

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

INNOVATIVE AUTOMATION LLC,

Plaintiff,

v.

VERIZON AND REDBOX DIGITAL
ENTERTAINMENT SERVICES LLC,
REDBOX AUTOMATED RETAIL, LLC,
and VERIZON COMMUNICATIONS INC.,

Defendants.

Case No. 2:13-cv-1104

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Innovative Automation LLC states its Complaint against defendants Verizon and Redbox Digital Entertainment Services LLC, Redbox Automated Retail, LLC, and Verizon Communications, Inc. (collectively, “Defendants”), and alleges as follows:

THE PARTIES

1. Plaintiff Innovative Automation LLC is a limited liability company organized and existing under the laws of the State of California, with its principal place of business at 606 North First Street, San Jose, California 95112.

2. Defendant Verizon and Redbox Digital Entertainment Services LLC is a limited liability corporation organized and existing under the laws of Delaware, with its principal place of business in Basking Ridge, NJ 07920.

3. Defendant Redbox Automated Retail, LLC is a limited liability corporation organized and existing under the laws of Delaware, with its principal place of business in Oakbrook Terrace, IL 60181.

4. Defendant Verizon Communications, Inc. is a corporation organized and existing under the laws of Delaware, with its principal place of business in New York, NY, 10007.

JURISDICTION AND VENUE

5. Plaintiff realleges and incorporates by reference the above paragraphs of this Complaint, inclusive, as though fully set forth herein.

6. This action is for patent infringement pursuant to the patent laws of the United States, 35 U.S.C. § 1, *et seq.* This Court has subject matter jurisdiction over the action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

7. Personal jurisdiction exists generally over Defendants because they have sufficient minimum contacts with the forum as a result of business conducted within the State of Texas and within the Eastern District of Texas. Personal jurisdiction also exists specifically over Defendants because they, directly or through subsidiaries or intermediaries, make, use, offer for sale, sell, import, advertise, make available and/or market one or more products and/or services within the State of Texas, and more particularly, within the Eastern District of Texas, that infringe the patent-in-suit, as described more particularly below.

8. Venue is proper in the Eastern District of Texas pursuant to 28 U.S.C. §§ 1391 and 1400(b), because Defendants have committed acts of infringement in the Eastern District of Texas and have transacted business in the Eastern District of Texas.

COUNT ONE INFRINGEMENT OF U.S. PATENT NO. 7,174,362 C1

9. Plaintiff realleges and incorporates by reference the above paragraphs of this Complaint, inclusive, as though fully set forth herein.

10. Plaintiff is the owner of all right, title, and interest in United States Patent No. 7,174,362 C1, entitled “Method and System for Supplying Products from Pre-Stored Digital Data in Response to Demands Transmitted via Computer Network,” duly and legally issued by the United States Patent and Trademark Office on February 6, 2007 (the “’362 patent”). A true and correct copy of the ’362 patent is attached hereto as Exhibit A.

11. The ’362 patent generally describes and claims a computer-implemented method of digital data duplication. In the method of claim 1 of the ’362 patent, a request is taken at one or more user interfaces and is transmitted through a network to a computer. The computer contains

a module to create a task log based on incoming requests; a module for storing the necessary data; and a module to create a subset of the data, download that subset to an output device, and command the device to transfer the subset onto blank media. The request is assigned to an output device, and the duplication process is executed. Claims 2-26 of the '362 patent describe various other methods and systems of digital data duplication.

12. Defendants have infringed and continues to infringe, literally and/or under the doctrine of equivalents, one or more claims of the '362 patent under 35 U.S.C. § 271 by making, using, offering to sell, selling, and/or importing into the United States the patented invention within the United States. Specifically, Defendants have infringed and continues to infringe the '362 patent by making, using, offering to sell, selling, and/or importing into the United States the Redbox Instant product and service. The Redbox Instant product and service is generally described, and is, accessible at <http://www.redboxinstant.com>.

13. As a result of Defendants' infringing activities with respect to the '362 patent, Plaintiff has suffered damages in an amount not yet ascertained. Plaintiff is entitled to recover damages adequate to compensate it for Defendants' infringing activities in an amount to be determined at trial, but in no event less than reasonable royalties, together with interest and costs. Defendants' infringement of Plaintiff's exclusive rights under the '362 patent will continue to damage Plaintiff, causing irreparable harm for which there is no adequate remedy at law, unless enjoined by this Court.

PRAYER FOR RELIEF

Plaintiff requests entry of judgment in its favor against Defendants for the following:

- a) A declaration that Defendants have infringed one or more claims of the '362 patent;
- b) An award of damages adequate to compensate Plaintiff for Defendants' infringement of the '362 patent, but in no event less than a reasonable royalty, together with prejudgment and post-judgment interest and costs, in an amount according to proof;

c) An entry of a permanent injunction enjoining Defendants, and their respective officers, agents, employees, and those acting in privity with them, from further infringement of the '362 patent, or in the alternative, awarding a royalty for post-judgment infringement; and

d) An award to Plaintiff of such other costs and further relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiff respectfully requests a trial by jury.

Dated: December 13, 2013.

Respectfully submitted,

/s/ Charles Ainsworth

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