

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
WACO DIVISION**

AFFINITY LABS OF TEXAS, LLC,)
)
)
 Plaintiff,)
)
 v.)
)
 FORD MOTOR COMPANY,)
)
 Defendant.)
)
)
)
)

Case No. 6:13-cv-363

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Affinity Labs of Texas, LLC (“Affinity Labs”) for its causes of action against Defendant, Ford Motor Company (“Ford”), states and alleges on knowledge and information and belief as follows:

PARTIES

1. Plaintiff Affinity Labs is a Texas limited liability company having offices at 31884 RR 12, Dripping Springs, TX 78620.
2. On information and belief, Defendant Ford is a Delaware company having its principal place of business at 1 American Road, Ford World Headquarters, Dearborn, Michigan 48126. Ford has been authorized to do business in the State of Texas by the Texas Secretary of State. Furthermore, Ford has designated CT Corporation System, 350 N. St. Paul Street, Suite 2900, Dallas, Texas 75201 as its agent for service of process.

JURISDICTION

3. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a), in that this action arises under the federal patent statutes, 35 U.S.C. §§ 271 and 281-285.

4. This Court has personal jurisdiction over Defendant. Upon information and belief, Ford has committed and continues to commit acts giving rise to this action within Texas and within this judicial district and Ford has established minimum contacts within the forum such that the exercise of jurisdiction over Ford would not offend traditional notions of fair play and substantial justice. For example, Ford has committed and continues to commit acts of infringement in this District, by among other things, offering to sell and selling products that infringe the Asserted Patents, including the Ford Explorer with Ford SYNC stereo system. In conducting its business in Texas and this judicial district, Ford derives substantial revenue from infringing products being sold, used, imported, and/or offered for sale or providing service and support to Ford's customers in Texas and this District, and will continue to do so unless enjoined by this Court.

VENUE

5. Venue in the Western District of Texas is proper pursuant to 28 U.S.C. §§ 1391(b) and (c) and 1400(b) because Defendant has committed acts within this judicial district giving rise to this action, and Defendant has and continues to conduct business in this judicial district, including one or more acts of selling, using, importing, and/or offering for sale infringing products or providing service and support to Defendant's customers in this District.

6. Venue in the Western District of Texas is further proper because Ford has been authorized to do business in the State of Texas by the Texas Secretary of State. Furthermore,

Ford maintains a registered agent for service of process in Texas. Moreover, Ford has a Texas website, www.texasford.com, which directs inquiries made by persons such as Affinity Labs to its Texas dealers, including dealers located in the Eastern District of Texas.

7. Venue in the Western District of Texas is further proper because Ford sells Ford-branded automobiles in Texas, including in the Western District of Texas, through authorized dealers. Clicking on “Locate a Dealer” from Toyota’s <http://www.ford.com> website directs such inquiries to a list of Ford-named automobile dealerships, including some in the Western District of Texas, such as Leif Johnson Ford Inc. in Austin, Texas and Maxwell Ford in Austin, Texas. Consumers can view listings of Ford automobiles for sale on the dealerships’ respective websites.

8. Venue in the Western District of Texas is further proper because Affinity Labs is headquartered in this District in Dripping Springs, Texas.

9. Venue in the Western District of Texas is further proper because the majority of Affinity Labs’ documents and relevant evidence is located at Affinity Labs’ headquarters within this District and numerous witnesses are also located within this District.

10. Venue in the Western District of Texas is also proper because Affinity Labs is organized and governed by the limited liability company laws of Texas and is subject to taxes in Texas. Affinity Labs maintains a registered agent for service of process in Texas.

11. Venue in the Western District of Texas is also proper because this District is centrally located to resolve common issues of fact among Affinity Labs and the Defendant.

BACKGROUND

Affinity Labs

12. Affinity Labs restates and realleges each of the allegations set forth above and incorporates them herein.

13. Affinity Labs was founded in 2008 by Russell White and Harlie Frost.

14. Russell White is a successful entrepreneur and patent attorney. Mr. White grew up in Houston, Texas, and has an undergraduate degree in mechanical engineering from Texas A&M. Mr. White also graduated from the University of Temple Law School. After earning his law degree, Mr. White co-founded SBC Knowledge Ventures, an entity within AT&T.

15. Mr. White is also a prolific inventor. Mr. White is listed as an inventor on at least twenty-five separate United States patents.

16. On March 28, 2000, Mr. White and Kevin R. Imes filed a detailed patent application, No. 09/537,812 (“the ’812 application”) with the United States Patent and Trademark Office (“PTO”).

17. The ’812 application addressed the problem of navigating through and playing audio content stored on a portable electronic audio device, such as an MP3 player or cell phone, using a different electronic device.

18. The ’812 application disclosed the ability to connect a portable electronic device, such as an MP3 player or cell phone, to a second device such as an automobile with a display and sound system. As disclosed in the ’812 application, the music available on the portable device can then be displayed and selected using controls on an automobile stereo system, and played through the speakers.

19. Mr. White and Mr. Imes made this disclosure in the '812 application over a year before the iPod was released in October 2001, and years before the functionality of having the music available on a portable device be displayed and selected using controls on an automobile stereo system and played through the speakers was available using an iPhone and some luxury vehicles.

20. On October 8, 2013, the PTO issued United States Patent No. 8,554,191, entitled "System and Method for Managing Media" ("the '191 patent"), a copy of which is attached as Exhibit A. The '191 patent was issued from a continuation application claiming priority to the '812 application.

21. On November 19, 2013, the PTO issued United States Patent No. 8,588,680, entitled "System and Method to Communicate Targeted Information" ("the '680 patent"), a copy of which is attached as Exhibit B. The '680 patent was issued from a continuation application claiming priority to the '812 application.

22. The '191 and '680 patents (collectively, "the Asserted Patents") are in the same patent family and both claim priority to the '812 application, which was filed with the PTO on March 28, 2000 and issued on March 6, 2007 as United States Patent No. 7,187,947, entitled "System and Method for Communicating Selected Information to an Electronic Device."

23. Other patents in the '191 and '680 patent family have been cited by major businesses in the computer, software, communications, automotive, and mobile industries. For example, U.S. Patent No. 7,324,833 and U.S. Patent No. 7,634,228 have been cited in at least 38 patents and publications, with many of these patents assigned to corporations such as Apple, AT&T, Toyota, Google, Nokia, Bose, and Volkswagen.

24. Affinity Labs holds legal title, by assignment, to the Asserted Patents.

COUNT I

Infringement of U.S. Patent No. 8,554,191 by Ford

25. On information and belief, Defendant manufactures, uses, sells, offers to sell, markets, imports, has manufactured, used, sold, offered to sell, marketed, and/or imported products that infringe or have infringed the '191 patent.

26. As a result, Affinity Labs brings this action to seek damages and injunctive relief arising out of Defendant's infringing acts.

27. Affinity Labs restates and realleges each of the allegations set forth above and incorporates them herein.

28. Upon information and belief, in violation of 35 U.S.C. § 271(a), Ford has infringed, and if not enjoined, will continue to infringe the '191 patent by (1) manufacturing, using, marketing, selling, offering for sale, and/or importing, without authority, products and services that are covered by one or more claims of the '191 patent, literally and/or under the doctrine of equivalents; (2) inducing infringement of one or more claims of the '191 patent, in violation of 35 U.S.C. § 271(b); and/or (3) contributing to the infringement of one or more claims of the '191 patent, in violation of 35 U.S.C. § 271(c). In particular, Ford infringes one or more claims of the '191 patent directly and indirectly, literally and under the doctrine of equivalents, and by inducement and contributory infringement by (1) manufacture, use, marketing of, sale, offer for sale, and/or importation of Ford automobiles with sound systems, including at least the Ford Explorer; and (2) using Ford automobiles with sound systems, including at least the Ford Explorer, as part of the audio system and methods claimed in the '191 patent.

29. Also on information and belief, Ford markets and sells Ford automobiles with sound systems, including at least the Ford Explorer. Ford markets and sells its Ford automobiles with

sound systems to customers and potential customers that include, for example, dealerships and other companies in the vehicle industry in the United States, in addition to individual customers in the United States.

30. Also on information and belief, Ford markets and sells Ford automobiles containing a Bluetooth compliant communication module supplied by Visteon.

31. In addition, on information and belief, Ford has actively induced and is actively inducing others, such as Ford's customers, to directly infringe the '191 patent in this District and elsewhere in the United States in violation of 35 U.S.C. § 271(b). For example, on information and belief, Ford and/or its distributors or representatives have sold or otherwise provided Ford automobiles with sound systems—including for example, the Ford Explorer—to third parties, such as Ford's customers. Ford's customers, on information and belief, have directly infringed and are directly infringing the '191 patent. Moreover, Ford specifically intends for and encourages its customers to use technology in violation of the '191 patent. For example, by marketing and selling its automobiles with sound systems that are able to pair with a portable electronic device, such as an MP3 player or cell phone, Ford has encouraged and is encouraging its customers to use its automobiles with sound systems and, thus, to directly infringe the '191 patent.

32. Furthermore, on information and belief, Ford has also contributed to and is contributing to direct infringement of the '191 patent by third parties, such as Ford's customers, in this District and elsewhere in the United States, in violation of 35 U.S.C. § 271(c). For example, on information and belief, Ford has contributed to and is contributing to infringement of the '191 patent by selling its customers Ford automobiles with sound systems that are able to pair with a portable electronic device, such as an MP3 player or cell phone, including for

example, the Ford Explorer—the use of which by Ford’s customers has directly infringed and is directly infringing the ’191 patent.

33. Ford does not have a license or permission to use the claimed subject matter in the ’191 patent.

34. Affinity Labs has been injured and has been caused significant financial damage as a direct and proximate result of Ford’s infringement of the ’191 patent.

35. Ford will continue to infringe the ’191 patent, and thus cause irreparable injury and damage to Affinity Labs unless enjoined by this Court.

36. Affinity Labs is entitled to recover from Ford the damages sustained by Affinity Labs as a result of Ford’s wrongful acts in an amount subject to proof at trial.

COUNT II

Infringement of U.S. Patent No. 8,588,680 by Ford

37. On information and belief, Defendant manufactures, uses, sells, offers to sell, markets, imports, has manufactured, used, sold, offered to sell, marketed, and/or imported products that infringe or have infringed the ’680 patent.

38. As a result, Affinity Labs brings this action to seek damages and injunctive relief arising out of Defendant’s infringing acts.

39. Affinity Labs restates and realleges each of the allegations set forth above and incorporates them herein.

40. Upon information and belief, in violation of 35 U.S.C. § 271(a), Ford has infringed, and if not enjoined, will continue to infringe the ’680 patent by (1) manufacturing, using, marketing, selling, offering for sale, and/or importing, without authority, products and services that are covered by one or more claims of the ’680 patent, literally and/or under the doctrine of

equivalents; (2) inducing infringement of one or more claims of the '680 patent, in violation of 35 U.S.C. § 271(b); and/or (3) contributing to the infringement of one or more claims of the '680 patent, in violation of 35 U.S.C. § 271(c). In particular, Ford infringes one or more claims of the '680 patent directly and indirectly, literally and under the doctrine of equivalents, and by inducement and contributory infringement by (1) manufacture, use, marketing of, sale, offer for sale, and/or importation of Ford automobiles with sound systems, including at least the Ford Explorer; and (2) using Ford automobiles with sound systems, including at least the Ford Explorer, as part of the audio system and methods claimed in the '680 patent.

41. Also on information and belief, Ford markets and sells Ford automobiles with sound systems, including at least the Ford Explorer. Ford markets and sells its Ford automobiles with sound systems to customers and potential customers that include, for example, dealerships and other companies in the vehicle industry in the United States, in addition to individual customers in the United States.

42. In addition, on information and belief, Ford has actively induced and is actively inducing others, such as Ford's customers, to directly infringe the '680 patent in this District and elsewhere in the United States in violation of 35 U.S.C. § 271(b). For example, on information and belief, Ford and/or its distributors or representatives have sold or otherwise provided Ford automobiles with sound systems—including for example, the Ford Explorer—to third parties, such as Ford's customers. Ford's customers, on information and belief, have directly infringed and are directly infringing the '680 patent. Moreover, Ford specifically intends for and encourages its customers to use technology in violation of the '680 patent. For example, by marketing and selling its automobiles with sound systems that are able to pair with a portable electronic device, such as an MP3 player or cell phone, Ford has encouraged and is encouraging

its customers to use its automobiles with sound systems and, thus, to directly infringe the '680 patent.

43. Furthermore, on information and belief, Ford has also contributed to and is contributing to direct infringement of the '680 patent by third parties, such as Ford's customers, in this District and elsewhere in the United States, in violation of 35 U.S.C. § 271(c). For example, on information and belief, Ford has contributed to and is contributing to infringement of the '680 patent by selling its customers Ford automobiles with sound systems that are able to pair with a portable electronic device, such as an MP3 player or cell phone, including for example, the Ford Explorer—the use of which by Ford's customers has directly infringed and is directly infringing the '680 patent.

44. Ford does not have a license or permission to use the claimed subject matter in the '680 patent.

45. Affinity Labs has been injured and has been caused significant financial damage as a direct and proximate result of Ford's infringement of the '680 patent.

46. Ford will continue to infringe the '680 patent, and thus cause irreparable injury and damage to Affinity Labs unless enjoined by this Court.

47. Affinity Labs is entitled to recover from Ford the damages sustained by Affinity Labs as a result of Ford's wrongful acts in an amount subject to proof at trial.

DEMAND FOR TRIAL BY JURY

Affinity Labs demands a jury trial on all issues so triable, pursuant to Rule 38 of the Federal Rules of Civil Procedure.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Affinity Labs prays for the following relief:

1. A declaration that Ford has infringed and is infringing the '191 and '680 patents and is liable to Affinity Labs for infringement;

2. An order enjoining Ford from infringing the '191 and '680 patents;

3. If a permanent injunction is not granted, a judicial determination of the conditions for future infringement such as a royalty bearing compulsory license or such other relief as the Court deems appropriate;

4. An award of damages, including pre-judgment and post-judgment interest, in an amount adequate to compensate Affinity Labs for Ford's infringement of the '191 and '680 patents, and that the damages be trebled pursuant to 35 U.S.C. § 284;

5. An equitable accounting of damages owed by Ford for the period of infringement of the '191 and '680 patents, following the period of damages established by Affinity Labs at trial;

6. A finding that this case is exceptional and an award of attorneys' fees pursuant to 35 U.S.C. § 285;

7. An award of costs, expenses, and disbursements; and

8. Such other and further relief as the Court deems Affinity Labs may be entitled to in law and equity.

Respectfully submitted,

LOOPER, REED & MCGRAW, P.C.

DAVID G. HENRY, SR.
State Bar No. 09479355
RUSSELL E. JUMPER
State Bar No. 24050168
1601 Elm Street; Ste. 4600
Dallas, Texas 75201
(214)954-4135
(214)953-1332 (Facsimile)
dhenry@lrmlaw.com
rjumper@lrmlaw.com

NAMAN, HOWELL, SMITH & LEE, PLLC

JOHN P. PALMER
State Bar No. 15430600
P.O. Box 1470
400 Austin Ave, 8th Floor
Waco, TX 76703-1470
Phone: (254) 755-4100
Fax: (254) 754-6331
palmer@namanhowell.com

ROBINS, KAPLAN, MILLER & CIRESI L.L.P.

RONALD J. SCHUTZ (MN Bar No. 130849)
(pro hac vice to be submitted)
CYRUS A. MORTON (MN Bar No. 287325)
(pro hac vice to be submitted)
DANIEL R. BURGESS (MN Bar No. 0389976)
(pro hac vice to be submitted)
SHIRA T. SHAPIRO (MN Bar No. 0390508)
(pro hac vice to be submitted)
KRISTINE A. TIETZ (MN Bar No. 0393477)
(pro hac vice to be submitted)
800 LaSalle Avenue, Suite 2800
Minneapolis, Minnesota 55402
Telephone: (612) 349-8500
Facsimile: (612) 339-4181
E-mail: RJSchutz@rkmc.com
CAMorton@rkmc.com
DRBurgess@rkmc.com
STShapiro@rkmc.com
KATietz@rkmc.com

By: /s/ David G. Henry
DAVID G. HENRY, SR.
State Bar No. 09479355

**ATTORNEYS FOR PLAINTIFF AFFINITY
LABS OF TEXAS, LLC**