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10 Attorneys for Plaintiff
11 ELEVENGEAR LLC

12 UNITED STATES DISTRICT COURT
13 FOR THE NORTHERN DISTRICT OF CALIFORNIA

14 ELEVENGEAR LLC.

15 Plaintiff,

16 v.

17 ECLIPSE IP, LLC,

18 Defendant.

Case No.: 3:15-cv-02278

**COMPLAINT FOR DECLARATORY
JUDGMENT**

DEMAND FOR JURY TRIAL

1 Plaintiff Elevegear LLC (“Plaintiff” or “Elevegear”) complains as follows:

2 **NATURE OF ACTION**

3 1. This is an action seeking Declaratory Judgment that twenty-four United
4 States Patents (“Patents-in-Suit” or “Eclipse Patent Portfolio”), which are owned by
5 Defendant Eclipse IP, LLC (“Eclipse” or “Defendant”), have not been infringed by
6 Plaintiff are invalid, and unenforceable.

7 2. This action arises under the Declaratory Judgment Act, 28 U.S.C. §§
8 2201 and 2202, and the Patent Laws of the United States, Title 35 of the United
9 States Code.

10 **THE PARTIES**

11 3. Elevegear is a California corporation that specializes in cycling
12 apparel and a leader and innovator in developing kits that make use of high-
13 visibility colors and reflective materials.

14 4. On information and belief, Eclipse is a Florida limited liability
15 company with a principal place of business at 711 SW 24th Street, Boynton Beach,
16 Florida 33435. On information and belief, Eclipse is the owner of the Patents-in-
17 Suit.

18 5. Eclipse is in the business of patent licensing through the threat of
19 litigation.

20 6. A key part of Eclipse’s business model is sending letters, emails, and
21 making telephone calls threatening patent litigation and following through on that
22 threat.

23 **JURISDICTION AND VENUE**

24 7. The Court has subject matter jurisdiction of this action under 28 U.S.C.
25 §§ 1331 and 1338(a) in that it arises under the United States Patent Laws.

1 8. This Court has personal jurisdiction over the Defendant pursuant to the
2 laws of the State of California, including California’s long-arm statute and
3 California Code of Civil Procedure § 410.10.

4 9. Eclipse has filed at least 3 cases asserting patent infringement in this
5 District, has filed cases in all four of California’s judicial districts, and has litigated
6 the Patents-in-Suit in California’s judicial district 52 times.

7 10. Eclipse has been involved in 177 lawsuits involving the Eclipse Patent
8 Portfolio nationwide.

9 11. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391 and 1400.

10 **PATENTS-IN-SUIT / ECLIPSE PATENT PORTFOLIO**

11 12. On October 10, 2006, U.S. Patent No. 7,119,716 (the ‘716 Patent),
12 entitled Response Systems and Methods for Notification Systems for Modifying
13 Future Notifications was issued. Claims 1, 2, 4, 6, 7, 18, 19, 20, 41, 43, 44, 45, and
14 46 of the ‘716 Patent were found to be invalid for failing to satisfy 35 U.S.C. § 101.

15 13. On June 20, 2006, U.S. Patent No. 7,064,681 (the ‘681 Patent), entitled
16 Response Systems and Methods for Notification Systems was issued. The ‘681
17 Patent resulted from a continuation application of the ‘716 Patent’s application.
18 Claims 1, 3, 4, and 6 of the ‘681 Patent were found to be invalid for failing to satisfy
19 35 U.S.C. § 101.

20 14. On September 26, 2006, U.S. Patent No. 7,113,110 (the ‘110 Patent),
21 entitled Stop List Generation Systems and Methods Based upon Tracked PCD’s and
22 Responses from Notified PCD’s was issued. The ‘110 Patent resulted from a
23 continuation application of the ‘716 Patent’s application. Claims 1, 2, 7, and 8 of the
24 ‘110 Patent were found to be invalid for failing to satisfy 35 U.S.C. § 101.

25 15. On January 15, 2008, U.S. Patent No. 7,319,414 (the ‘414 Patent),
26 entitled Secure Notification Messaging Systems and Methods Using Authentication
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1 Indicia was issued. The '414 Patent resulted from a continuation application of the
2 '716 Patent, which had claims invalidated for claiming unpatentable subject matter.

3 16. On January 20, 2009, U.S. Patent No. 7,479,899 (the '9,899 Patent),
4 entitled Notification Systems and Methods Enabling a Response to Cause
5 Connection Between a Notified PCD and a Delivery or Pickup Representative was
6 issued. The '9,899 Patent resulted from a continuation application of the '716
7 Patent, which had claims invalidated for claiming unpatentable subject matter.

8 17. On January 20, 2009, U.S. Patent No. 7,479,900 (the '900 Patent),
9 entitled Notification Systems and Methods that Consider Traffic Flow Predicament
10 Data was issued. The '900 Patent resulted from a divisional application of the '716
11 Patent, which had claims invalidated for claiming unpatentable subject matter.

12 18. On January 20, 2009, U.S. Patent No. 7,479,901 (the '901 Patent),
13 entitled Mobile Thing Determination Systems and Methods Based upon User-
14 Device Location was issued. The '901 Patent claims priority to the '716 Patent,
15 which had claims invalidated for claiming unpatentable subject matter.

16 19. On January 27, 2009, U.S. Patent No. 7,482,952 (the '952 Patent),
17 entitled Response Systems and Methods for Notification Systems for Modifying
18 Future Notifications was issued. The '952 Patent resulted from a divisional
19 application of the '716 Patent, which had claims invalidated for claiming
20 unpatentable subject matter.

21 20. On March 17, 2009, U.S. Patent No. 7,504,966 (the '966 Patent),
22 entitled Response Systems and Methods for Notification Systems for Modifying
23 Future Notifications was issued. The '966 Patent claims priority to the '716 Patent,
24 which had claims invalidated for claiming unpatentable subject matter.

25 21. On May 5, 2009, U.S. Patent No. 7,528,742 (the '742 Patent), entitled
26 Response System and Methods for Notification Systems for Modifying Future
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1 Notifications was issued. The '742 Patent claims priority to the '716 Patent, which
2 had claims invalidated for claiming upatentable subject matter.

3 22. On May 26, 2009, U.S. Patent No. 7,538,691 (the '691 Patent), entitled
4 Mobile Thing Determination Systems and Methods Based upon User-Device
5 Location was issued. The '691 Patent claims priority to the '716 Patent, which had
6 claims invalidated for claiming upatentable subject matter.

7 23. On July 14, 2009, U.S. Patent No. 7,561,069 (the '069 Patent), entitled
8 Notification Systems and Methods Enabling a Response to Change Particulars of
9 Delivery or Pickup was issued. The '069 Patent resulted from a divisional
10 application of the '716 Patent, which had claims invalidated for claiming
11 upatentable subject matter

12 24. On January 25, 2011, U.S. Patent No. 7,876,239 (the '239 Patent),
13 entitled Secure Notification Messaging Systems and Methods Using Authentication
14 Indicia was issued. The '239 Patent resulted from a continuation application of the
15 '414 Patent, which resulted from a continuation application of the '716 Patent,
16 which had claims invalidated for claiming unpatentable subject matter.

17 25. On November 29, 2011, U.S. Patent No. 8,068,037 (the '037 Patent),
18 entitled Advertisement Systems and Methods for Notification Systems was issued.
19 The '037 Patent claims priority to the '716 Patent, which had claims invalidated for
20 claiming unpatentable subject matter.

21 26. On July 31, 2012, U.S. Patent No. 8,232,899 (the '2,899 Patent),
22 entitled Notification System and Methods Enabling Selection of Arrival or
23 Departure Times of Tracked Mobile Things in Relation to Locations was issued.
24 The '2,899 Patent claims priority to the '716 Patent, which had claims invalidated
25 for claiming unpatentable subject matter.

26 27. On August 14, 2012, U.S. Patent No. 8,242,935 (the '935 Patent),
27 entitled Notification System and Methods Where a Notified PCD Causes
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1 Implementation of a Task(s) Based Upon Failure to Receive a Notification was
2 issued. The '935 Patent claims priority to the '716 Patent, which had claims
3 invalidated for claiming unpatentable subject matter.

4 28. On October 10, 2012, U.S. Patent No. 8,284,076 (the '076 Patent),
5 entitled Systems and Methods for a Notification System that Enable User Changes
6 to Quantity of Goods and/or Services for Deliver and/or Pickup was issued. The
7 '076 Patent claims priority to the '716 Patent, which had claims invalidated for
8 claiming unpatentable subject matter.

9 29. On January 29, 2013, U.S. Patent No. 8,362,927 (the '927 Patent),
10 entitled Advertisement Systems and Methods for Notification Systems was issued.
11 The '927 Patent claims priority to the '716 Patent, which had claims invalidated for
12 claiming unpatentable subject matter.

13 30. On February 5, 2013, U.S. Patent No. 8,368,562 (the '562 Patent),
14 entitled Systems and Methods for a Notification System that Enable User Changes
15 to Stop Location for Delivery and/or Pickup of Good and/or Service was issued. The
16 '562 Patent claims priority to the '716 Patent, which had claims invalidated for
17 claiming unpatentable subject matter.

18 31. On September 10, 2013, U.S. Patent No. 8,531,317 (the '317 Patent),
19 entitled Notification Systems and Methods Enabling Selection of Arrival or
20 Departure Times of Tracked Mobile Things in Relation to Locations was issued.
21 The '317 Patent claims priority to the '716 Patent, which had claims invalidated for
22 claiming unpatentable subject matter.

23 32. On October 22, 2013, U.S. Patent No. 8,564,459 (the '459 Patent),
24 entitled Systems and Methods for a Notification System that Enable User Changes
25 to Purchase Order Information for Delivery and/or Pickup of Goods and/or Services
26 was issued. The '459 Patent claims priority to the '716 Patent, which had claims
27 invalidated for claiming unpatentable subject matter.

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1 33. On April 29, 2014, U.S. Patent No. 8,711,010 (the ‘010 Patent),
2 entitled Notification Systems and Methods that Consider Traffic Flow Predicament
3 Data was issued. The ‘010 Patent claims priority to the ‘716 Patent, which had
4 claims invalidated for claiming unpatentable subject matter.

5 34. On April 21, 2015, U.S. Patent No. 9,013,334 B2 (the ‘334 Patent),
6 entitled Notification Systems and Methods that Permit Change of Quantity for
7 Delivery and/or Pickup of Goods and/or Services was issued. The ‘334 Patent
8 claims priority to the ‘716 Patent, which had claims invalidated for claiming
9 unpatentable subject matter.

10 35. On April 28, 2015, U.S. Patent No. 9,019,130 B2 (the ‘130 Patent),
11 entitled Notification Systems and Methods that Permit Change of Time Information
12 for Delivery and/or Pickup of Goods and/or Services was issued. The ‘130 Patent
13 claims priority to the ‘716 Patent, which had claims invalidated for claiming
14 unpatentable subject matter.

15 36. Collectively the twenty-four patents identified in paragraphs 12 to 35
16 are the Patents-in-Suit and the known Eclipse Patent Portfolio.

17 37. All the Patents-in-Suit are related and claim priority to the ‘716 Patent.

18 **ECLIPSE’S THREATS AGAINST ELEVENGEAR**

19 38. Upon information and belief, on or about March 4, 2015, Matt Olavi of
20 the law firm Olavi Dunne LLP, counsel for Eclipse, sent a letter to, Elevegear, at
21 Elevegear P.O. Box in Sebastopol, California (the “Olavi letter”).

22 39. Upon information and belief the Olavi letter asserts that Elevegear
23 infringes the Eclipse Patent Portfolio, warns that Eclipse “aggressively litigates
24 patent infringement lawsuits,” and gave a cutoff date prior to April 17, 2015, after
25 which, Eclipse “assume[s] that [Elevegear is] not interested in resolving this matter
26 without litigation.”

1 40. Upon information and belief, Eclipse alleges in the Olavi letter that the
2 “electronic messaging features of [Elevengear’s] online ordering system” infringes
3 the claims of the Eclipse Patents,” and provides three claims as representative
4 examples of Elevengear’s alleged infringement of the Eclipse Patent Portfolio.

5 41. On September 4, 2014, District Court Judge George H. Wu, presiding
6 over the case of *Eclipse IP LLC v. McKinley Equipment Corporation*, granted the
7 defendant’s Motion to Dismiss for Lack of Patentable Subject Matter, and
8 invalidated every claim he was asked to consider from the ‘681, ‘110, and ‘716
9 Patents (“Judge Wu’s Order”). This included invalidating the asserted claims of one
10 of the patents Eclipse used as a representative example of Elevengear’s alleged
11 infringement of the Eclipse Patent Portfolio.

12 42. Upon information and belief, Eclipse’s first representative example of
13 Elevengear’s alleged infringement was Claim 1 of the ‘239 Patent. This claim is
14 extremely similar to the now invalid Claim 41 of the ‘716 Patent, except that it
15 requires the party to have authentication information.

16 43. Upon information and belief, Eclipse’s second representative example
17 of Elevengear’s alleged infringement was Claim 21 of the ‘716 Patent. This claim is
18 nearly indistinguishable from the now invalid Claims 1 and 18 of the ‘716 Patent
19 except that it is directed to updating contact information as opposed to completing
20 tasks generally.

21 44. Upon information and belief, Eclipse’s third representative example of
22 Elevengear’s alleged infringement was Claim 1 of the ‘9,899 Patent. This claim is
23 similar to the now invalid Claim 1 of the ‘110 Patent except that the communication
24 is with a singular personal communication device instead of communicating with a
25 plurality of personal communication devices.

26 45. These three representative examples were provided after Judge Wu had
27 ruled nearly identical claims invalid.

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1 46. Upon information and belief, Eclipse concludes the letter by offering a
2 worldwide license to the entire Eclipse Patent Portfolio in exchange for \$45,000 or
3 threatening litigation.

4 47. On or about April 17, 2015, Eclipse filed a complaint for patent
5 infringement in the United States District court for the District of New Jersey—case
6 number 1:15-cv-02792 (“New Jersey Litigation”)—asserting the ‘239, ‘716, and
7 ‘9,899 Patents.

8 48. Upon information and belief, Eclipse intentionally asserted less than
9 the patents it offered to license so as not to risk the Court invalidating the entire
10 Eclipse Patent Portfolio.

11 49. Upon information and belief, Eclipse has no connection to New Jersey.
12 Upon information and belief, Scott Horstemeyer, the inventor of the Patents-in-Suit,
13 is located in Atlanta, Georgia. Upon information and belief, Eclipse is a Florida
14 company with a principal place of business in Boynton Beach, Florida. Upon
15 information and belief, Pete A Sirianni III, Eclipse’s managing partner and
16 registered agent, is located in Delray Beach, Florida. Upon information and belief,
17 Edward Turnbull, Eclipse’s licensing agent, is located in Vancouver, Canada. Upon
18 information and belief, Matt Olavi, Partner at Olavi Dunne LLP and Eclipse’s
19 counsel, is located in Los Angeles, California.

20 50. Eclipse’s letter, its pattern of aggressive litigation, and willingness to
21 file litigation against Elevegear show that there is a substantial controversy
22 between the parties having adverse legal interest, of sufficient immediacy and reality
23 to warrant the issuance of a declaratory judgment.

24 **ECLIPSE’S FAILURE TO DISCLOSE INFORMATION MATERIAL TO PATENTABILITY**

25 51. Upon information and belief, Eclipse knowingly failed to disclose
26 material information to the United State Patent and Trademark Office (“PTO”)
27 during the prosecution of the ‘334 and ‘130 Patents.

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1 52. Upon information and belief, Eclipse intentionally did not disclose
2 Judge Wu’s Order to the PTO during the prosecution of the ‘334 and ‘130 Patents.

3 53. The reasoning in Judge Wu’s Order directly applies to the ‘334 and
4 ‘130 Patents. Specifically Judge Wu reasoned that “‘the mere recitation of a generic
5 computer cannot transform a patent-ineligible abstract idea into a patent-eligible
6 invention’ . . . [n]or can the generic recitation to ‘a transportation vehicle’ save the
7 claims.”

8 54. Eclipse’s independent claims in the ‘334 Patent—Claims 1 and 11—are
9 similar to the now invalid Claims 1 and 18 of the ‘716 Patent except that they are
10 directed to updating quantity information necessary for completing a task as
11 opposed to completing tasks generally.

12 55. Eclipse’s independent claims in the ‘130 Patent—Claims 1 and 11—are
13 similar to the now invalid Claims 1 and 18 of the ‘716 Patent except that they are
14 directed to updating the time information for completing a task as opposed to
15 completing tasks generally.

16 56. Eclipse’s independent claims in the ‘334 Patent—Claims 1 and 11—are
17 like to the now invalid Claim 1 of the ‘110 Patent except that it adds a second
18 communication to update quantity information.

19 57. Eclipse’s independent claims in the ‘130 Patent—Claims 1 and 11—are
20 like to the now invalid Claim 1 of the ‘110 Patent except that it adds a second
21 communication to update time information.

22 58. By offering a license to or threatening litigation on the entire Eclipse
23 Patent Portfolio and providing representative examples of Elevngear’s alleged
24 infringement of the Eclipse Patent Portfolio, Eclipse has threatened to assert claims
25 against Elevngear for alleged infringement of one or more claims from each and
26 every Patent-in-Suit.

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1 **FIRST CLAIM FOR RELIEF**

2 **(Declaratory Judgment of Non-Infringement of the**
3 **Patents-in-Suit / Eclipse Patent Portfolio)**

4 59. Elevegear incorporates by reference and realleges each of the
5 allegations set forth in the preceding paragraphs as though fully set forth herein.

6 60. Elevegear's online ordering system does not infringe the Patents-in-
7 Suit, directly or indirectly.

8 61. Elevegear is not infringing, and has never infringed, any valid claim
9 of the Patents-in-Suit either directly or indirectly, literally or under the doctrine of
10 equivalents.

11 62. Elevegear is entitled to a judgment declaring that it has never
12 infringed and is not infringing any valid claim of the Patents-in-Suit.

13 **SECOND CLAIM FOR RELIEF**

14 **(Declaratory Judgment of Invalidity of the**
15 **Patents-in-Suit / Eclipse Patent Portfolio)**

16 63. Elevegear incorporates by reference and realleges each of the
17 allegations set forth in preceding paragraphs as though fully set forth herein.

18 64. All of the claims of the Patents-in-Suit are invalid under the United
19 States Patent Act, including pursuant to 35 U.S.C. §§ 101, 102, 103, and 112.

20 65. All of the claims of the Patents-in-Suit are invalid pursuant to 35
21 U.S.C. § 101 because they purport to claim unpatentable abstract concepts. For
22 example, some of the claims of the '716 Patent are directed to the abstract idea of
23 assigning someone to perform a task and then waiting until they complete it.

24 66. All of the claims of the Patents-in-Suit are invalid pursuant to 35
25 U.S.C. §§ 102 and/or 103 because they are anticipated or rendered obvious by prior
26 art.

1 claim priority to the '716 Patent, all related patents that claim priority to the '716
2 Patent are also rendered unenforceable.

3 75. Based on Eclipse's inequitable conduct and the existence of an actual
4 case or controversy as to whether Elevegear infringes any claim of the Patents-in-
5 Suit, Elevegear is entitled to a declaration that the claims of the Patents-in-Suit are
6 unenforceable.

7 **REQUEST FOR RELIEF**

8 Therefore, Elevegear requests for judgment:

9 1. That Elevegear has not infringed any claim of the patents in the
10 Eclipse Patent Portfolio;

11 2. That the claims of the patents comprising the Eclipse Patent Portfolio
12 are invalid;

13 3. That the claims of the patents comprising the Eclipse Patent Portfolio
14 are unenforceable;

15 4. That Elevegear be awarded its costs of suit, and pre- and post-
16 judgment interest on any money judgment;

17 5. That the Court declare this to be an exceptional case pursuant to 35
18 U.S.C. § 285, and award Elevegear its reasonable attorney's fees;

19 6. For such other relief as the Court deems proper.
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21 Dated: May 20, 2015

Respectfully submitted,

22 */s/ Brian E. Mitchell*

23 Brian E. Mitchell

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25 Marcel F. De Armas

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Attorneys for Plaintiff
ELEVENGAR LLC

1 DEMAND FOR JURY TRIAL

2 Plaintiff demands a jury trial on all claims as to which it has a right to a jury.

3 Dated: May 20, 2015

4 Respectfully submitted,

5 /s/ Brian E. Mitchell

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