

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

Navico Inc. and Navico Holding AS,

Plaintiffs,

v.

Garmin International, Inc. and Garmin USA, Inc.,

Defendants.

Civil Action No.: 2:16-cv-190

DEMAND FOR JURY TRIAL

**FIRST AMENDED COMPLAINT
FOR PATENT INFRINGEMENT AND FALSE ADVERTISING**

Plaintiffs Navico Inc. and Navico Holding AS (collectively, “Navico”) hereby file this Complaint against Garmin International, Inc. and Garmin USA, Inc. (collectively, “Garmin”), and allege on personal knowledge as to Navico’s actions, and upon information and belief as to the actions of others, as follows:

NATURE OF ACTION

1. This is a claim for patent infringement arising under the patent laws of the United States, Title 35 of the United States Code and for false advertising under the federal Lanham Act, 15 U.S.C. § 1125(a).

THE PARTIES

2. Navico Inc. is a corporation organized and existing under the laws of the State of Delaware, having a principal place of business at 4500 South 129th East Avenue, Suite 200, Tulsa, Oklahoma 74134.

3. Navico Holding AS is a corporation organized and existing under the laws of Norway, with its principal place of business at Nyåskaiveien 2, 4370 Egersund, Norway.

4. Garmin International, Inc. is a company organized and existing under the laws of the State of Kansas, having a principal place of business at 1200 East 151st Street, Olathe, Kansas 66062. Garmin International, Inc. maintains a registered agent in Texas at the following address: National Registered Agents, Inc., 1999 Bryan Street, Suite 900, Dallas, TX 75201-3136.

5. Garmin USA, Inc. is a company organized and existing under the laws of the State of Kansas, having a principal place of business at 1200 East 151st Street, Olathe, Kansas 66062. Garmin USA, Inc. maintains a registered agent in Texas at the following address: National Registered Agents, Inc., 1999 Bryan Street, Suite 900, Dallas, TX 75201-3136.

6. Garmin International, Inc. and Garmin USA, Inc. are wholly owned subsidiaries of Garmin Ltd., a Swiss corporation whose shares are publicly traded on the NASDAQ stock exchange.

7. Upon information and belief, Garmin International, Inc. imports all or a substantial portion of the Accused Products (defined below) and offers for sale and sells those products to customers nationwide including in this District.

8. Upon information and belief, Garmin USA, Inc., among other things, is engaged in the offer for sale and sale of the Accused Products to customers nationwide including in this District. Garmin USA maintains a network of authorized dealers, and Garmin's authorized dealers of its marine electronics products have dozens of locations of within this District.

JURISDICTION AND VENUE

9. This action arises under the Patent Act, Title 35 of the United States Code, and is an action for patent infringement under 35 U.S.C. § 271. This action also arises under the Lanham Act and is an action for false advertising under 15 U.S.C. § 1125(a).

10. This Court has subject-matter jurisdiction over this action on at least the following grounds:

- a. 28 U.S.C. §§ 1331, this being a civil action arising under the laws of the United States; and

- b. 28 U.S.C. § 1338(a), this being a civil action arising under the patent laws of the United States, namely, 35 U.S.C. § 1, *et seq.*, and the trademark laws of the United States, namely, the Lanham Act, 15 U.S.C. § 1051 *et seq.*

11. This Court has personal jurisdiction over Garmin inasmuch as Garmin is doing business in this State, is licensed to conduct business in this State, has significant contacts with this State, has offered for sale and sold infringing and falsely advertised products in this State, maintains sales representatives in this State, has purposefully shipped or caused to be shipped infringing and falsely advertised products into this State through established distributions channels, and has committed acts in this State that are the subject of the claims set forth herein.

12. Venue is proper in this District under the provisions of 28 U.S.C. §§ 1391(b)-(c) and 1400(b) insofar as Garmin has, among other things, committed acts of patent infringement and false advertising in this District.

THE ASSERTED PATENTS

13. This complaint is based in part on Garmin's infringement of two patents: United States Patent Nos. 9,223,022 ("the '022 Patent") and 9,244,168 ("the '168 Patent") (collectively "the Asserted Patents").

14. On December 29, 2015, the '022 Patent duly and legally issued for an invention entitled, "Linear and Circular Downscan Imaging Sonar." Navico Holding AS is the owner and assignee of the '022 Patent, and Navico Inc. is the exclusive licensee of the '022 Patent. Together, Navico owns all right, title, and interest in and to the '022 Patent. A true and correct copy of the '022 Patent is attached hereto as Exhibit A.

15. The '022 Patent is directed to, *inter alia*, a sonar apparatus for imaging an underwater environment beneath a watercraft, a sonar system for imaging an underwater environment beneath a watercraft, and a method for imaging an underwater environment beneath a watercraft. *See generally* Exhibit A, claims.

16. On January 26, 2016, the '168 Patent duly and legally issued for an invention entitled, "Sonar System Using Frequency Bursts." Navico Holding AS is the owner and assignee

of the '168 Patent, and Navico Inc. is the exclusive licensee of the '168 Patent. Together, Navico owns all right, title, and interest in and to the '168 Patent. A true and correct copy of the '168 Patent is attached hereto as Exhibit B.

17. The '168 Patent is directed to, *inter alia*, a sonar system for a vessel configured to travel along a surface of a body of water, a transducer assembly mountable to a vessel configured to travel along a surface of a body of water, a method for displaying images of areas of water underneath a vessel configured to travel along a surface of a body of water, and a sonar system for a watercraft configured to travel on a surface of a body of water. *See generally* Exhibit B, claims.

BACKGROUND

18. Navico Inc. was founded in March 2006 and is the U.S. domiciled business entity of one of the world's largest manufacturers of marine sonar equipment. Navico Inc. manufactures and markets products under the Lowrance, B&G, Simrad, GoFree, and MX Marine brands of marine electronics.

19. The Lowrance brand was originated by Lowrance Electronics, Inc., which has been a leader in marine electronics since it invented the first consumer marine sonar device in 1957. By November 1959, Lowrance Electronics, Inc. had designed and introduced the world's first high frequency transistorized marine sonar for sport fishing and boating. This portable sonar unit became the most popular sonar in the world, and Lowrance Electronics, Inc. produced more than a million units between 1959 and 1984.

20. In 1965, based on its research and development, Lowrance Electronics, Inc. introduced the first marine sonars and transducers capable of high-speed performance. Over the next several decades, Lowrance Electronics, Inc. continued to develop and introduce sonar and radar units, fish finders, mapping products, GPS devices, software tools, and a variety of other products and accessories that have revolutionized marine electronics.

21. In 2006, Lowrance Electronics, Inc. and Simrad Yachting merged to form Navico Inc.

22. Research is one of the keys to Navico Inc.'s success and provides the necessary cornerstone for its cutting-edge products. In 2008, Navico Inc. introduced the first High Definition System ("HDS") Multifunction Display. Navico Inc. has since continued to launch new award-winning products bearing features that redefine marine electronics, including StructureScan® HD with sidescan and DownScan Imaging™, broadband sonar, Trackback™ review, Broadband 4G Radar, and StructureMap™.

23. Early marine sonar imaging systems, such as fish finders utilizing broadband sonar, generated images that helped locate fish but did not provide a clear view of underwater topography or structure, such as sunken trees or rocks. Navico's DownScan Imaging™ sonar technology, by contrast, raised the bar in fish and structure-finding technology by providing greater target and bottom definition with improved clarity and detail. This new technology has proven to be particularly adept at generating sharp, picture-like images.

24. Beginning in 2008, Navico developed its DownScan Imaging™ technology, designed to generate near picture-perfect images of structure, fish, and bottom contours located directly beneath the boat. By about July 2009, Navico began filing patent applications to protect its DownScan Imaging™ innovations.

25. Navico has invested significant resources to the development, testing, product support, repair, and service of its product lines. These expenditures and efforts demonstrate Navico's commitment to bringing state-of-the-art marine sonar equipment to U.S. consumers.

26. Navico Holding AS is the holding company for the company's legal entities, and owns the entire right, title, and interest to the Asserted Patents. Navico Holding AS houses the head office functions and is the global manager of research and development activities, enabling use of common design and technical platforms and the most efficient use of available resources.

27. Following Navico's lead, Garmin developed marine sonar imaging devices that incorporate, without authorization, certain of Navico's technologies as set forth and claimed in the Asserted Patents. Garmin generally advertises these products as containing DownVü or ClearVü (having both DownVü and SideVü).

28. Garmin's Accused Products fall into the categories of products, or portions of products, that are generally referred to by Garmin as fishfinders, fishfinders/GPS combos, chartplotter/sonar combos, transducers, and/or sonar modules. In operation, these products generally include a head unit that has a display, electronics that are located either in the head unit or a sonar module, and a transducer that includes a linear transducer element and a circular transducer element. Upon information and belief, Garmin's current versions of the Accused Products are found in Garmin's 2016 Marine Catalog (attached as Exhibit C) and on Garmin's website (www.garmin.com).

29. The Accused Products incorporate, among other features, a linear downscan transducer element and a second downscan transducer element as claimed in the '022 Patent.

30. The Accused Products incorporate, among other features, a linear transducer element and a circular transducer element as claimed in the '168 Patent.

31. Garmin advertises DownVü using an image of a fan-shaped sonar beam, stating that DownVü "gives you a clearer picture of what's below your boat." Exhibit C, at 9.

32. Navico and Garmin have litigated the issue of Garmin's infringement of certain other Navico patents by prior versions of Garmin products having DownVü. In one of the litigations, International Trade Commission ("ITC") Investigation No. 337-TA-921, *Certain Marine Sonar Imaging Devices, Including Downscan and Sidescan Devices, Products Containing the Same, and Components Thereof* ("the 921 Investigation"), the ITC found that Garmin infringed two Navico patents, *i.e.*, U.S. Patent Nos. 8,305,840 and 8,605,550.

33. In a second litigation, *Navico Inc. v. Garmin International, Inc.*, Dkt. No. 14-CV-0303 (N.D. Okla.), Navico and Garmin litigated these issues. On January 15, 2016, the district court stayed the litigation pending resolution of appeals to the United States Court of Appeals for the Federal Circuit in connection with the 921 Investigation.

34. Upon information and belief, following the hearing in the 921 Investigation, and in anticipation of a finding of infringement, Garmin undertook efforts to slightly modify the positioning of the linear transducer element used in Garmin's DownVü products. The

modification involved only one change, namely, changing the orientation of the linear transducer element from straight down to an orientation that is rotated 16 degrees off of straight down. Garmin refers to this linear transducer element design as the “tilt design.”

35. Upon information and belief, Garmin includes a linear transducer element having the tilt design in at least the following products listed in Garmin’s 2016 Marine Catalog: the Striker dv series (including specifically the Striker 4dv), the Striker 7sv, the echoMAP CHIRP dv series, echoMAP CHIRP sv series, the GPSMAP xs series, the GPSMAP xsv series, and the GSD 25 sonar module. *See* Exhibit C, pages 9 and 36-44. Except for the GSD25 sonar module, these products use, *inter alia*, a head unit and a transducer with a linear transducer element as well as a second, circular transducer element.

36. The linear transducer element is configured to create a fan-shaped beam at a first frequency. The second, circular transducer element is configured to project a conical sonar beam at a second frequency.

37. The linear transducer element and the circular transducer element are electrically connected together and connected to a signal transmitter. Upon information and belief, the signal transmitter is configured to transmit a signal at a first frequency and/or a second frequency.

38. Garmin instructs users of the Accused Products how to use the products. Garmin does so in both the owner’s manual and in the installation instructions that Garmin provides with each of the Accused Products.

39. Since the filing of Navico’s original Complaint in this matter, Garmin has again redesigned the Accused Products. Garmin refers to certain sonar functionality in the redesigned products by the name “ClearVü,” and Garmin has made numerous statements about the purported capabilities of ClearVü.

40. Specifically, and by way of example, Garmin states in connection with various products at <buy.garmin.com> the following statements about ClearVü (the below exemplary statements collectively referred to as “the ClearVü Statements”):

- a. “ClearVü scanning sonar provides a nearly photographic view of fish and structures under the boat” (Exhibit D at 1);
- b. “ClearVü scanning sonar gives you a nearly photographic image down to 750-feet below your boat. You clearly see structure, submerged objects and fish!” (Exhibit E at 1);
- c. “ClearVü gives you a nearly photographic sonar view of structure and fish that pass below your boat” (Exhibit F at 1);
- d. “Garmin ClearVü scanning sonar gives you a nearly photographic image of what passes 750 feet below your boat” (Exhibit G at 2).

41. In fact, due to the limitations of Garmin’s redesigned ClearVü system, it, at best, provides an inaccurate and incomplete picture of what is beneath a customer’s boat; at worst, the images produced by ClearVü do not reveal what is under the boat at all, but only what is to the sides of the boat.

42. The ClearVü Statements are at best misleading regarding the true nature of the images produced by the ClearVü technology, and at worst are literally false statements.

43. The ClearVü Statements relate to the inherent qualities and characteristics of the products at issue, including the ability of the products to produce images of what is underneath a customer’s boat.

44. The ClearVü Statements are material to the purchasing decisions of Garmin’s and Navico’s customers and prospective customers.

45. Garmin and Navico are direct competitors in the consumer-level marine sonar products market.

46. Navico’s DownScan Imaging™ technology and its ability to produce detailed and accurate images of the area underneath a customer’s boat are a significant selling point for Navico’s products containing the technology. Navico has protected its DownScan Imaging™ technology with multiple patents. With the exception of Garmin, all of the major providers of marine electronics are licensees of Navico patents related to DownScan Imaging™ technology.

47. By making false and misleading statements regarding the purported ability of ClearVü products to produce “nearly photographic” images of what is “below your boat”—an ability of Navico’s DownScan Imaging™ products—Garmin is deceiving consumers in a manner that diverts sales from Navico to Garmin, causing direct financial injury to Navico, and unjust enrichment to Garmin.

CLAIM 1 – INFRINGEMENT OF U.S. PATENT NO. 9,223,022

48. The allegations contained in Paragraphs 1 through 47 above are incorporated herein by reference.

49. Upon information and belief, Garmin, without authority from the patent holder, directly infringes the ’022 Patent literally and/or under the doctrine of equivalents within the prohibitions of at least 35 U.S.C. § 271(a), including, but not limited to, independent Claim 1, and continues to do so by having made, used, offered to sell, sold, and/or imported into the United States the Accused Products.

50. Upon information and belief, Garmin induces infringement of the ’022 Patent within the prohibitions of at least 35 U.S.C. § 271(b), including, but not limited to, independent Claim 1 and continues to do so. Upon information and belief, Garmin has been on notice of the ’022 Patent prior to the filing of this complaint. Upon information and belief, Garmin has known, or willfully blinded itself to knowing, that providing instructions to its customers about use of the Accused Products would result, and has resulted, in Garmin’s customers directly infringing the ’022 Patent. Further, upon information and belief, Garmin encourages and facilitates infringement of the ’022 Patent by offering and distributing instructions with the Accused Products that encourage using the Accused Products in an infringing manner.

51. Upon information and belief, Garmin contributorily infringes the ’022 Patent within the prohibitions of at least 35 U.S.C. § 271(c), including, but not limited to, independent Claim 1 and continues to do so. Among other components of the Accused Products, the linear transducer element with the tilt design constitutes a material part of the invention claimed in the ’022 Patent, has no substantial non-infringing uses, and, upon information and belief, is known

by Garmin to be especially made or especially adapted for use in infringement of the '022 Patent. Thus, upon information and belief, Garmin has contributed to and continues to contribute to direct infringement of the '022 Patent by Garmin's customers.

52. Upon information and belief, Garmin's infringement of the '022 Patent has been willful and deliberate, despite an objectively high likelihood that its actions constitute infringement of the '022 Patent.

53. Navico has been and will continue to be damaged and irreparably injured unless this Court enjoins Garmin's infringing activities. As a result Navico is entitled to preliminary and permanent injunctive relief as deemed fair and equitable by the court.

CLAIM 2 – INFRINGEMENT OF U.S. PATENT NO. 9,244,168

54. The allegations contained in Paragraphs 1 through 47 above are incorporated herein by reference.

55. Upon information and belief, Garmin, without authority from the patent holder, directly infringes the '168 Patent literally and/or under the doctrine of equivalents within the prohibitions of at least 35 U.S.C. § 271(a), including, but not limited to, independent Claim 1, and continues to do so by having made, used, offered to sell, sold, and/or imported into the United States the Accused Products.

56. Upon information and belief, Garmin induces infringement of the '168 Patent within the prohibitions of at least 35 U.S.C. § 271(b), including, but not limited to, independent Claim 1 and continues to do so. Upon information and belief, Garmin has been on notice of the '168 Patent prior to the filing of this complaint. Upon information and belief, Garmin has known, or willfully blinded itself to knowing, that providing instructions to its customers about use of the Accused Products would result, and has resulted, in Garmin's customers directly infringing the '168 Patent. Further, upon information and belief, Garmin encourages and facilitates infringement of the '168 Patent by offering and distributing instructions with the Accused Products that encourage using the Accused Products in an infringing manner.

57. Upon information and belief, Garmin contributorily infringes the '168 Patent within the prohibitions of at least 35 U.S.C. § 271(c), including, but not limited to, independent Claim 1 and continues to do so. Among other components of the Accused Products, the linear transducer element with the tilt design constitutes a material part of the invention claimed in the '168 Patent, has no substantial non-infringing uses, and, upon information and belief, is known by Garmin to be especially made or especially adapted for use in infringement of the '168 Patent. Thus, upon information and belief, Garmin has contributed to and continues to contribute to direct infringement of the '168 Patent by Garmin's customers.

58. Upon information and belief, Garmin's infringement of the '168 Patent has been willful and deliberate, despite an objectively high likelihood that its actions constitute infringement of the '168 Patent.

59. Navico has been and will continue to be damaged and irreparably injured unless this Court enjoins Garmin's infringing activities. As a result Navico is entitled to preliminary and permanent injunctive relief as deemed fair and equitable by the court.

**CLAIM 3 – FALSE ADVERTISING IN VIOLATION OF
SECTION 43(a) OF THE LANHAM ACT, 15 U.S.C. § 1125(a)**

60. The allegations contained in Paragraphs 1 through 47 above are incorporated herein by reference.

61. The ClearVü Statements, which are made in commercial advertising or promotion via product descriptions on Garmin's online store, regarding the ability of the ClearVü technology to produce an image of what is under a customer's boat, are false or misleading.

62. These false or misleading statements are likely to cause consumer confusion, mistake, or deception as to the capabilities of Garmin's products advertised as featuring ClearVü technology. Customers will likely believe, based on the ClearVü statements, that Garmin's products can produce a complete image of what is underneath the customer's boat. In fact, the

images produced by the ClearVü technology are at best incomplete and inaccurate, and at worst not an image of what is underneath the customer's boat at all.

63. These false or misleading statements are material in that they relate to the inherent qualities and characteristics of Garmin's products containing ClearVü technology, and therefore are statements on which customers or potential customers routinely rely, have relied, and will continue to rely. The ability of a marine sonar product to produce images of what is underneath a customer's boat is a key selling point for a marine sonar product and gives any such product a crucial advantage in the marketplace.

64. Garmin's products containing ClearVü technology travel in interstate commerce.

65. The ClearVü Statements have a substantial effect on interstate commerce.

66. Garmin's actions mislead, confuse, deceive, and harm consumers.

67. Garmin's actions have caused and are causing irreparable injury to Navico and, unless restrained, will continue to cause further irreparable injury to Navico, with no adequate remedy at law.

68. Garmin's actions have caused and are causing direct financial injury to Navico through, for example, diverted sales and, unless restrained, will continue to cause further financial injury to Navico, in an amount to be proven at trial.

69. Garmin knows and has known that the ClearVü statements referenced herein are false or misleading. Therefore, Garmin undertook the described acts willfully and deliberately and with the intention of causing confusion, mistake, deception, and harm to consumers.

70. The ClearVü Statements therefore constitute willful false advertising under the federal Lanham Act, 15 U.S.C. § 1125(a).

PRAYER FOR RELIEF

WHEREFORE, Navico respectfully requests that the Court enter judgment against Garmin and against its subsidiaries, successors, parents, affiliates, officers, directors, agents, servants, employees, and all persons in active concert or participation with them, and grant the following relief:

a. Enter judgment in favor of Navico and against Garmin for direct infringement of the '022 Patent and the '168 Patent;

b. Enter judgment in favor of Navico and against Garmin for induced infringement of the '022 Patent and the '168 Patent;

c. Enter judgment in favor of Navico and against Garmin for contributory infringement of the '022 Patent and the '168 Patent;

d. Enter judgment that Garmin's infringement of the '022 Patent and the '168 Patent was and is willful;

e. Enter judgment in favor of Navico and against Garmin for an amount that will adequately compensate Navico for Garmin's infringement, but under no circumstances an amount less than a reasonable royalty for Garmin's use of Navico's patented inventions, as required by 35 U.S.C. § 284;

f. Enter judgment in favor of Navico and against Garmin pursuant to 35 U.S.C. § 154(d) for reasonable royalties for Garmin's use of Navico's patented inventions after the publications of the applications that issued as the '022 Patent and as the '168 Patent;

g. Enter judgment in favor of Navico and against Garmin for three times the amount of damages pursuant to 35 U.S.C. § 284 because of Garmin's willful infringement of the '022 Patent and the '168 Patent;

h. Enter judgment in favor of Navico and against Garmin for pre-judgment interest on all damages awarded;

i. Enter preliminary and permanent injunctions prohibiting Garmin, its officers, directors, principals, agents, sales representatives, servants, employees, successors, parents, assigns, affiliates, subsidiaries, and all those acting in concert or participation with them, from further infringement of the '022 Patent and the '168 Patent;

j. Enter judgment in favor of Navico and against Garmin declaring this case to be exceptional under 35 U.S.C. § 285 and awarding Navico its attorneys' fees and costs pursuant to 35 U.S.C. § 285;

k. Enter judgment in favor of Navico and against Garmin that the ClearVü Statements constitute willful and deliberate false advertising under 15 U.S.C. § 1125(a)(1)(B);

l. Enter preliminary and permanent injunctions ordering Garmin to, *inter alia*, immediately cease all false and/or misleading advertising, marketing, promoting, or statements concerning ClearVü, including but not limited to making any statements regarding ClearVü's ability to produce images what is under a customer's boat;

m. Enter an order that Garmin engage in a program of corrective advertising, subject to the Court's approval, to ameliorate the false or misleading information that Navico has promulgated;

n. Enter judgment in favor of Navico and against Garmin for an award of damages in an amount sufficient to compensate Navico for the injury it has sustained as a consequence of Garmin's unlawful false advertising;

o. Enter an award trebling any such damages;

p. Enter an order granting a disgorgement of Garmin's profits;

q. Enter judgment in favor of Navico and against Garmin declaring this case to be exceptional under 15 U.S.C. § 1117 and awarding Navico its attorneys' fees pursuant to 15 U.S.C. § 1117;

r. Enter judgment in favor of Navico and against Garmin for Navico's costs of suit; and

s. Enter judgment granting Navico such other and further relief to which Navico is entitled under law and any other and further relief that this Court or a jury may deem just and proper.

Respectfully submitted,

DATED: November 18, 2016

ALSTON & BIRD LLP

/s/ Deron R. Dacus

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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a). As such, this document was served on all counsel who are deemed to have consented to electronic service. Local Rule CV-5(a)(3)(A). Pursuant to Federal Rule of Civil Procedure 5(d) and Local Rule CV-5(e), all other counsel of record not deemed to have consented to electronic service were served with a true and correct copy of the foregoing by U.S. First Class Mail on this 18th day of November, 2016.

/s/ Deron R. Dacus

Deron R. Dacus