

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

THEFT PREVENTION INNOVATIONS LLC,

Plaintiff,

v.

AWAREPOINT CORPORATION,

Defendant.

CIVIL ACTION NO. 2:16-cv-469

FIRST AMENDED COMPLAINT
FOR PATENT INFRINGEMENT

JURY TRIAL DEMANDED

Plaintiff Theft Prevention Innovations LLC (“Theft Prevention”) files this First Amended Complaint pursuant to Rule 15(a)(1)(B) against the above-named Defendant, alleging, based on its own knowledge as to itself and its own actions, and based on information and belief as to all other matters, as follows:

PARTIES

1. Theft Prevention is a limited liability company formed under the laws of the State of Texas, with a principal place of business in Austin, Texas.

2. Defendant AwarePoint Corporation is a corporation organized under the laws of Delaware with a place of business in San Diego, CA. It has appeared in this matter and can be served through its attorneys of record.

JURISDICTION AND VENUE

3. This is an action for infringement of a United States patent arising under 35 U.S.C. §§ 271, 281, and 284–85, among others. This Court has subject matter jurisdiction of the action under 28 U.S.C. §§ 1331 and 1338(a).

4. Venue is proper in this district under 28 U.S.C. §§ 1391 and 1400(b). Defendant has transacted business in this district and has committed acts of patent infringement in this district.

5. Defendant is subject to this Court's specific and general personal jurisdiction under due process and/or the Texas Long Arm Statute due at least to Defendant's substantial business in this forum, including: (i) at least a portion of the infringements alleged herein; and (ii) regularly doing or soliciting business, engaging in other persistent courses of conduct, and/or deriving substantial revenue from goods and services provided to individuals in Texas and in this district.

COUNT I: INFRINGEMENT OF U.S. PATENT NO. 7,671,741

6. On March 2, 2010, United States Patent No. 7,671,741 ("the 741 patent") was duly and legally issued by the United States Patent and Trademark Office for an invention titled "Anti-Theft Security Device and Perimeter Detection System."

7. Theft Prevention is the owner of the 741 patent with all substantive rights in and to that patent, including the sole and exclusive right to prosecute this action and enforce the 741 patent against infringers, and to collect damages for all relevant times.

8. The 741 patent generally covers security systems and tags that, among other things, can be connected to merchandise and have the ability to monitor whether a party removes or attempts to remove the tag, and to emit a signal when a party has done so without authorization.

9. Defendant, without authority from Theft Prevention, made, had made, used, imported, provided, supplied, distributed, sold, and/or offered for sale security systems and/or tags (the "accused products"). These acts constitute direct infringement (literally and/or under

the doctrine of equivalents) under 35 U.S.C. § 271(a). Defendant's infringement in this regard is ongoing.

10. Defendant has also indirectly infringed the 741 patent by inducing others to directly infringe the 741 patent. Defendant has induced the end-users to directly infringe (literally and/or under the doctrine of equivalents) the 741 patent by using the accused products. Defendant took active steps, directly and/or through contractual relationships with others, with the specific intent to cause them to use the accused products in a manner that infringes the 741 patent. Such steps by Defendant included, among other things, advising or directing customers and end-users to use the accused products in an infringing manner; advertising and promoting the use of the accused products in an infringing manner; and/or distributing instructions that guide users to use the accused products in an infringing manner. This induces end-users to use the accused products in a manner that infringes the 741 patent. Defendant's inducement is ongoing.

11. Defendant has also indirectly infringed by contributing to the infringement of the 741 patent. Defendant has contributed to the direct infringement (literally and/or under the doctrine of equivalents) of the 741 patent by the end-user of the accused products. The accused products have special features that are specially designed to be used in an infringing way and that have no substantial uses other than ones that infringe the 741 patent. The special features are included, for example, in security tags that, among other things, can be connected to merchandise and have the ability to monitor whether a party removes or attempts to remove the security tag, and to emit a signal when a party has done so without authorization in a manner that infringes the 741 patent. The special features constitute a material part of the invention of one or more of the claims of the 741 patent and are not staple articles of commerce suitable for substantial non-infringing use. Defendant's contributory infringement is ongoing.

12. Defendant has knowledge of the 741 patent at least as of the date when it was notified of the filing of this action.

13. Defendant's actions are at least objectively reckless as to the risk of infringing a valid patent, and this objective risk was either known or should have been known by Defendant.

14. Defendant's direct and indirect infringement of the 741 patent is, has been, and continues to be willful, intentional, deliberate, and/or in conscious disregard of Theft Prevention's rights under the patent.

15. The accused products include at least the following models and/or systems: Awarepoint aware360 Real Time Location System (RTLS), and Awarepoint Asset Tags. The accused products infringe at least claim 29 of the 741 patent.

16. Theft Prevention has been damaged as a result of the infringing conduct by Defendant alleged above. Thus, Defendant is liable to Theft Prevention in an amount that adequately compensates Theft Prevention for such infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

17. Theft Prevention and/or its predecessors-in-interest have satisfied all statutory obligations required to collect pre-filing damages for the full period allowed by law.

COUNT II: INFRINGEMENT OF U.S. PATENT NO. 9,165,446

18. On October 20, 2015, United States Patent No. 9,165,446 ("the 446 patent") was duly and legally issued by the United States Patent and Trademark Office for an invention titled "Anti-Theft Security Device and Perimeter Detection System."

19. Theft Prevention is the owner of the 446 patent with all substantive rights in and to that patent, including the sole and exclusive right to prosecute this action and enforce the 446 patent against infringers, and to collect damages for all relevant times.

20. The 446 patent generally covers security systems and tags that, among other things, can be connected to an object and have the ability to monitor whether a party removes or attempts to remove the security tag or a portion thereof, and to emit a signal when a party has done so without authorization.

21. Defendant, without authority from Theft Prevention, made, had made, used, imported, provided, supplied, distributed, sold, and/or offered for sale security systems and/or tags (the “accused products”). These acts constitute direct infringement (literally and/or under the doctrine of equivalents) under 35 U.S.C. § 271(a). Defendant’s infringement in this regard is ongoing.

22. Defendant has also indirectly infringed the 446 patent by inducing others to directly infringe the 446 patent. Defendant has induced the end-users to directly infringe (literally and/or under the doctrine of equivalents) the 446 patent by using the accused products. Defendant took active steps, directly and/or through contractual relationships with others, with the specific intent to cause them to use the accused products in a manner that infringes the 446 patent. Such steps by Defendant included, among other things, advising or directing customers and end-users to use the accused products in an infringing manner; advertising and promoting the use of the accused products in an infringing manner; and/or distributing instructions that guide users to use the accused products in an infringing manner. This induces end-users to use the accused products in a manner that infringes the 446 patent. Defendant’s inducement is ongoing.

23. Defendant has also indirectly infringed by contributing to the infringement of the 446 patent. Defendant has contributed to the direct infringement (literally and/or under the doctrine of equivalents) of the 446 patent by the end-user of the accused products. The accused products have special features that are specially designed to be used in an infringing way and that have no substantial uses other than ones that infringe the 446 patent. The special features are included, for example, in security tags that, among other things, can be connected to an object and have the ability to monitor whether a party removes or attempts to remove the security tag or a portion thereof, and to emit a signal when a party has done so without authorization in a manner that infringes the 446 patent. The special features constitute a material part of the invention of one or more of the claims of the 446 patent and are not staple articles of commerce suitable for substantial non-infringing use. Defendant's contributory infringement is ongoing.

24. Defendant has knowledge of the 446 patent at least as of the date when it was notified of the filing of this action.

25. Defendant's actions are at least objectively reckless as to the risk of infringing a valid patent, and this objective risk was either known or should have been known by Defendant.

26. Defendant's direct and indirect infringement of the 446 patent is, has been, and continues to be willful, intentional, deliberate, and/or in conscious disregard of Theft Prevention's rights under the patent.

27. The accused products include at least the following models and/or systems: Awarepoint aware360 Real Time Location System (RTLS), and Awarepoint Asset Tags. The accused products infringe at least claim 9 of the 446 patent.

28. Theft Prevention has been damaged as a result of the infringing conduct by Defendant alleged above. Thus, Defendant is liable to Theft Prevention in an amount that

adequately compensates Theft Prevention for such infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

29. Theft Prevention and/or its predecessors-in-interest have satisfied all statutory obligations required to collect pre-filing damages for the full period allowed by law.

JURY DEMAND

Theft Prevention hereby requests a trial by jury on all issues so triable by right.

PRAYER FOR RELIEF

Theft Prevention requests that the Court find in its favor and against Defendant and that the Court grant Theft Prevention the following relief:

a. Judgment that one or more claims of the 741 and 446 patents have been infringed, either literally and/or under the doctrine of equivalents, by Defendant and/or all others acting in concert therewith;

b. Judgment that Defendant account for and pay to Theft Prevention all damages to and costs incurred by Theft Prevention because of Defendant's infringing activities and other conduct complained of herein, including an award of all increased damages to which Theft Prevention is entitled under 35 U.S.C. § 284;

c. A permanent injunction enjoining Defendant and its respective officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert therewith from infringement of the 741 and 446 patents; or, in the alternative, an award of a reasonable ongoing royalty for future infringement of the 741 and 446 patents by such entities;

d. Pre-judgment and post-judgment interest on the damages caused by Defendant's infringing activities and other conduct complained of herein;

e. A declaration by the Court that this is an exceptional case and an award to Theft Prevention of its reasonable attorneys' fees and costs in accordance with 35 U.S.C. § 285; and

f. Other and further relief as the Court may deem just and proper under the circumstances.

Dated: October 24, 2016

Respectfully submitted,

/s/ Larry D. Thompson, Jr.

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CERTIFICATE OF SERVICE

I hereby certify that on the 24th day of October, 2016, I caused the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all counsel of record.

/s/ Larry D. Thompson, Jr.
Larry D. Thompson, Jr.