PATENT INTINGEMENT

JURISDICTION AND VENUE

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- 4. This Court has subject matter jurisdiction pursuant to the patent laws of the United States, 35 U.S.C. §§ 1 et seq., and pursuant to 28 U.S.C. §§ 1331 and 1338(a).
- 5. Defendant ATV has had systematic and continuous business contacts with the State of California in this judicial district, has a business presence in the State of California, has committed the complained-of acts in the State of California, and has damaged Plaintiff in this judicial district.
- 6. This Court has personal jurisdiction over Defendant ATV under Fed. R. Civ. P. 4(k)(1)(A) and California's long-arm statute, Cal. Civ. Proc. Code § 410.10.
- 7. This Court further has jurisdiction over Defendant ATV under Fed. R. Civ. P. 4(k)(2).
- 8. Venue is proper in this district under 28 U.S.C. § 1400(b), because Defendant ATV resides in this judicial district pursuant to 28 U.S.C. § 1391.

BACKGROUND FACTS

- 9. On August 4, 2009, United States Patent No. 7,568,859, entitled "Wave Forming Apparatus and Method" (the '859 Patent), was duly and legally issued to Bruce McFarland. A true copy of the '859 Patent is attached hereto as Exhibit A.
- The '859 Patent is valid and enforceable, and maintenance fees required therefore, if any, have been timely paid.
- 11. Plaintiff AWM is the owner by assignment of the '859 Patent with full and exclusive right to bring suit to enforce this patent. The assignment has been recorded with the USPTO at reel/frame 020263/0332.
- 12. The Abstract of the '859 Patent indicates that the patent relates generally to a "wave forming apparatus ha[ving] a channel for containing a flow of water with an inlet end connected to a water supply, a base, and spaced side walls."
- 13. On December 10, 2013, United States Patent No. 8,602,685, entitled "Wave Generating Apparatus and Method" (the '685 Patent) was duly and legally issued to Bruce

McFarland. A true copy of the '685 Patent is attached hereto as Exhibit B.

therefore have been timely paid.

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15. Plaintiff AWM is the owner by assignment of the '685 Patent with full and exclusive right to bring suit to enforce this patent. The assignment has been recorded with the USPTO at reel/frame 031312/0259.

The '685 Patent is valid and enforceable, and any maintenance fees required

- 16. The Abstract of the '685 Patent indicates that the patent relates generally to a "wave forming apparatus ha[ving] a channel for containing a flow of water with an inlet end connected to a water supply, a floor, and spaced side walls."
- 17. Defendant ATV has been and is making, using, offering for sale, selling, or importing into the United States a wave-forming apparatus called "THE WAVE."
- 18. Surf Lagoons Inc., a California resident based in San Clemente California, has infringed one or more of the claims of each of the '859 and '685 patents in California by making, using, offering for sale, selling, or importing into the United States Defendant ATV's waveforming apparatus called "THE WAVE."
- 19. Surf Lagoons is the subject of a lawsuit alleging infringement of the '859 and '685 patents, currently venued in the Southern District of California and captioned: American Wave Machines, Inc. v. Surf Lagoons, 13-cv-03204-CAB-NLS. Defendant ATV is aware of this lawsuit and its CEO, Rainer Klimaschewski, has been served with a copy of the complaint in that lawsuit.
- 20. On information and belief, Surf Lagoons Inc. has been and is working with Defendant ATV to make, use, offer for sale, sell, or import "THE WAVE" wave-forming apparatus throughout the United States, including in this judicial district.
- 21. At least as early as June 2013, Plaintiff AWM informed Defendant ATV and Surf Lagoons, Inc. that Defendant ATV's "THE WAVE" wave-forming apparatus infringed the '859 Patent, and Plaintiff AWM provided Defendant ATV and Surf Lagoons, Inc. with a detailed written infringement analysis explaining exactly why the apparatus infringes. Immediately after

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the issuance of the '685 in December 2013, Plaintiff AWM informed Defendant ATV of the infringement of that patent as well by the "THE WAVE" wave-forming apparatus.

- 22. After being provided with Plaintiff AWM's detailed infringement analysis described in the immediately preceding paragraph, Surf Lagoons Inc. and Defendant ATV executed a distribution agreement (signed by Rainer Klimaschewski) to promote, and sell from California, Defendant ATV's "THE WAVE" wave-forming apparatus throughout the United States and North America. Through the agreement, Defendant ATV required Surf Lagoons to aggressively market the "THE WAVE" wave-forming apparatus so that a minimum of five (5) units would be sold.
- 23. On information and belief, Defendant ATV provides instructional support for the design, construction, installation, maintenance, and operation of "THE WAVE" wave-forming apparatus.
- 24. Rainer Klimaschewski has been identified on the website <http://citywave.de/en/the-wave/>>> as the contact person for inquiries regarding Defendant ATV's "THE WAVE" wave-forming apparatus.
 - 25. On information and belief, Rainer Klimaschewski is the CEO of Defendant ATV.
- 26. True and correct copies of the website <http://citywave.de/en/the-wave/ are attached to this Complaint as Exhibit C, as downloaded on June 25, 2013 and again on December 17, 2013.
- 27. Contemporaneously while working with Surf Lagoons Inc. to make, use, offer for sale, sell, or import into the United States "THE WAVE" wave-forming apparatus, Defendant ATV knew or should have known that "THE WAVE" wave-forming apparatus infringed one or more claims of the '859 patent.
- 28. Contemporaneously while working with Surf Lagoons Inc. to make, use, offer for sale, sell, or import into the United States "THE WAVE" wave-forming apparatus, Defendant ATV knew or should have known that "THE WAVE" wave-forming apparatus infringed one or more claims of the '685 patent.

- 29. Defendant ATV has and is knowingly and actively inducing Surf Lagoons Inc. to make, use, offer for sale, sell, or import into the United States Defendant ATV's wave-forming apparatus called "THE WAVE," with the specific intent to encourage Surf Lagoons Inc. to perform acts that constitute infringement of one or more of the claims of each of the '859 and '685 patents.
- 30. Additionally, Defendant ATV has and is knowingly and actively inducing end-customers or potential customers throughout the United States to make, use, offer for sale, sell, or import into the United States Defendant ATV's wave-forming apparatus called "THE WAVE," with the specific intent to encourage them to perform acts that constitute infringement of one or more of the claims of each of the '859 and '685 patents.
- 31. For example, on information and belief, Defendant ATV has attended trade shows in the United States to promote and sell "THE WAVE" wave-forming apparatus, when Defendant ATV knew or should have known that its wave-forming apparatus infringes the '859 and '685 Patents.
- 32. A true copy of the website http://citywave.de/en/the-wave/ downloaded on June 25, 2013 and again downloaded on December 17, 2013 is attached at Exhibit C. The representative contact provided on the website is Rainer Klimaschewski. *See* Exhibit C. On information and belief, Rainer Klimaschewski is the CEO of ATV.
- 33. Plaintiff is informed and believes, and on that basis alleges, that Surf Lagoons Inc. works with Defendant ATV to offer for sale, sell and import "THE WAVE" wave forming apparatus throughout the United States, including specifically, this judicial district. Surf Lagoons Inc. and Defendant ATV have executed a distribution agreement (signed by Rainer Klimaschewski) to promote and sell "THE WAVE" from California throughout the United States and North America.
- 34. Plaintiff is informed and believes, and on that basis alleges, that Defendant ATV has had phone calls and written correspondence with residents in the United States specifically to offer to sell and to actively and knowingly induce the sale of "THE WAVE" wave forming apparatus that infringes the '859 and '685 Patents. On information and belief, these calls and

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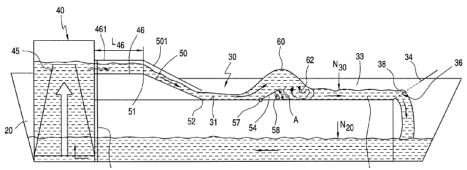
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27 28 correspondence include directing United States residents to Surf Lagoons in California to obtain "THE WAVE" wave-forming apparatus, which Defendant ATV knew or should have known infringes the '859 and '685 Patents.

- For example, on information and belief, Defendant ATV has contacted prospective customers identified at the trade shows and provided them with the name and contact information of Surf Lagoons, Inc. in California as a provider of Defendant ATV's "THE WAVE" waveforming apparatus, when Defendant ATV knew or should have known that the apparatus infringes the '859 and '685 Patents.
- 36. In one instance, on information and belief, Defendant ATV had business contacts including phone calls and written correspondence with Mr. Don Rady of Value Real Estate in this judicial district, and has actively and knowingly induced Mr. Rady to work with Surf Lagoons to make and use "THE WAVE" wave-forming apparatus that Defendant ATV knew or should have known infringes the '859 and '685 Patents.
- 37. Plaintiff AWM is informed and believes, and on that basis alleges, that "THE WAVE" wave forming apparatus incorporates in substantial form the apparatus disclosed in United States Patent No. 8,516,624 at FIG. 2, shown here:



38. This structure is consistent with the documents currently available to Plaintiff AWM including the following true and correct copies of photographs of "THE WAVE" wave forming apparatus:

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FIGURE 1A

FIGURE 1B



FIGURE 1C



FIGURE 1D



FIGURE 1E



FIGURE 1F

FIGURE 1G



FIGURE 1H



FIGURE 1J FIGURE 1J

- 39. According to the website http://citywave.de/en/the-wave/ downloaded on June 25, 2013, and again on December 17, 2013, "The Wave" wave forming apparatus is described as: "The heart of THE WAVE are huge pump-units, which are produced by one of the worlds biggest manufacturer. The size and power of THE WAVE can be regulated by adjustable floaters, also the amount of water is levelled (sic). Therefore the wave can be adjusted perfectly for every target group: either create a suitable wave for beginner children or light people, or produce a perfect wave with maximum pressure and steepness for experts. In this deepwater wave, which is also perfect for bodysurfing, its (sic) even fun to dive into the water after a ride, just like in the ocean. To surf THE WAVE you don't even need a special surfboard, the board you use in the ocean will be fine." (Exhibit C.)
- 40. Based on the above photos and on the information from the website http://citywave.de/en/the-wave/ downloaded on June 25, 2013 and again downloaded on

amend this allegation based on future discovery and litigation.

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27 28 December 17, 2013, "THE WAVE" wave forming apparatus infringes at least claims 22, 24, and 29 - 35 of the '859 Patent and claims 1 - 19 of the '685 Patent. This is a preliminary assessment intended to place ATV on notice under Fed.R.Civ.P. Rule 8. Plaintiff AWM reserve the right to

Defendant ATV has willfully infringed the '859 Patent and the '685 Patent by continuing its acts of infringement, both directly and by inducement, after being on notice of these patents.

COUNT 1: INFRINGEMENT OF THE '859 PATENT

- 42. Plaintiff AWM re-alleges and incorporates herein by reference all of the foregoing paragraphs as though fully set forth herein.
- 43. The '859 Patent is valid and subsisting and Plaintiff AWM owned the '859 Patent throughout the period of the Defendant ATV's infringing acts and still owns the '859 Patent.
- 44. Defendant ATV has directly infringed and is still infringing at least one claim of the '859 Patent, either literally or under the doctrine of equivalents, by making, using, selling, offering for sale, selling, or importing artificial surfing apparatus that embody the patented invention, and Defendant ATV will continue to do so unless enjoined by this Court.
- 45. Defendant ATV has infringed and is still infringing the '859 Patent by inducing at least one other person to directly infringe at least one claim of the '859 Patent, while Defendant ATV knew of the '859 Patent, and, nevertheless, knowingly induced that person to commit the acts that constitute infringement. Defendant ATV actually intended to cause the infringement of the '859 Patent and Defendant ATV knew or should have known that those acts would infringe the '859 Patent, and Defendant ATV will continue to do so unless enjoined by this Court.
- 46. Defendant ATV's infringement is willful, in that Defendant ATV has been aware of the '859 Patent, yet Defendant ATV continued to act despite an objectively high likelihood that its actions infringed a valid patent, which Defendant ATV either knew or should have known.
- 47. Plaintiff AWM has been damaged and is continuing to be damaged by Defendant ATV's infringement, losing past and future profits through any or all of lost sales, diminished

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27 28 market share, price erosion, loss of collateral sales, increased costs of marketing, and other increased costs and reduced revenues, both tangible and intangible, the extent of which are presently unknown to Plaintiff and may be at least partially incalculable with precision. By reason of the aforesaid acts of infringement, Plaintiff AWM has been and will continue to be greatly and irreparably damaged.

COUNT 2: PATENT INFRINGEMENT OF THE '685 PATENT

- 48. Plaintiff AWM re-alleges and incorporates herein by reference all of the foregoing paragraphs as though fully set forth herein.
- 49. The '685 Patent is valid and subsisting and Plaintiff AWM owned the '685 Patent throughout the period of the Defendant ATV's infringing acts and still owns the '685 Patent.
- 50. Defendant ATV has directly infringed and is still infringing at least one claim of the '685 Patent, either literally or under the doctrine of equivalents, by making, using, selling, offering for sale, selling, or importing artificial surfing apparatus that embody the patented invention, and Defendant ATV will continue to do so unless enjoined by this Court.
- 51. Defendant ATV has infringed and is still infringing the '685 Patent by inducing at least one other person to directly infringe at least one claim of the '685 Patent, while Defendant ATV knew of the '685 Patent, and, nevertheless, actively and knowingly induced that person to commit the acts that constitute infringement. Defendant ATV actually intended to cause the infringement of the '685 Patent, and Defendant ATV knew or should have known that those acts would infringe the '685 Patent, and Defendant ATV will continue to do so unless enjoined by this Court.
- 52. Defendant ATV's infringement is willful, in that Defendant ATV has been aware of the '685 Patent, yet Defendant ATV continued to act despite an objectively high likelihood that its actions infringed a valid patent, which Defendant ATV either knew or should have known.
- 53. Plaintiff AWM has been damaged and is continuing to be damaged by Defendant ATV's infringement, losing past and future profits through any or all of lost sales, diminished

1	market share, price erosion, loss of collateral sales, increased costs of marketing, and other		
2	increased costs and reduced revenues, both tangible and intangible, the extent of which are		
3	presently unknown to Plaintiff and may be at least partially incalculable with precision. By		
4	reason of the aforesaid acts of infringement, Plaintiff AWM has been and will continue to be		
5	greatly and irreparably damaged.		
6	WHEREFORE, Plaintiff AWM prays for the following relief against Defendant ATV:		
7	• a judgment that Defendant ATV has infringed the '859 Patent and '685 Patent		
8	under 35 U.S.C. § 271;		
9	• a judgment that Defendant ATV's infringement was willful;		
10	a preliminary and permanent injunction against Defendant ATV, including its		
11	officers, agents, servants, employees, attorneys, all parent and subsidiary		
12	corporations, all assignees and successors in interest, and those persons in		
13	active concert or participation with Defendant ATV, enjoining it from		
14	continuing the acts that constitute infringement of the '859 Patent and '685		
15	Patent for the respective lives of those patents;		
16	• an award of damages under 35 U.S.C. § 284 for Defendant ATV's		
17	infringement of the '859 Patent and '685 Patent, together with pre-judgmen		
18	and post-judgment interest;		
19	• an increase of up to three times of the award of damages, pursuant to 35		
20	U.S.C. § 284;		
21	a judgment that this case is exceptional, and an award to Plaintiff AWM of its		
22	attorneys' fees pursuant to 35 U.S.C. § 285;		
23	 an award of the costs of this action; and 		
24	any further relief that this Court deems just and proper.		
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26	DATED: November 17, 2013 Respectfully submitted, The Cabrera Firm, APC		
27	By: /s/ Guillermo Cabrera		
28	Guillermo Cabrera Attorney for Plaintiff AWM, a California Corporation.		

DEMAND FOR JURY TRIAL Plaintiff respectfully demands a trial by jury on all issues so triable. DATED: November 17, 2013 Respectfully submitted, The Cabrera Firm, APC By: /s/ Guilermol Cabrera Guillermo Cabrera Attorney for Plaintiff AWM, a California Corporation.

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