Case 3:16-cv-01453-WHO Document 13 Filed 04/14/16 Page 1 of 25 1 MITCHELL + COMPANY Brian E. Mitchell (SBN 190095) brian.mitchell@mcolawoffices.com Marcel F. De Armas (SBN 289282) mdearmas@mcolawoffices.com 4 Embarcadero Center, Suite 1400 San Francisco, CA 94111 Telephone: (415) 766-3514 Facsimile: (415) 402-0058 6 Attorneys for Plaintiff FTL APPAREL, LLC d/b/a JOYFOLIE 7 8 UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA 9 SAN FRANCISCO DIVISION 10 CASE NO.: 3:16-cv-01453-WHO FTL APPAREL, LLC d/b/a JOYFOLIE, 11 Plaintiff, AMENDED COMPLAINT FOR (1) 12 **DECLARATORY JUDGMENT OF** INVALIDITY, (2) DECLARATORY v. 13 JUDGMENT OF NON-INFRINGEMENT, SHIPPING AND TRANSIT, LLC, (3) DECLARATORY JUDGMENT OF 14 **UNENFORCEABILITY, AND (4) BREACH** Defendant. **OF CONTRACT** 15 16 JURY TRIAL DEMANDED 17 18 19 20 21 22 23 24 25 26 27 28

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AMENDED COMPLAINT

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1	Plaintiff FTL Apparel, LLC d/b/a Joyfolie ("Plaintiff" or "Joyfolie") files this Amended			
2	Complaint for Declaratory Judgment of Invalidity, Non-Infringement, Unenforceability, and			
3	Breach of Contract against Defendant Shipping and Transit, LLC ("Shipping and Transit") and			
4	states as follows:			
5	THE PARTIES			
6	1. Plaintiff Joyfolie is a Colorado company that relies on and utilizes an ecommerc			
7	software and platform that was developed in, and is maintained and based in California.			
8	2. Defendant Shipping and Transit LLC ("Shipping and Transit") is a Florida limited			
9	liability corporation having its principal place of business at 711 SW 24th Avenue, Boynton			
10	Beach, Florida.			
11	JURISDICTION AND VENUE			
12	3. This Amended Complaint arises under federal law and the laws of California.			
13	This Court has jurisdiction over these claims pursuant to 28 U.S.C. § 1338 because the			
14	Complaint states claims arising under an Act of Congress relating to patents, 35 U.S.C. § 271.			
15	4. This Complaint also arises under the Federal Declaratory Judgment Act, 28 U.S.C.			
16	§§ 2201 et seq. based on Defendant's threats to sue Plaintiff for patent infringement, thereby			
17	giving rise to an actual case or controversy under 28 U.S.C. §§ 2201 and 2202.			
18	5. This Court has personal jurisdiction over Shipping and Transit. Shipping and			
19	Transit conducts substantial business in this judicial district, including regularly doing or			
20	soliciting business, engaging in other persistent courses of conduct and deriving substantial			
21	revenue from individuals and entities in California.			
22	6. More specifically, since January 2015, Shipping and Transit has been involved in			
23	111 lawsuits asserting the '970 Patent, of which 20 suits, excluding this one, have been or are			
24	being litigated in California. California lawsuits wherein Shipping and Transit has asserted the			
25	'970 Patent include, but are not necessarily limited to:			
26	• 2:15-cv-06672-JAK-PLA Shipping & Transit, LLC v. The Antigua Group, Inc.			
27	• 2:16-cv-00911-AB-DTB Shipping & Transit LLC v. VelaTrack, Inc.			
28	• 2:16-cv-00195-RGK-AGR Shipping & Transit LLC v. 123Stores, Inc. AMENDED COMPLAINT -2- CASE No.: 3:16-cv-01453-WHO			

1	• 2:15-cv-06683-JVS-JEM Shipping & Transit, LLC v. Maravia Corp. of Idaho			
2	• 2:15-cv-06699-JVS-AJW Shipping & Transit, LLC v. Russell Brands, LLC			
3	• 2:15-cv-09793-MWF-MRW Shipping & Transit LLC v. zZounds Music, L.L.C.			
4	• 2:15-cv-09539-JAK-PJW Shipping & Transit LLC v. Gilmore and Co., Inc.			
5	• 2:15-cv-08635-GW-PLA Shipping & Transit LLC v. Campmor, Inc.			
6	• 2:15-cv-09804-CAS-AFM Shipping & Transit LLC v. Babyhaven.com Inc.			
7	• 2:15-cv-06675-JAK-PLA Shipping & Transit LLC v. C3 Concepts, Inc.			
8	• 2:15-cv-09533-AG-AS Shipping & Transit LLC v. J Brand, Inc.			
9	• 2:16-cv-00741-R-PLA Shipping & Transit LLC v. Ebuys, Inc.			
10	• 2:16-cv-00192-PSG-FFM Shipping & Transit LLC v. Marine Layer, Inc.			
11	• 2:15-cv-08638-JVS-AS Shipping & Transit LLC v. Freshpair Inc.			
12	• 2:15-cv-08641-DDP-AFM Shipping & Transit LLC v. Glasses USA, LLC			
13	7. Similarly, since January 2015, Shipping and Transit has been involved in at least			
14	63 lawsuits asserting the '359 Patent, of which 4 suits, excluding this one, have been or are being			
15	litigated in California.			
16	8. Since January 19, 2016, Shipping and Transit has been involved in at least 29			
17	lawsuits asserting the '207 Patent, of which 7 suits, excluding this one, have been or are being			
18	litigated in California.			
19	9. Since January 19, 2016, Shipping and Transit has been involved in at least 29			
20	lawsuits asserting the '299 Patent, of which 7 suits, excluding this one, have been or are being			
21	litigated in California.			
22	10. Indeed, Shipping and Transit is so partial to purposefully availing itself of the			
23	California federal district courts, and using those courts as a preferred forum for asserting its			
24	patents, that it files suit here against companies that are based in other states, with no apparent			
25	connection to California at all. See, e.g., Shipping & Transit, LLC v. Maravia Corporation of			
26	<i>Idaho</i> , Case. No. 2:15-cv-06683-JVS-JEM (C.D. Cal. Sept. 1, 2015) (asserting the '970 Patent).			
27	11. Shipping and Transit has sent letters to numerous other companies, including			
28	numerous other companies based in California, asserting infringement of one or more of the AMENDED COMPLAINT -3- CASE NO.: 3:16-cv-01453-WHO			

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Patents-in-suit and demanding payment of money. See Exhibit 1 at pp. 14-17 (identifying companies that have obtained a license from Shipping and Transit).

- 12. Shipping and Transit was "formerly known as ArrivalStar S.A. and Melvino Technologies Limited." See Exhibit 1. As such, Shipping and Transit was involved in approximately 511 lawsuits across the United States involving the patents-in-suit, or other related patents. As "ArrivalStar S.A. and Melvino," Shipping and Transit regularly, continuously, and systematically availed itself of the California federal district courts, and repeatedly used those courts as a preferred forum for asserting a number of the patents-in-suit, including the '970, '207, '359, and '299 Patents.
- 13. As "ArrivalStar S.A. and Melvino," Shipping and Transit has sent letters to hundreds (if not thousands) of companies, including hundreds (if not thousands) of companies based on California, asserting infringement of one or more of the patents-in-suit and demanding payment of money.
- 14. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b) & (c) because a substantial part of the events or omissions giving rise to the claims herein occurred in this judicial district and because defendant is subject to the Court's personal jurisdiction with respect to, at a minimum, Plaintiff's claim for breach of contract.

FACTUAL BACKGROUND

A. The Asserted Patents

- 15. On April 22, 1997, U.S. Patent No. 7,400,970 (the '970 Patent), entitled System and Method for a Notification System for Monitoring and Reporting Proximity of a Vehicles was issued.
- 16. In the American Letter, Shipping and Transit admits that the patent term of the '970 Patent has ended. See Exhibit 1, pp. 1-2 & 7.
- 17. Shipping and Transit has accused Plaintiff of infringing Claims 1 and 8 of the '970 Patent. By way of example, Claim 1 of the '970 Patent claims as follows:
 - 1. A computer based notification system, comprising:

means for enabling communication with a user that is designated to receive delivery of a package;

means for presenting one or more selectable options to the user, the selectable options including at least an activation option for instigating monitoring of travel data associated with a vehicle that is delivering the package to the user;

means for requesting entry by the user of a package identification number or package delivery number, each pertaining to delivery of the package;

means for identifying the vehicle based upon the entry;

means for requesting entry by the user of contact information indicating one or more communication media to be used in connection with a notification communication to the user;

means for monitoring the travel data; and

means for initiating the notification communication pertaining to the package via the one or more communication media, based upon the travel data.

The '970 Patent, claim 1 (emphasis added).

- 18. Joyfolie has not and does not infringe Claims 1 or 8 for at least the following reasons. Claims 1 or 8 require, *inter alia*, "means for initiating the notification communication pertaining to the package via the one or more communication media, based upon the travel data." The accused third party online ordering platform that Joyfolie utilizes, however, does not initiate a notification communication "based upon the travel data." The '970 Patent defines "travel data" in the context of real time, periodically updated information about the delivery vehicle containing the package, such as its location or distance and time from the delivery address.
- 19. Rather, to the extent that the third party system notifies a Joyfolie customer at all, the notices merely inform the customer that the order has been received and then confirms that the order has been shipped. The accused third party online ordering platform that Joyfolie utilizes does not initiate a notification to the customer with travel data (*e.g.*, the current location of the package as it travels in a specific delivery vehicle).
- 20. Claims 1 or 8 also require a "means for identifying the vehicle based upon the entry [of the package identification number]." The accused third-party platform does not identify the vehicle delivering the package.
- 21. On July 2, 2002, U.S. Patent No. 6,415,207 (the '207 Patent), entitled System and Method for Automatically Providing Vehicle Status Information was issued.

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- 22. Shipping and Transit has accused Plaintiff of infringing claims 5 and 7 of the '207 Patent. By way of example, Claim 5 of the '207 Patent claims as follows:
 - 5. A system for monitoring and reporting status of vehicles, comprising:

means for maintaining status information associated with a vehicle, said status information indicative of a current proximity of said identified vehicle;

means for communicating with a remote communication device, said means for communicating including a means for receiving caller identification information automatically transmitted to said communicating means;

means for utilizing said caller identification information to automatically search for and locate a set of said status information; and

means for automatically retrieving and transmitting said set of said status information.

The '207 Patent, claim 5 (emphasis added). Claim 7 depends from Claim 5 and requires "wherein said caller identification information is an e-mail address."

- 23. The accused third party online ordering platform that Joyfolie utilizes does not infringe Claims 5 or 7 for at least the following reasons. Claim 5 is directed to a system "for monitoring and reporting status of vehicles." To do so, Claim 5 requires, *inter alia*, "means for maintaining status information associated with a vehicle, said status information indicative of a current proximity of said identified vehicle." The '207 Patent specification teaches that the claimed systems track in real time the progress of a delivery vehicle and then report that information to the customer expecting the package.
- 24. The accused third party online ordering platform that Joyfolie utilizes, however, does not monitor the progress of a delivery vehicle in real time and does not then update the customer on the progress of that vehicle. Nor does the system maintain status information on that vehicle, let alone identify it. Rather, to the extent that the third party system notifies the customer, it merely notifies the customer that the order has been received and then confirms that the order has been shipped.
- 25. On July 13, 2004, U.S. Patent No. 6,763,299 (the '299 Patent), entitled Notification Systems and Methods with Notifications Based Upon Prior Stop Locations was issued.

- 26. In the American Letter, Shipping and Transit admits that the patent term of the '299 Patent has ended. *See* Exhibit 1, pp. 1-2.
- 27. Shipping and Transit has accused Plaintiff of infringing claim 79 of the '299 Patent. By way of example, Claim 79 of the '299 Patent claims as follows:
 - 79. A system, comprising:

means for maintaining delivery information identifying a plurality of stop locations;

means for monitoring travel data associated with a vehicle in relation to the delivery information;

means for, when the vehicle approaches, is at, or leaves a stop location:

determining a subsequent stop location in the delivery information;

determining user defined preferences data associated with the stop location, the user defined preferences data including a distance between the vehicle and the subsequent stop that corresponds to when the party wishes to receive the communication; and

sending a communication to a party associated with the subsequent stop location in accordance with the user defined preferences data to notify the party of impending arrival at the subsequent stop location.

'299 Patent, claim 79 (emphasis added).

- 28. The accused third party online ordering platform that Joyfolie utilizes does not infringe Claim 79 for at least the following reasons. Claim 79 requires, *inter alia*, "monitoring travel data associated with a vehicle," "determining a subsequent stop location," and then sending a communication notifying the customer "of the impending arrival" of that vehicle at the delivery address. The '299 Patent specification teaches that the claimed systems track in real time the progress of a delivery vehicle at each predefined stop and then report that information to the ultimate destination.
- 29. The accused third party online ordering platform that Joyfolie utilizes, however, does not monitor the progress of a delivery vehicle in real time and does not send an email to update the customer on the progress of the vehicle. Rather, to the extent that the third party system

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- The accused third party online ordering platform that Joyfolie utilizes does not 33. infringe Claim 41 for at least the following reasons. Claim 41 is directed to a notification system that requires, *inter alia*, "means for establishing a second communication link between the system and the user upon occurrence of the one or more events achieved by the mobile vehicle during the travel." The '359 Patent specification teaches that the claimed systems track in real time the progress of the delivery vehicle and then report that information to the customer expecting the package.
- 34. The accused third party online ordering platform that Joyfolie utilizes, however, does not monitor the progress of a delivery vehicle in real time and does not update the customer on the progress of that vehicle. Specifically, it does not send or establish reporting on events "achieved by the mobile vehicle during the travel." Rather, to the extent that the third party system notifies the customer, the notices merely inform the customer that the order has been received and then confirms that the order has been shipped.

B. Invalidity of the Patents-in-Suit

- The American Letter's asserted claims in the '970, '207, '359, and '299 Patents, as 35. well as all other claims, are invalid for failure to comply with one or more of the sections of the Patent Code governing validity, namely, 35 U.S.C. §§ 101, 102, 103, and 112. Without limiting further arguments to be developed during the litigation, the claims of the Patents-in-suit are anticipated or rendered obvious by certain prior art references, alone or in combination, that were not considered by the USPTO in issuing the patent.
- Additionally, the '970, '207, '359, and '299 Patents are invalid as anticipated 36. pursuant to § 102 and as obvious pursuant to § 103. Prior art that renders the '970, '207, '359, and '299 Patents anticipated and/or obvious includes, but is not necessarily limited to:
 - U.S. Patent No. 4,804,937 (Barbiaux);
 - U.S. Patent No. 5,835,377 (Bush);
 - U.S. Patent No. 6,006,159 (Schmier);
 - Advanced Public Transportation System: The State of the Art Update '92, U.S. Department of Transportation, April 1992 (Labell et al.); CASE No.: 3:16-cv-01453-WHO

- Gadget May End Lengthy Bus Waits: Inventor's Locator Device Could Stop Bus-Stop Blues, S.F. Chron., Nov. 25, 1996 (Walker);
- Automatic Vehicle Monitoring, A Tool for Vehicle Fleet Operations, IEEE Transactions on Vehicular Technology, Vol. VT-29, No. 2 (May 1980) (Symes);
- German "Smart Bus" Systems: Potential for Application in Portland, Oregon Volume 1
 Technical Report, Office of Technical Assistance and Safety, Jan. 1993; and,
- Communications and Positioning Systems in the Motor Carrier Industry, Program on Advanced Technology for the Highway, Jan. 1, 1992 (Scapinakis).
- 37. As one example, the Labell reference describes systems for automatic vehicle location for monitoring and real time reporting on the status and location of vehicles. Notably, during reexamination several claims of a patent—U.S. Patent No. 7,030,781—related to the '970, '207, '359, and '299 Patents were found invalid in view of this reference.
- 38. Further, the claims to the '970, '207, '359, and '299 Patents are directed to an abstract idea and fail to claim an inventive concept that would transform said abstract idea into an eligible invention pursuant to § 101.
- 39. More specifically, the claims of the '970, '207, '359, and '299 Patents are directed to the abstract idea of letting an individual know when a package will arrive, which can be done by a person with a telephone and watch or calendar
- 40. The claims of the '970, '207, '359, and '299 Patents do not recite any particular computer hardware or other gadget. The claims of the '970, '207, '359, and '299 Patents do not identify a technical solution to any particular technical problem.

C. Joyfolie's Checkout and Shipping Process

- 41. Joyfolie is an apparel company, which focuses on shoes and other apparel for women and girls. It is a small company, with a "core team made of only a handful of [] women, who care passionately for [the] business.".
- 42. Joyfolie markets and sells its products online through a website (at www.joyfolie.com) and ships products using United States Postal Service ("USPS") and Federal

Express ("FedEx"). Joyfolie's customers are located throughout the Untied States and Canada, including in the San Francisco Bay Area.

- 43. When a customer makes a purchase on www.joyfolie.com, the third-party ecommerce software that Joyfolie uses will automatically provide an order confirmation via email to an email provided by its customer.
- 44. Joyfolie then arranges for the packaging and shipping of the customer's order via FedEx or USPS.
- 45. FedEx has a license to the entire Shipping and Transit patent portfolio, including Shipping and Transit's Canadian patents.
- 46. USPS has a license to the entire Shipping and Transit patent portfolio, including Shipping and Transit's Canadian patents. More specifically, Shipping and Transit has covenanted not to sue the USPS on any of the patents in the Shipping and Transit patent portfolio, and has signed an agreement with the USPS releasing it from all past, present, and future "claims, actions, causes of action, suits, damages, injuries, duties, rights, obligations, liabilities, adjustments, responsibilities, judgments, trespasses, and demands, whatsoever, in law or in equity, whether known or unknown, suspected or unsuspected to exist, now existing or later acquired, which were made or could have been made or may be made in the future" by Shipping and Transit based on any patent in the Shipping and Transit patent portfolio. *ArrivalStar S.A. & Melvino Technologies Ltd. v. United States*, 1:11-cv-00784, Dkt. No. 31 (Fed. Cl. Jan. 7, 2013). Shipping and Transit cannot derogate from the rights previously granted by pursuing USPS customers for the use of USPS services. *Jacobs v. Nintendo of America*, 370 F.3d 1097, 1101 (Fed. Cir. 2004).
- 47. When the order has been packed and given to the courier, the accused third party online ordering platform that Joyfolie utilizes sends an email to the customer telling her that her order has shipped, and providing her with the courier's tracking number and website link. At this point, Joyfolie has completed its interaction with the customer, the package, and the shipment.
- 48. Joyfolie does not track the package or any vehicle that carries the package, does not allow the user to specify when the user wishes to receive notifications, does not receive vehicle or location indicator numbers from the user, does not create a "vehicle status report," does not AMENDED COMPLAINT

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automatically or otherwise identify a proximity of a vehicle based on any location indicator, does not track any vehicles, does not analyze data indicative of the travel of any vehicle, does not present the user with options including an activation option to start monitoring travel data associated with a vehicle carrying a package, does not ask the user for a package identification number or package delivery number related to the delivery of a package, does not identify a vehicle based on any such package number, and does not monitor travel data associated with a vehicle delivering a package.

D. Shipping and Transit Threatens Joyfolie with Litigation

- 49. Shipping and Transit is in the business of patent licensing through the threat of litigation and actual litigation.
- 50. A key part of Shipping and Transit's business model is sending letters, emails, and making telephone calls threatening patent litigation and following through on that threat.
- 51. On or about January 29, 2016, Shipping and Transit sent a letter (the "American Letter") to Jessica Hernandez, Joyfolie's Owner and Founder, asserting that Joyfolie infringes or infringed the '970, '207, '359, and '299 Patents, and claiming that "[t]wo or more people within Shipping and Transit have done extensive research to determine patent usage before sending you this document." A true and correct copy of the American Letter is attached as Exhibit 1.
- 52. Shipping and Transit has sent a second letter (the "Canadian Letter") to companies that proactively fight infringement accusations "to acquaint [the company] with Shipping and Transit's Canadian patent portfolio, show examples of how [the company] utilizes the patented technologies and offer [the company] a license." Then, Shipping and Transit claims that the company's "past and future use requires licensing and compensation."
- 53. The Canadian letter identifies Canadian Patent Nos. 2,360,288; 2,363,556; and 2,283,239 as patents that the proactive company utilizes, does not have a license, and must pay for past and future use. These patents, like its U.S. Patents, are directed to the practice of a patented method.

54. Shipping and Transit sends the Canadian letter to companies based in the United States despite having no evidence showing, or in fact even a good faith belief, that the patented method is being practiced in Canada.

E. Third-Party Licenses Protect Joyfolie's Activities

- 55. Two parts form the basis for Shipping and Transit's claims of patent infringement against Joyfolie. The first part of Shipping and Transit's basis for patent infringement is the use of Joyfolie's checkout procedure and ecommerce platform.
- 56. The use of Joyfolie's checkout procedure and ecommerce platform is provided and managed by Magento, Inc.
- 57. The second part of Shipping and Transit's basis for patent infringement is Joyfolie's shipment of its products.
 - 58. Joyfolie ships its products using FedEx and USPS.
- 59. Magento is a digital commerce platform developed in California and currently headquartered in Campbell, California.
- 60. Magento has a license to the entire Shipping and Transit patent portfolio, including the Canadian patents. Magento's license extends to its customers, including Joyfolie.
- 61. Shipping and Transit is well aware of the fact that it has granted Magento a license to the entire Shipping and Transit patent portfolio, including the Canadian patents, and it knows (or, with reasonable investigation, should know) that Joyfolie is a Magento customer and an intended third-party beneficiary of the license that it has granted.
- 62. FedEx has licensed the entire Shipping and Transit patent portfolio, including the Canadian patents. *See* Exhibit 1, p. 14-17 (identifying FedEx Corp. as a licensee). FedEx's license extends to its customers, including Joyfolie.
- 63. Shipping and Transit is well aware of the fact that it has granted FedEx a license to the entire Shipping and Transit patent portfolio, including the Canadian patents, and it knows (or, with reasonable investigation, should know) that Joyfolie ships products using FedEx. Shipping and Transit knows that Joyfolie is an intended third-party beneficiary of the license that it has granted.

- 64. USPS has licensed the entire Shipping and Transit patent portfolio, including the Canadian patents. A true and correct copy of the covenant not to sue, which acts as a license, that Shipping and Transit granted to the USPS is attached as Exhibit 2.
- 65. The USPS license extends to its customers, including Joyfolie. Shipping and Transit cannot derogate from the rights previously granted by pursuing USPS customers for the use of USPS services. *Jacobs v. Nintendo of America*, 370 F.3d 1097, 1101 (Fed. Cir. 2004).
- 66. Shipping and Transit is aware of the fact that it has covenanted not to sue, which is the legal equivalent of a license, the USPS for the entire Shipping and Transit patent portfolio, including the Canadian patents, and it knows (or, with a reasonable investigation, should know) that Joyfolie ships products using USPS. Shipping and Transit knows that Joyfolie in an intended third-party beneficiary of the license that it has granted.
- 67. Upon information and belief, Joyfolie cannot infringe any patent in the Shipping and Transit patent portfolio on the basis of the Magento license.
- 68. Upon information and belief, Joyfolie cannot infringe any patent in the Shipping and Transit patent portfolio for any product shipped by FedEx.
- 69. Upon information and belief, Joyfolie cannot infringe any patent in the Shipping and Transit patent portfolio for any product shipped by USPS.
- 70. To the extent that Shipping and Transit claims the Magento license is insufficient to cover any patent, then all of Joyfolie's orders that ship via FedEx, USPS, or, and at a minimum, any other shipping company that Shipping and Transit identified in the American Letter as a licensee, such as United Parcel Services, are protected by each delivery company's license.

F. The Patents-in-Suit: Shipping and Transit's Patent Portfolio

- 71. The Shipping and Transit patent portfolio includes, but is not necessarily limited to, U.S. Patent Nos. 5,400,020; 5,444,444; 5,623,260; 5,648,770; 5,657,010; 5,668,543; 6,278,936; 6,313,760; 6,317,060; 6,363,254; 6,363,323; 6,411,891; 6,415,207; 6,486,801; 6,492,912; 6,510,383; 6,618,668; 6,683,542; 6,700,507; 6,714,859; 6,741,927; 6,748,318; 6,748,320; 6,763,299; 6,763,300; 6,804,606; 6,859,722; 6,904,359; 6,952,645; 6,975,998; 7,030,781;
- 28 7,089,107; 7,191,058; and 7,400,970.

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1	72.	The Shipping and Transit patent portfolio includes, but is not necessarily limited to,		
2	Canadian Patent Nos. 2,267,206; 2,283,239; 2,360,288; 2,363,556; 2,521,206; and 2,528,647.			
3	73.	The patent term for the '970 Patent has expired.		
4	74.	The patent term for the '299 Patent has expired.		
5	75.	The patent term for the '359 Patent has expired.		
6	76.	On March 21, 1995, U.S. Patent No. 5,400,020, entitled Advanced Notification		
7	System and Method was issued.			
8	77.	On August 22, 1995, U.S. Patent No. 5,444,444, entitled Apparatus and Method of		
9	Notifying a Recipient of an Unscheduled Delivery was issued.			
10	78.	On April 22, 1997, U.S. Patent No. 5,623,260, entitled Advanced Notification		
11	System and Method Utilizing Passenger-Definable Notification Time Period was issued.			
12	79.	On July 15, 1997, U.S. Patent No. 5,648,770, entitled Apparatus and Method of		
13	Notifying a Pa	arty of an Pending Delivery or Pickup was issued.		
14	80.	On August 12, 1997, U.S. Patent No. 5,657,010, entitled Advanced Notification		
15	System and M	Method Utilizing Vehicle Progress Report Generator was issued.		
16	81.	On September 16, 1997, U.S. Patent No. 5,668,543, entitled Advance Notification		
17	System and Method Utilizing Passenger Calling Report Generator was issued.			
18	82.	On August 21, 2001, U.S. Patent No. 6,278,936, entitled System and Method for an		
19	Advance Notification System for Monitoring and Reporting Proximity of a Vehicle was issued.			
20	83.	On November 6, 2001, U.S. Patent No. 6,313,760, entitled Advanced Notification		
21	System and Method Utilizing a Distinctive Telephone Ring was issued.			
22	84.	On November 13, 2001, U.S. Patent No. 6,317,060, entitled Base Station System		
23	and Method for	or Monitoring Travel of Mobile Vehicles and Communicating Notification Messages		
24	was issued.			
25	85.	On March 26, 2002, U.S. Patent No. 6,363,254, entitled System and Method for		
26	Enciphering and Communicating Vehicle Tracking Information was issued.			
27	86.	On March 26, 2002, U.S. Patent No. 6,363,323, entitled Apparatus and method for		

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28 monitoring travel of a mobile vehicle was issued.

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1	87.	On June 25, 2002, U.S. Patent No. 6,411,891, entitled Advance Notification System		
2	and Method Utilizing User-Definable Notification Time Periods was issued.			
3	88.	On November 26, 2002, U.S. Patent No. 6,486,801, entitled Base Station Apparatus		
4	and Method f	or Monitoring Travel of a Mobile Vehicle was issued.		
5	89.	On December 10, 2002, U.S. Patent No. 6,492,912, entitled System and Method for		
6	Efficiently Notifying Users of Impending Arrivals of Vehicles was issued.			
7	90.	On January 21, 2003, U.S. Patent No. 6,510,383, entitled Vehicular Route		
8	Optimization System and Method was issued.			
9	91.	On September 9, 2003, U.S. Patent No. 6,618,668, entitled System and Method for		
10	Obtaining Vehicle Schedule Information in an Advance Notification System was issued.			
11	92.	On January 27, 2004, U.S. Patent No. 6,683,542, entitled Advanced Notification		
12	System and M	Method Utilizing a Distinctive Telephone Ring was issued.		
13	93.	On March 2, 2004, U.S. Patent No. 6,700,507, entitled Advance Notification		
14	System and M	Method Utilizing Vehicle Signaling was issued.		
15	94.	On March 30, 2004, U.S. Patent No. 6,714,859, entitled System and Method for an		
16	Advance Notification System for Monitoring and Reporting Proximity of a Vehicle was issued.			
17	95.	On May 25, 2004, U.S. Patent No. 6,741,927, entitled User-Definable		
18	Communications Methods and Systems was issued.			
19	96.	On June 8 2004, U.S. Patent No. 6,748,318, entitled Advanced Notification		
20	Systems and Methods Utilizing a Computer Network was issued.			
21	97.	On June 8 2004, U.S. Patent No. 6,748,320, entitled Advance Notification Systems		
22	and Methods	Utilizing a Computer Network was issued.		
23	98.	On July 13, 2004, U.S. Patent No. 6,763,300, entitled Notification Systems and		
24	Methods with Purpose Message in Notifications was issued.			
25	99.	On October 12, 2004, U.S. Patent No. 6,804,606, entitled Notification Systems and		
26	Methods with User-Definable Notifications Based Upon Vehicle Proximities was issued.			
27	100.	On February 22, 2005, U.S. Patent No. 6,859,722, entitled Notification Systems		

and Methods with Notifications Based Upon Prior Package Delivery was issued.

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- 101. On October 4, 2005, U.S. Patent No. 6,952,645, entitled System and Method for Activation of an Advance Notification System for Monitoring and Reporting Status of Vehicle Travel was issued.
- 102. On December 13, 2005, U.S. Patent No. 6,975,998, entitled Package Delivery Notification System and Method was issued.
- 103. On April 18, 2006, U.S. Patent No. 7,030,781, entitled Notification System and Method that Informs a Party of Vehicle Delay was issued.
- 104. On August 8, 2006, U.S. Patent No. 7,089,107, entitled System and Method for an Advance Notification System for Monitoring and Reporting Proximity of a Vehicle was issued.
- 105. On March 13, 2007, U.S. Patent No. 7,191,058, entitled Notification Systems and Methods Enabling User Entry of Notification Trigger Information Based Upon Monitored Mobile Vehicle Location was issued.

$\underline{Count\ I-Declaration\ of\ invalidity}$

(U.S. Patent No. 7,400,970)

- 106. Joyfolie restates and incorporates by reference the allegations in paragraphs 1 through 105 of this Complaint as if fully set forth herein.
 - 107. Shipping and Transit claims to own all rights, title, and interest to the '970 Patent.
 - 108. Shipping and Transit has demanded that Joyfolie take a license to the '970 Patent.
- 109. A substantial, immediate, and real controversy therefore exists between Joyfolie and Shipping and Transit regarding whether the claims of the '970 Patent are valid.
- 110. The claims of the '970 Patent are invalid under at least 35 U.S.C. §§ 101, 102, 103, and 112.
- 111. The claims of the '970 Patent do not constitute patentable subject matter pursuant to 35 U.S.C. § 101, and therefore are an invalid patent on an abstract idea.
- 112. Based on Shipping and Transit's letter, its threat of litigation for patent infringement, its pattern of litigation, and Joyfolie's denial of infringement, an actual case or controversy exists as to whether Joyfolie infringes any valid claim of the '970 Patent, and Joyfolie is entitled to a declaration that the claims of the '970 Patent are invalid.

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COUNT II – DECLARATION OF INVALIDITY

(U.S. Patent No. 6,415,207)

- 113. Joyfolie restates and incorporates by reference the allegations in paragraphs 1 through 105 of this Complaint as if fully set forth herein.
 - 114. Shipping and Transit claims to own all rights, title, and interest to the '207 Patent.
 - 115. Shipping and Transit has demanded that Joyfolie take a license to the '207 Patent.
- 116. A substantial, immediate, and real controversy therefore exists between Joyfolie and Shipping and Transit regarding whether the claims of the '207 Patent are valid.
- 117. The claims of the '207 Patent are invalid under at least 35 U.S.C. §§ 101, 102, 103, and 112.
- 118. The claims of the '207 Patent do not constitute patentable subject matter pursuant to 35 U.S.C. § 101, and therefore are an invalid patent on an abstract idea.
- 119. Based on Shipping and Transit's letter, its threat of litigation for patent infringement, its pattern of litigation, and Joyfolie's denial of infringement, an actual case or controversy exists as to whether Joyfolie infringes any valid claim of the '207 Patent, and Joyfolie is entitled to a declaration that the claims of the '207 Patent are invalid.

COUNT III - DECLARATION OF INVALIDITY

(U.S. Patent No. 6,763,299)

- 120. Joyfolie restates and incorporates by reference the allegations in paragraphs 1 through 105 of this Complaint as if fully set forth herein.
 - 121. Shipping and Transit claims to own all rights, title, and interest to the '299 Patent.
 - 122. Shipping and Transit has demanded that Joyfolie take a license to the '299 Patent.
- 123. A substantial, immediate, and real controversy therefore exists between Joyfolie and Shipping and Transit regarding whether the claims of the '299 Patent are valid.
- 124. The claims of the '299 Patent are invalid under at least 35 U.S.C. §§ 101, 102, 103, and 112.
- 125. The claims of the '299 Patent do not constitute patentable subject matter pursuant to 35 U.S.C. § 101, and therefore are an invalid patent on an abstract idea.

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126. Based on Shipping and Transit's letter, its threat of litigation for patent infringement, its pattern of litigation, and Joyfolie's denial of infringement, an actual case or controversy exists as to whether Joyfolie infringes any valid claim of the '299 Patent, and Joyfolie is entitled to a declaration that the claims of the '299 Patent are invalid.

COUNT IV - DECLARATION OF INVALIDITY

(U.S. Patent No. 6,904,359)

- 127. Joyfolie restates and incorporates by reference the allegations in paragraphs 1 through 105 of this Complaint as if fully set forth herein.
 - 128. Shipping and Transit claims to own all rights, title, and interest to the '359 Patent.
 - 129. Shipping and Transit has demanded that Joyfolie take a license to the '359 Patent.
- 130. A substantial, immediate, and real controversy therefore exists between Joyfolie and Shipping and Transit regarding whether the claims of the '359 Patent are valid.
- 131. The claims of the '359 Patent are invalid under at least 35 U.S.C. §§ 101, 102, 103, and 112.
- 132. The claims of the '359 Patent do not constitute patentable subject matter pursuant to 35 U.S.C. § 101, and therefore are an invalid patent on an abstract idea.
- 133. Based on Shipping and Transit's letter, its threat of litigation for patent infringement, its pattern of litigation, and Joyfolie's denial of infringement, an actual case or controversy exists as to whether Joyfolie infringes any valid claim of the '359 Patent, and Joyfolie is entitled to a declaration that the claims of the '359 Patent are invalid.

COUNT V – DECLARATION OF NON-INFRINGEMENT (U.S. Patent No. 7,400,970)

- 134. Joyfolie restates and incorporates by reference the allegations in paragraphs 1 through 105 of this Complaint as if fully set forth herein.
 - 135. Shipping and Transit claims to own all rights, title, and interest in the '970 Patent.
 - 136. Shipping and Transit has demanded that Joyfolie take a license to the '970 Patent.
- 137. Based on Shipping and Transit's letters, its threat of litigation for patent infringement, and its pattern of litigation, and Joyfolie's denial of infringement, a substantial, immediate, and real controversy exists between Joyfolie and Shipping and Transit regarding

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whether Joyfolie directly or indirectly infringes or has infringed the '970 Patent. A judicial declaration is necessary to determine the parties' respective rights regarding the '970 Patent.

138. Joyfolie seeks a judgment declaring that Joyfolie does not directly or indirectly infringe and has not infringed any claim of the '970 Patent.

COUNT VI – DECLARATION OF NON-INFRINGEMENT

(U.S. Patent No. 6,415,207)

- 139. Joyfolie restates and incorporates by reference the allegations in paragraphs 1 through 105 of this Complaint as if fully set forth herein.
 - 140. Shipping and Transit claims to own all rights, title, and interest in the '207 Patent.
 - 141. Shipping and Transit has demanded that Joyfolie take a license to the '207 Patent.
- 142. Based on Shipping and Transit's letters, its threat of litigation for patent infringement, and its pattern of litigation, and Joyfolie's denial of infringement, a substantial, immediate, and real controversy exists between Joyfolie and Shipping and Transit regarding whether Joyfolie directly or indirectly infringes or has infringed the '207 Patent. A judicial declaration is necessary to determine the parties' respective rights regarding the '207 Patent.
- 143. Joyfolie seeks a judgment declaring that Joyfolie does not directly or indirectly infringe and has not infringed any claim of the '207 Patent.

COUNT VII – DECLARATION OF NON-INFRINGEMENT (U.S. Patent No. 6,763,299)

- 144. Joyfolie restates and incorporates by reference the allegations in paragraphs 1 through 105 of this Complaint as if fully set forth herein.
 - 145. Shipping and Transit claims to own all rights, title, and interest in the '299 Patent.
 - 146. Shipping and Transit has demanded that Joyfolie take a license to the '299 Patent.
- 147. Based on Shipping and Transit's letters, its threat of litigation for patent infringement, and its pattern of litigation, and Joyfolie's denial of infringement, a substantial, immediate, and real controversy exists between Joyfolie and Shipping and Transit regarding whether Joyfolie directly or indirectly infringes or has infringed the '299 Patent. A judicial declaration is necessary to determine the parties' respective rights regarding the '299 Patent.

148. Joyfolie seeks a judgment declaring that Joyfolie does not directly or indirectly infringe and has not infringed any claim of the '299 Patent.

COUNT VIII – DECLARATION OF NON-INFRINGEMENT

(U.S. Patent No. 6,904,359)

- 149. Joyfolie restates and incorporates by reference the allegations in paragraphs 1 through 105 of this Complaint as if fully set forth herein.
 - 150. Shipping and Transit claims to own all rights, title, and interest in the '359 Patent.
 - 151. Shipping and Transit has demanded that Joyfolie take a license to the '359 Patent.
- 152. Based on Shipping and Transit's letters, its threat of litigation for patent infringement, and its pattern of litigation, and Joyfolie's denial of infringement, a substantial, immediate, and real controversy exists between Joyfolie and Shipping and Transit regarding whether Joyfolie directly or indirectly infringes or has infringed the '359 Patent. A judicial declaration is necessary to determine the parties' respective rights regarding the '359 Patent.
- 153. Joyfolie seeks a judgment declaring that Joyfolie does not directly or indirectly infringe and has not infringed any claim of the '359 Patent.

Count IX – Declaration of Unenforceability Based on License

- (U.S. Patent Nos. 5,400,020; 5,444,444; 5,623,260; 5,648,770; 5,657,010; 5,668,543; 6,278,936; 6,313,760; 6,317,060; 6,363,254; 6,363,323; 6,411,891; 6,415,207; 6,486,801; 6,492,912; 6,510,383; 6,618,668; 6,683,542; 6,700,507; 6,714,859; 6,741,927; 6,748,318; 6,748,320; 6,763,299; 6,763,300; 6,804,606; 6,859,722; 6,904,359; 6,952,645; 6,975,998; 7,030,781; 7,089,107; 7,191,058; and 7,400,970; and Canadian Patent Nos. 2,267,206; 2,283,239; 2,360,288; 2,363,556; 2,521,206; and 2,528,647)
- 154. Joyfolie restates and incorporates by reference the allegations in paragraphs 1 through 153 of this Amended Complaint as if fully set forth herein.
- 155. Shipping and Transit has granted licenses to third parties that cover Joyfolie's services, systems, and practices that Shipping and Transit accuses of infringement in the American Letter.
- 156. Shipping and Transit granted a license to its entire patent portfolio to Magento that extends to Magento's customers.
- 157. Joyfolie is an intended third-party beneficiary of the Shipping and Transit-Magento license.

- 158. Shipping and Transit's license grant to Magento renders the entire Shipping and Transit Patent Portfolio contractually unenforceable, at minimum, against Joyfolie because it is an intended third-party beneficiary of that license.
- 159. Shipping and Transit granted a license to its entire patent portfolio to FedEx that extends to anything "in connection with any product, service, or system provided to or for FedEx or its Affiliates."
- 160. Joyfolie is an intended third-party beneficiary of the Shipping and Transit-FedEx license.
- 161. Shipping and Transit's license grant to FedEx renders the entire Shipping and Transit Patent Portfolio contractually unenforceable, at minimum, against Joyfolie for all products shipped via FedEx because it is an intended third-party beneficiary of that license.
- 162. Shipping and Transit has granted a license, the legal equivalent of a covenant not to sue, to its entire patent portfolio to the USPS that extends to its customers.
- 163. Joyfolie is an intended third-party beneficiary of this license by virtue of shipping with the USPS.
- 164. Shipping and Transit's license grant to the USPS renders the entire Shipping and Transit Patent Portfolio contractually unenforceable, at minimum, against Joyfolie for all products shipped via USPS because it is an intended third-party beneficiary of that license.
- 165. A substantial, immediate, and real controversy exists between Joyfolie and Shipping and Transit regarding whether the Joyfolie's services, systems, and practices that Shipping and Transit accuses of infringement are, in fact, licensed and incapable of infringing any patent in the Shipping and Transit Patent Portfolio.
- 166. A judicial declaration of unenforceability by virtue of license is necessary to establish Joyfolie's right to continue operating its business free of unwarranted claims of infringement by Shipping and Transit.

Count X – Breach of Contract

167. Joyfolie restates and incorporates by reference the allegations in paragraphs 1 through 166 of this Complaint as if fully set forth herein. CASE No.: 3:16-cv-01453-WHO

- 168. Shipping and Transit has granted licenses to third parties that cover the Joyfolie methods, processes, and systems that are accused of infringement by Shipping and Transit's American Letter.
- 169. Upon information and belief, Joyfolie's checkout process and shipping method are covered by the Magento, FedEx, and USPS licenses. Joyfolie is an intended third-party beneficiary of Shipping and Transit's contracts with Magento, FedEx, and USPS.
- 170. Upon information or belief, Joyfolie has complied with all, or substantially all, of the requirements that the Shipping and Transit's licenses with Magento, FedEx, and USPS required, which is utilize Magento's software and ship products via FedEx or USPS.
- 171. Upon information and belief, all conditions required by the licenses have occurred to trigger Shipping and Transit's performance and obligations pursuant to the licenses.
- 172. The USPS covenant not to sue granted by Shipping and Transit does not require any conditions by the USPS or Joyfolie to trigger Shipping and Transit's performance and obligations pursuant to the license.
- 173. Shipping and Transit has threatened litigation for patent infringement against, demanded money from, and harassed Joyfolie in breach of its license agreements with Magento, USPS, and FedEx. Shipping and Transit's patent infringement accusations or any claims of patent infringement, which rely on licensed systems, processes, and services, that Shipping and Transit may assert are material breaches of those licenses.
- 174. Shipping and Transit has made accusations of patent infringement in bad faith and with unclean hands, and has made threats to pursue litigation against Joyfolie even though Joyfolie is protected by licenses that Shipping and Transit has granted.
- 175. As a result of Shipping and Transit breaching, at a minimum, the Magento, UPS, USPS, and FedEx licenses, Joyfolie has been harmed.
- 176. As an intended third-party beneficiary of these licenses, Joyfolie has standing to file suit on said breach and seek enforcement of the parties' contractual terms for which it is an intended beneficiary, as well as seek compensation for the harm it has suffered and the costs to enforce the contractual terms.

1	PRAYER FOR RELIEF				
2	WHEREFORE, Joyfolie respectfully prays for the following relief:				
3	A. A declaration that Joyfolie's services, systems, and practices do not infringe and				
4	have not infringed the '970, '207, '299, and '359 Patents;				
5	B. A declaration that the '970, '207, '299, and '359 Patents are invalid;				
6	C. A declaration that U.S. Patent Nos. 5,400,020; 5,444,444; 5,623,260; 5,648,770;				
7	5,657,010; 5,668,543; 6,278,936; 6,313,760; 6,317,060; 6,363,254; 6,363,323; 6,411,891;				
8	6,415,207; 6,486,801; 6,492,912; 6,510,383; 6,618,668; 6,683,542; 6,700,507; 6,714,859;				
9	6,741,927; 6,748,318; 6,748,320; 6,763,299; 6,763,300; 6,804,606; 6,859,722; 6,904,359;				
10	6,952,645; 6,975,998; 7,030,781; 7,089,107; 7,191,058; and 7,400,970; and Canadian Patent Nos.				
11	2,267,206; 2,283,239; 2,360,288; 2,363,556; 2,521,206; and 2,528,647 are contractually				
12	unenforceable against Joyfolie.				
13	D. A determination that Shipping and Transit is in breach of the licenses granted to				
14	Magento, FedEx, and USPS and that, as an intended third-party beneficiary, Joyfolie has been				
15	harmed by said breach.				
16	E. An injunction barring further breach of the licenses granted to Magento, FedEx,				
17	and USPS including an injunction barring the initiation and prosecution of any lawsuit in the				
18	United States, Canada, or elsewhere, against Joyfolie based on the Shipping and Transit Patent				
19	Portfolio;				
20	F. A determination that this is an exceptional case and an award of all costs and				
21	attorneys' fees to Joyfolie;				
22	G. That Joyfolie be awarded its costs of suit, and pre- and post-judgment interest on				
23	any money amount; and				
24	H. Any other relief as this Court deems just and proper.				
25	Dated: April 15, 2016 Respectfully submitted,				
26	/s/ Marcel F. De Armas				
27	Marcel F. De Armas				
28	AMENDED COMPLAINT -24- CASE No.: 3:16-cv-01453-WHO				

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