



3. On information and belief, Defendant ImageShack Corporation (hereafter “ImageShack”) is a Delaware corporation, with a principal place of business located at 236 N. Santa Cruz Avenue, #100, Los Gatos, California 95030.

4. On information and belief, Defendant Photobucket.com, Inc. (hereafter “Photobucket”) is a Delaware corporation, with a principal place of business located at 506 Second Avenue, Suite 300, Seattle, Washington 98104.

5. On information and belief, Defendant Shutterfly, Inc. (hereafter “Shutterfly”) is a Delaware corporation, with a principal place of business located at 2800 Bridge Parkway, Redwood City, California.

6. On information and belief, Defendant Yahoo! Inc. (hereafter “Yahoo”) is a Delaware corporation, with a principal place of business located at 701 First Street, Sunnyvale, California 94089.

## **II.** **JURISDICTION AND VENUE**

8. This is an action for patent infringement arising under the patent laws of the United States, 35 U.S.C. § 271, et seq.

9. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331 and 1338(a).

10. This Court has personal jurisdiction over Defendants since on information and belief, each of the Defendants have transacted business in this judicial district and/or have committed acts of infringement in this judicial district.

11. Venue in this district over the defendant is proper under 28 U.S.C. § 1391(c) and (d) and 1400(b).

**III.**  
**BACKGROUND**

12. On March 14, 1989, United States Patent No. 4,813,056 (hereafter “the ’056 patent”) was duly and legally issued to Nicola J. Fedele, as the inventor thereof, and at all applicable times was valid and subsisting. A copy of the ’056 patent, which is entitled “Modified Statistical Coding of Digital Signals,” is attached hereto as Exhibit “A”.

13. Nicola J. Fedele originally assigned his rights to the ’056 patent to General Electric Company, which assigned all rights, title and interest in and to the ’056 patent to Princeton Digital Image Compression, LLC. Princeton Digital Image Compression, LLC has assigned all rights, title and interest in and to the ’056 patent to Princeton Digital Image Corporation.

**IV.**  
**INFRINGEMENT OF THE ’056 PATENT**

14. Upon information and belief, Defendants infringed claims 18, 20, 21 and 23 of the ’056 patent by having performed, without authority to do so, the following act: (a) using the patented invention within the United States including, but not limited to, encoding user’s images in a manner that infringed claims of the ’056 patent, in violation of 35 U.S.C. § 271(a).

15. Princeton is entitled to recover those damages sustained as a result of Defendants’ wrongful acts of infringement of the ’056 Patent in an amount subject to proof at trial.

**V.**  
**PRAYER AND RELIEF**

WHEREFORE, PREMISES CONSIDERED, Princeton prays for the following relief:

1. Princeton recover damages from Defendants resulting from Defendants' infringement;
2. Princeton recover interest and costs pursuant to 35 U.S.C. § 284 and attorneys' fees pursuant to 35 U.S.C. § 285; and
3. Princeton have such other and further relief as the Court deems just and proper under the circumstances.

Trial by jury is hereby demanded.

Respectfully Submitted,

Date: 10 September 2011

By: /s/ Timothy N. Trop  
Timothy N. Trop  
Texas Bar No. 20236600  
1616 South Voss Road, Suite 750  
Houston, Texas 77057-2631  
(713) 468-8880  
(713) 468-8883 (fax)  
Email: [trop@tphm.com](mailto:trop@tphm.com)

**ATTORNEY FOR PLAINTIFF,  
PRINCETON DIGITAL IMAGE  
CORPORATION**