

# Third Defendant Settles with Canon, Agrees to Permanent Injunction



**SETTLEMENT**

**This week, CLT Computers, Inc. became the third company to agree to settle Canon's complaint against it in district court, following Print After Print, which was the first to settle, and Bluedog Distribution, which was second.**

Another defendant named in Canon's lawsuits in the United States has reached a settlement with the OEM and agreed to a consent judgment and permanent injunction.

This week, CLT Computers, Inc. became the third company to agree to settle Canon's complaint against it in district court, following Print After Print, which was the first to settle, and Bluedog Distribution, which was second (see "[Canon Gets Injunction against Print After Print and Other Canon Litigation News](#)" and "[Bluedog Settles with Canon, Several Respondents Answer Canon's ITC Complaint](#)").

### **Background**

On February 28, Canon asked the U.S. ITC to open a Section 337 investigation into infringement of its toner cartridge patents and filed 36 parallel patent-infringement lawsuits in U.S. federal courts (see "[Canon Causes Another Cataclysm: OEM Sues Numerous Aftermarket Firms for Patent Infringement](#)"). Canon is asking the ITC for a general exclusion order (GEO) forbidding entry into the United States of all toner cartridges and components that infringe the asserted patents, as well as cease-and-desist orders directed at the respondents. Canon is seeking permanent injunctions and damages in federal court.

The patents Canon is asserting include U.S. patent numbers [9,746,826](#) (the '826 patent), [9,836,021](#) (the '021 patent), [9,841,727](#) (the '727 patent), [9,841,728](#) (the '728 patent), [9,841,729](#) (the '729 patent), [9,857,764](#) (the '764 patent), [9,857,765](#) (the '765 patent), [9,869,960](#) (the '960 patent), and [9,874,846](#) (the '846 patent).

Altogether, Canon's ITC complaint accuses 49 different companies of

infringing, and the same 49 companies are accused of patent infringement in district court. The list of what the ITC calls respondents and what are called defendants in federal court includes companies affiliated with four different Chinese aftermarket toner manufacturers, Aster, Kingway, Ninestar, and Print-Rite, along with numerous retailer/reseller respondents. The table at the end of this article lists all the respondents/defendants, as well as their status in the litigation.

### **Latest Consent Judgment and Permanent Injunction**

Canon filed suit against CLT Computers in the U.S. District Court for the Central District of California. CLT is based in Walnut, CA, and does business under the names Multiwave and Mwave, including from the website [www.mwave.com](http://www.mwave.com). Canon alleged that CLT infringed all nine of the patents. In its ITC complaint, Canon accused the firm of selling "Type C" infringing cartridges, which Canon claimed were manufactured by Print-Rite and imported by ACM Technologies. Bluedog and Print After Print, the other two firms that have settled with Canon, were also accused of selling this type of cartridge.

U.S. District Judge Cormac J. Carney signed a consent judgment and permanent injunction against CLT Computers on April 23. Thus far, all the consent judgments and permanent injunctions entered against defendants in this litigation have been pretty similar.

The judgment states that CLT Computers "wishes to conclude this litigation at Plaintiff's initial pleading stage without contesting infringement, validity, or enforceability of any claims of the Asserted Patents." The accused product



**Status of Defendants/Respondents  
in Canon's 2018 U.S. Dongle Gear Litigation**

Company Name	Venues for Patent-Infringement Complaints	ITC Status	District Court Status
9010-8077 Quebec Inc. (dba Zeetoner)	ITC, Eastern District of New York		
Acecom, Inc. - San Antonio (dba InkSell.com)	ITC, Western District of Texas		
ACM Technologies, Inc.	ITC, Central District of California	answered	
Apex Excel Limited (dba ShopAt247)	ITC, Central District of California		
Arlington Industries, Inc.	ITC, Northern District of Illinois	answered	
Aster Graphics, Inc., Jiangxi Yibo E-tech Co., Ltd., and Aster Graphics Co., Ltd. (collectively Aster Group)	ITC, Central District of California		
Billiontree Technology USA Inc. (dba Toner Kingdom)	ITC, Central District of California		
Bluedog Distribution Inc.	ITC, Southern District of Florida		consent judgment and permanent injunction
CLT Computers, Inc. (dba Multiwave and MWave)	ITC, Central District of California		consent judgment and permanent injunction
Do It Wiser LLC	ITC, District of Delaware		
EIS Office Solutions, Inc.	ITC, Southern District of Texas		
eReplacements, LLC	ITC, Northern District of Texas		
Fairland, LLC (dba ProPrint)	ITC, Central District of California		
Frontier Imaging Inc.	ITC, Central District of California		
FTrade Inc. (dba ValueToner)	ITC, Eastern District of New York		
Garvey's Office Products, Inc.	ITC, Northern District of Illinois		
Global Cartridges	ITC, Northern District of California		
GPC Trading Co., Limited (dba GPC Image)	ITC, Eastern District of New York		
Hong Kong BoZe Co., Limited (dba Greensky)	ITC, Eastern District of New York		
i8 International, Inc. (dba Ink4Work)	ITC, Central District of California		
Ink Technologies Printer Supplies, LLC	ITC, Southern District of Ohio		
Kuhlmann Enterprises, Inc. (dba Precision Roller)	ITC, District of Arizona		
LD Products, Inc.	ITC, Central District of California	answered	
Linkyo Corp. (dba SuperMediaStore.com)	ITC, Central District of California		
Master Print Supplies, Inc. (dba HQ Products)	ITC, Northern District of California		
Ninestar Technology Company, Ltd., Ninestar Corporation, Ninestar Image Tech Limited, and Apex Microtech Ltd. (collectively Ninestar)	ITC, Central District of California	answered	
Online Tech Stores, LLC and Imaging Supplies Investors, LLC (dba SuppliesOutlet.com, SuppliesWholesalers.com, and OnlineTechStores.com)	ITC, Western District of Tennessee		
Ourway US Inc., Kingway Image Co., Ltd., Ourway Image Tech. Co., Ltd., Ourway Image Co., Ltd., and Zhuhai Aowei Electronics Co., Ltd. (collectively Kingway Group)	ITC, Central District of California		
Print After Print, Inc.	ITC, District of Arizona		consent judgment and permanent injunction
Print-Rite N.A., Inc., Print-Rite Holdings Ltd., Union Technology Intl (M.C.O.) Co. Ltd., and Print-Rite Unicom Image Products Co. Ltd. (collectively Print-Rite)	ITC, Middle District of Tennessee	answered	
Reliable Imaging Computer Products, Inc.	ITC, Central District of California		
Static Control Components, Inc.	ITC, Middle District of North Carolina	answered	
The Supplies Guys, LLC	ITC, Eastern District of Pennsylvania	answered	
V4INK, Inc.	ITC, Central District of California	answered	
World Class Ink Supply, Inc.	ITC, District of New Jersey		
Zinyaw LLC (dba Supply District and TonerPirate.com)	ITC, Southern District of Texas		

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in this case was CLT's EP-CE505A toner cartridge.

The consent judgment and permanent injunction enjoins CLT Computers, as well as its "subsidiaries, affiliates, officers, directors, agents, servants, employees, successors, and assigns" from making, using, selling and offering for sale the accused cartridges, other toner cartridges that have certain types of coupling members, and any other toner cartridge "that is not more than colorably different" from these types of infringing products or that falls within the scope of the asserted patents. The consent judgment and injunction includes 12 appendices chock full of

photos showing types of infringing coupling mechanisms that CLT may no longer sell.

No terms of any settlement between the two parties was disclosed, including what CLT Computers may have had to pay Canon. However, the consent judgment notes the parties will bear their own costs and attorneys' fees. The judgment constitutes a final judgment in this action, and the parties have waived any right to appeal. With the entry of the judgment, the lawsuit has been officially dismissed with prejudice although the court will retain jurisdiction to enforce the terms of the consent judgment and permanent injunction.

Even though Canon's district court lawsuits against Print After Print, Bluedog Distribution, and CLT Computes are now officially over, Canon has not filed anything that might result in these firms being terminated as respondents in the ITC investigation. We suspect that these firms agreed to default in the ITC investigation as part of their agreements with Canon.

While it seems like settlements are pouring in fast and furious, that is always the case in these types of patent-infringement actions. There are typically defendants who wish to settle right away—before they have to answer the complaint and more legal bills start to mount. So while we are not making too much of the three settlements quite yet, the total will be something to watch moving forward. Because, of course, if everybody settles, that clears the way for Canon to move for a summary determination against the defaulting respondents in the ITC investigation—that is how Canon got its two previous general exclusion orders (GEOs).



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