

SecuGen Files Counter Complaint Against Suprema for Fraud, Breach of Contract, and Negligent Misrepresentation

SANTA CLARA, Calif., July 26, 2011 (SEND2PRESS NEWSWIRE) – SecuGen Corporation, a world leading provider of optical fingerprint technology based in Silicon Valley, announced that it has filed counterclaims against Korean biometric company Suprema Inc. for fraud, breach of contract, and negligent misrepresentation. These claims were filed along with an answer to a complaint by Suprema in the U.S. District Court of the Northern District of California regarding SecuGen's termination of an OEM Agreement between the two companies.

The OEM Agreement from which these claims arise was entered into between the companies in 2009, whereby Suprema agreed to purchase SecuGen's fingerprint sensors, design them into its products, and promote the bundled product, as opposed to using infringing sensors.

However, within two years of signing the OEM Agreement, SecuGen terminated the agreement after giving repeated notice that Suprema failed to perform its obligations. The counter complaint alleges that Suprema had no intention of complying with the OEM Agreement from the beginning and that it had made fraudulent representations to induce SecuGen to enter into the agreement so that it could infringe on SecuGen's valuable IP rights. It further alleges that Suprema made other false and misleading representations to delay SecuGen's termination of the agreement and to gain additional time to design around SecuGen's patents.

SecuGen is seeking a court order to void the OEM Agreement as well as damages for fraud, breach of contract, and negligent misrepresentation.

SecuGen owns key patents that are required to manufacture compact and cost effective fingerprint sensors with high image quality. SecuGen's patents have been tested through patent litigation with two separate companies, have been submitted for reexamination before the United States Patent and Trademark Office, and have survived and been strengthened by numerous invalidation attempts. The strength of SecuGen's intellectual property is well known in the industry, including by Suprema who has been aware of the SecuGen patents for many years.

Even Suprema has stated in its original complaint, "As Suprema prepared for and underwent its initial public offering in July 2008, Suprema sought to avoid negative publicity associated with potential litigation risks due to SecuGen's claim by entering into an agreement with SecuGen..."

In addition to the dispute about the OEM Agreement, SecuGen has previously

filed a complaint against Suprema in the same court for patent infringement. Suprema's products accused of infringing SecuGen's patent cover a vast range of optical fingerprint biometric Access Control, Time Attendance, Embedded Module, and PC Solution products, which include but are not limited to: BioEntry Plus, BioLite Net, BioLite Solo, BioMini, BioMini Plus, BioStation, BioStation T2, D-Station, SFM 2020-OP, SFM3020-OP, SFM3030-OD, SFM3040-OC, SFM3520-OP, SFM3530-OD, SFM4020-OP, SFU300, and SFU500.

About SecuGen:

SecuGen Corporation (www.secugen.com) is the world's leading provider of advanced, optical fingerprint recognition technology, products, tools and platforms for physical and information security. Headquartered in Santa Clara, California, SecuGen designs and develops FBI-certified fingerprint readers and OEM components, developer kits and software, including NIST/MINEX-compliant algorithms. Known for high quality, ruggedness, and performance in a wide variety of applications and environmental conditions, SecuGen products are used by world-leading financial, medical, government, educational and corporate institutions and are sold through a partner network of over 200 original equipment manufacturers, independent software vendors and system integrators around the world.

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