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

OPTIMA EXERCISE, LLC,

Plaintiff,

v.

PARADIGM HEALTH & WELLNESS, INC.,

Defendant.

Civil Action No. 2:16-cv-01284

COMPLAINT FOR PATENT INFRINGEMENT

(JURY TRIAL DEMANDED)

COMPLAINT FOR PATENT INFRINGEMENT

1. Plaintiff, Optima Exercise, LLC. ("*Optima*" or "*Plaintiff*"), by and through its attorneys, makes and files this Complaint against Paradigm Health & Wellness, Inc. ("*Paradigm*" or "*Defendant*"). In support of this Complaint, Plaintiff alleges and complains as follows:

PARTIES

2. Optima is a Texas Limited Liability Company.

Paradigm is a California Corporation with its principal place of business at 1189
 Jellick Ave., City of Industry, CA 91748.

4. Paradigm can be served with process through its registered agent: Paul Hsieh at 1189 Jellick Ave., City of Industry, CA 91748.

JURISDICTION AND VENUE

5. Upon information and belief, Paradigm directly and/or through its intermediaries ships, distributes, offers for sale, sells and/or advertises its products and services in this State via its interactive website www.ParadigmHW.com.

6. By placing infringing products into the stream of commerce with the intent that they be sold, offered for sale, purchased, and used, Paradigm has transacted and continues to transact business in Texas.

7. Upon information and belief, Defendant solicits customers and has actual customers in this State and in the Eastern District of Texas. Some examples of Paradigm customers in Texas include, but are not limited to: A Langford in San Antonio, TX (http://www.ripoffreport.com/r/Paradigm-Health-Wellness-Inc/City-of-Industry-California/Paradigm-Health-Wellness-Inc-Wont-honor-manufacturing-warranty-City-of-Industry-Cali-1328940); Tammy in La Marque, TX (https://www.varagesale.com/league-city-

swap-and-shop-texas/i/9hhn9z6k-exerpeutic-900-xl); Stephanie T. in Dallas, TX
(https://us.letgo.com/en/i/exerpeutic-elliptical 96be2746-ba70-429d-a4cd-c6bcb1cdf0de);

unnamed owner of Exerpeutic Stationary Bike in Pasadena, TX (<u>http://pasadena-</u> tx.americanlisted.com/77504/sport/exerpeutic-stationary-bicycle_43656375.html);

Married_nurse1 in Houston, TX (<u>http://www.ebay.com/itm/NEW-Recumbent-Exercise-Bike-Exerpeutic-900XL-Extended-Capacity-w-Pulse-Workout/191881190273</u>); and Austin Larry in Austin, TX (https://www.scribd.com/document/124512535/Sales-Exerpeutic-900xl-Extended-Capacity-Recumbent-Bike-With-Pulse-Reviews).

8. Upon information and belief, Defendant has introduced infringing products into the stream of commerce in Texas through various online distributors to be shipped to Texas residents or to physical stores in Texas for customer pickup, including but not limited to:

> a. Academy Sports: <u>http://www.academy.com/shop/browse/fitness/cardio-</u> equipment--

machines/treadmills?searchType=2&searchTerm=&cm_cr=No+Campaign-_-Web+Activity-_-Subcategory+recommendation+S%26F+NEW-_-SubCategory_CP1-_-TreadmillsproductNameLink&facet=mfName_ntk_cs%253A%2522ProGear%2522&fac et=mfName_ntk_cs%253A%2522Yowza+Fitness%2522&beginIndex=0&ord erBy=&pageView=grid&minPrice=&maxPrice=&pageSize=&

- b. Target: http://www.target.com/s?searchTerm=treadmills#sn-16342219
- c. Walmart: <u>https://www.walmart.com/ip/ProGear-250-Compact-Upright-</u> <u>Exercise-Bike-with-Heart-Pulse-Sensors/20999079</u>
- d. Sears:<u>http://www.sears.com/shc/s/Compare?storeId=10153&catalogId=12605</u>
 <u>&partNumber_1=00629783000P&partNumber_2=00605502000P&partNumber_6=00682</u>
 <u>er_3=00629786000P&partNumber_4=00661074000P&partNumber_5=00682</u>
 203000P&prodCount=5.
- e. Sam's Club:

http://www.samsclub.com/sams/search/searchResults.jsp?searchCategoryId=a ll&searchTerm=treadmills&fromHome=yes&_requestid=966461_ 9. Paradigm has committed and/or induced acts of patent infringement in Texas, including the Eastern District of Texas, and/or has placed infringing products into the stream of commerce through established distribution channels with the expectation that such products will be purchased and used by Texas residents, including residents in the Eastern District of Texas.

10. Paradigm has purposefully availed itself of the privileges and benefits of the laws of Texas and is therefore subject to the jurisdiction of this Court.

11. This Court has subject matter jurisdiction to hear the patent infringement claims under 28 U.S.C. § 1331.

12. Venue is proper in this District under 28 U.S.C. §§ 1391 and 1400 because, as described above, Defendant has infringed and continues to infringe Plaintiff's patent rights within the Eastern District of Texas, and this action arises out of transactions of that business and infringement.

GENERAL ALLEGATIONS

13. Plaintiff owns U.S. Patent No. 6,626,800 (the "**'800 Patent**"), titled "Method of Exercise Prescription and Evaluation." A copy of the '800 Patent is attached as Exhibit A.

14. The '800 Patent was issued September 30, 2003.

15. Plaintiff is the owner, by assignment, of the '800 Patent, including all rights to sue for patent infringement.

16. As the owner of the '800 Patent, Optima has standing to sue and recover for all past, present, and future damages for infringement of the '800 Patent.

17. Paradigm has not been granted a license or any other rights to the '800 Patent.

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18. The inventions of the '800 Patent resolve problems related to evaluating an exercise protocol. For example, the inventions include a method of presenting an exercise protocol to a user and evaluating the effectiveness of same.

<u>CLAIM 1</u>

(PATENT INFRINGEMENT)

19. Plaintiff realleges and incorporates by reference, as fully set forth herein, all other paragraphs.

20. Plaintiff has complied with 35 U.S.C. § 287.

21. Upon information and belief, Defendant, either alone or in conjunction with others, has infringed and continues to infringe, contribute to infringement, and/or induces infringement of the '800 Patent by making, selling, and/or offering to sell, and/or causing others to use, methods and systems, including, but not limited to Ironman exercise bikes and treadmills (X610, X310, X410, H410, H610) and Exerpeutic recumbent bikes (4000 and 5000) (the "*Accused Products*"), that infringe one or more claims of the '800 Patent, including, but not limited to claim 1 of the '800 Patent, and may include other claims of infringement to be identified through discovery.

22. By way of example and not as a limitation, Defendant's Accused Products perform each and every element of the '800 Patent's method claim 1 as an act of indirect infringement because these products are especially made or especially adapted for use in infringing the '800 patent as demonstrated below:

a. The Accused Products allow a user (the direct infringer) to perform an exercise method as required by claim 1;

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- b. The Accused Products provide a processor with a protocol generating algorithm such as device computer;
- c. The Accused Products provide an exercise device in communication with the processor as required by claim 1;
- d. The Accused Products allow a user to input data into said processor such as sex, age height, and weight;
- e. The Accused Products generate an exercise protocol according to said protocol generating algorithm and the user data as required by claim 1;
- f. The Accused Products provide reviewing and allowing for modification of the exercise protocol through its heart rate control program;
- g. The Accused Products transfer the exercise protocol to the exercise device as required by claim 1;
- h. The Accused Products allow a user to perform an exercise session on the exercise device as required by claim 1;
- i. The Accused Products generate information regarding the exercise session such as time, distance, calories, pulse, and rotations per minute;
- j. The Accused Products transfer the information to the processor as required by claim 1; and
- k. The Accused Products allow review of the information as required by claim 1.

23. Defendant is liable for indirect infringement of the '800 Patent by inducing and/or contributing to direct infringements of the '800 Patent committed by end users of the Accused Products.

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24. Defendant has further infringed, and continues to so infringe, by knowingly providing to its end users Accused Products which are especially made or especially adapted for infringement under the '800 Patent, which are a material part of the infringement, and for which there are no substantial non-infringing uses.

25. Defendant's infringing activities have injured and will continue to injure Plaintiff unless and until this Court enters an injunction prohibiting further infringement of the '800 Patent.

26. Defendant's infringing activities have damaged Plaintiff, which is entitled to recover from Defendant damages in an amount subject to proof at trial, but in no event less than a reasonable royalty.

27. In particular, Paradigm engaged in and continues to engage in willful and knowing patent infringement because it has actual knowledge of the patent at least as early as the filing of this Complaint.

28. In particular, upon information and belief, Paradigm has generated significant sales revenue by incorporating the Plaintiff's technology in its product, easily exposing Paradigm to significant liability for its infringement of the '800 Patent.

29. From at least as early as the filing of this Complaint, when Paradigm was given actual notice of the '800 Patent, Paradigm induced infringement because it knew, or should have known, that its acts would cause patent infringement, and it acted with intent to encourage direct infringement by its users.

30. At least as early as the filing of this Complaint, Defendant contributed to direct infringement by its end users by knowing that the Accused Products and methods would be

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implemented by its end users; that its methods, components, system and Accused Products were especially made or especially adapted for a combination covered by one or more claims of the '800 Patent; that there are no substantial non-infringing uses; and the Accused Products are a material part of the infringement.

31. Paradigm has knowledge of the '800 Patent and is infringing despite such knowledge. The infringement has been and continues to be willful and deliberate.

32. Defendant's acts of infringement have damaged Plaintiff, and Plaintiff is entitled to recover from Paradigm the damages sustained as a result of Paradigm's wrongful acts in an amount subject to proof at trial, but in no event less than a reasonable royalty.

33. Defendant's infringing activities have injured and will continue to injure Plaintiff unless and until this Court enters an injunction prohibiting further infringement of the '800 Patent.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that, after a trial, the Court enter judgment against Defendant as follows:

- A. An entry of final judgment in favor of Plaintiff and against Defendant;
- B. An award of damages adequate to compensate Plaintiff for the infringement that has occurred, but in no event less than a reasonable royalty as permitted by 35 U.S.C. § 284, together with prejudgment interest from the date the infringement began;
- C. An injunction permanently prohibiting Defendant and all persons in active concert or participation with any of them from further acts of infringement of '800 Patent;

- D. Treble damages as provided for under 35 U.S.C § 284 in view of the knowing, willful, and intentional nature of Defendant's acts;
- E. Awarding Plaintiff its costs and expenses of this litigation, including its reasonable attorneys' fees and disbursements, pursuant to 35 U.S.C. § 285; and
- F. Such other further relief that Plaintiff is entitled to under the law, and any other and further relief that this Court or a jury may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff demands trial by jury on all claims and issues so triable.

Respectfully Submitted,

Dated: November 21, 2016

By: <u>/s/ Joseph G. Pia</u> Joseph G. Pia joe.pia@pa-law.com Texas Bar No. 24093854 Brett Davis (Admitted in this District) bdavis@pa-law.com PIA ANDERSON MOSS HOYT 136 E. South Temple, 19th Floor Salt Lake City, Utah 84111 Phone: (801) 350-9000 Fax: (801) 350-9010