks
12 program.”

13 27. On July 26, 2007, iParadigms’ counsel Mr. Casimir wrote to Blackboard’s
14 counsel. Mr. Casimir noted Blackboard’s assertion that the Acquired Technology “does not
15 violate the intellectual property rights of iParadigms, LLC” and “does not infringe U.S. Patent
16 No. 7,219,301.” Mr. Casimir wrote that iParadigms disagrees with those assertions.

17 28. Mr. Casimir also noted Blackboard’s position that iParadigms has agreed by
18 contract not to assert any intellectual property rights against Blackboard with respect to either the
19 ’301 patent or any other patent related to Turnitin or any iParadigms products offered as part of
20 the Blackboard Building Blocks program. Mr. Casimir wrote that iParadigms disagrees with
21 Blackboard’s position.

22 29. Mr. Casimir then wrote: “The products and services based on the Acquired
23 Technology that Blackboard has recently released appear to be covered by the claims of the ’301
24 patent.”

25 30. Mr. Casimir further asserted that the Acquired Technology “by all publicly
26 available information, appears to use the patented method.”

27 31. Mr. Casimir then wrote: “With regard to your claim that iParadigms has agreed by
28 contract not to assert any intellectual property rights against Blackboard with respect to any

1 patent related to iParadigms' [Turnitin] product or any iParadigms products offered as part of the
2 Blackboard Building Blocks program, you appear to be claiming that Blackboard has been
3 granted a sweeping license to virtually every technology owned by [iParadigms]. We believe that
4 this conclusion misinterprets both the letter and the intent of the agreement between our
5 respective clients, and is not a colorable position. It is the position of iParadigms that the contract
6 grants no such license."

7 32. Mr. Casimir demanded that Blackboard contact iParadigms' counsel by August 6.

8 **COUNT ONE**

9 **(Declaratory Judgment Regarding the Agreement)**

10 33. Blackboard repeats and realleges each and every preceding allegation of the
11 Complaint as if fully set forth herein.

12 34. There exists an actual controversy as to the rights and obligations of the parties
13 under the Agreement. iParadigms has agreed by contract not to assert any rights under the '301
14 patent against Blackboard. iParadigms has now expressly claimed that it did not make such an
15 agreement, and iParadigms has in fact asserted its rights under the '301 patent against Blackboard
16 by letter from iParadigms' counsel.

17 35. To resolve the legal and factual questions raised by iParadigms and to afford relief
18 from the uncertainty and controversy that iParadigms' assertions have created, Blackboard is
19 entitled to a declaratory judgment that iParadigms has agreed by contract not to assert against
20 Blackboard any intellectual property rights related to iParadigms' Turnitin software products,
21 including any patent rights related to the '301 patent.

22 36. Blackboard is also entitled to an injunction enjoining iParadigms from filing
23 against Blackboard any claim or counterclaim alleging patent infringement by Blackboard with
24 respect to any patent related to iParadigms' Turnitin software products, including the '301 patent.

25 **COUNT TWO**

26 **(Declaratory Judgment of Non-Infringement of the '301 Patent)**

27 37. Blackboard repeats and realleges each and every preceding allegation of the
28 Complaint as if fully set forth herein.

1 U.S. Patent 7,219,301;

2 (e) A declaration that U.S. Patent 7,219,301 is invalid;

3 (f) An award to Blackboard of its attorneys fees pursuant to 35 U.S.C. § 285 because
4 this is an exceptional case;

5 (g) An award of damages for breach of contract;

6 (h) An award to Blackboard of its attorneys fees pursuant to the Agreement; and

7 (i) Such additional relief as the Court may deem appropriate and just under the
8 circumstances.

9 Dated: August 3, 2007

Respectfully submitted,

McDERMOTT WILL & EMERY LLP

By: 

Fay E. Morisseau
Daniel E. Alberti
Christopher D. Bright
Michael S. Nadel

Attorneys for Plaintiff
BLACKBOARD INC.

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ATTORNEYS AT LAW

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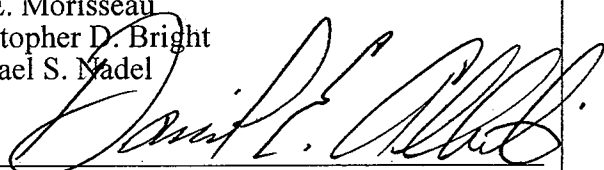
DEMAND FOR JURY TRIAL

Blackboard demands a trial by jury on all issues so triable.

Dated: August 3, 2007

Respectfully submitted,

McDERMOTT WILL & EMERY LLP
Daniel E. Alberti
Fay E. Morisseau
Christopher D. Bright
Michael S. Nadel

By: 

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BLACKBOARD INC.

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