

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS**

DALLAS DIVISION

LakeSouth Holdings, LLC,

Plaintiff,

v.

**Amazon.com, LLC; Amazon.com, Inc.;
and Amazon.com.kydc LLC;**

Defendants.

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Civil Action No. _____

JURY TRIAL DEMANDED

ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

COMES NOW Plaintiff, LakeSouth Holdings, LLC, and files this Original Complaint for patent infringement against Defendants, Amazon.com, LLC, Amazon.com, Inc., and Amazon.com.kydc LLC (collectively, “Amazon”) and alleges as follows:

NATURE OF THE SUIT

1. This is a claim for patent infringement arising under the patent laws of the United States, Title 35 of the United States Code.

THE PARTIES

2. Plaintiff, LakeSouth Holdings, LLC (“Plaintiff” or “LakeSouth”), is a Delaware limited liability company with its principal place of business located at P.O. Box 93883, Southlake, Texas 76092, which is in the Northern District of Texas.

3. On information and belief, Defendant, Amazon.com, LLC, is a Delaware limited liability company with its principal place of business at 410 Terry Avenue North, Seattle, WA 98109. Amazon.com, LLC is registered to do business in the State of Texas and may be served

via its registered agent, Corporation Service Company d/b/a CSC – Lawyers Incorporation Service Company, at 211 E. 7th Street, Suite 620, Austin, TX 78701-3218.

4. On information and belief, Defendant, Amazon.com, Inc., is a Delaware corporation with its principal place of business at 410 Terry Avenue North, Seattle, WA 98109. Amazon.com, Inc. may be served via its registered agent Corporation Service Company, 300 Deschutes Way, SW Ste. 304, Tumwater, WA 98501.

5. On information and belief, Defendant, Amazon.com.kydc LLC, is a Delaware limited liability company with its principal place of business at 1850 Mercer Road, Lexington, KY 40511-1207. Amazon.com.kydc LLC is registered to do business in the State of Texas and may be served via its registered agent Corporation Service Company d/b/a CSC – Lawyers Incorporating Service Company, 211 E. 7th Street, Suite 620, Austin, TX 78701-3218.

JURISDICTION AND VENUE

6. This action arises under the patent laws of the United States, 35 U.S.C. § 101, *et seq.* This Court’s jurisdiction over this action is proper under the above statutes, including 35 U.S.C. § 271, *et seq.*, 28 U.S.C. § 1331 (federal question jurisdiction), and § 1338 (jurisdiction over patent actions).

7. Upon information and belief, Amazon, directly and/or through subsidiaries, agents, representatives, or intermediaries, has transacted business in this District, has committed and continues to commit and/or induce acts of patent infringement in this District, and has one or more regular and established places of business in this District under the language of 28 U.S.C. § 1400(b) including, but not limited to, 6627 Maple Avenue, Dallas, Texas 75235, 3838 West Miller Road, Garland, Texas 75041, 940 West Bethel Road, Coppell, Texas 75019, 12401 N. Stemmons Freeway, Suite 100, Farmers Branch, Texas 75234, 33333 LBJ Freeway, Dallas, Texas

75241, 2101 Daniieldale Road, Lancaster, Texas 75134, 2700 Regent Blvd., Suite 100, Irving, Texas 75063, 944 West Sandy Lake Road, Coppell, Texas 75019, and 3351 Altamoore Drive, Dallas, Texas 75134. Thus, venue is proper in this district as to Amazon under 28 U.S.C. § 1400(b).

8. Upon information and belief, Amazon has conducted and does conduct substantial business in this forum, directly and/or through subsidiaries, agents, representatives, or intermediaries, such substantial business including but not limited to: (i) at least a portion of the infringements alleged herein; (ii) purposefully and voluntarily placing one or more infringing products into the stream of commerce with the expectation that they will be purchased by consumers in this forum; or (iii) regularly doing or soliciting business, engaging in other persistent courses of conduct, or deriving substantial revenue from goods and services provided to individuals in Texas and in this judicial district. Thus, Amazon is subject to this Court's specific and general personal jurisdiction pursuant to due process and the Texas Long Arm Statute. Venue is proper in the Northern District of Texas as to Amazon pursuant to 28 U.S.C. § 1400(b).

THE ASSERTED PATENTS

9. Mr. Gregory G. Kuelbs is a Texas resident and a prolific inventor. Mr. Kuelbs is a named inventor on more than 40 patents. Mr. Kuelbs lives in Westlake, Texas, which is in the Northern District of Texas.

10. This cause of action asserts infringement of United States Patent No. 6,612,713 (the "713 Patent") and United States Patent No. 8,794,781 (the "781 Patent") (collectively, the "Asserted Patents").

11. The '713 Patent, entitled "Umbrella Apparatus," duly and legally issued on September 2, 2003, from U.S. Application No. 10/068,424, filed on February 7, 2002, naming as

inventor Mr. Kuelbs. A true and correct copy of the '713 Patent is attached hereto as **Exhibit A** and is incorporated by reference.

12. The '713 Patent claims priority to Provisional Application No. 60/267,018, filed on February 7, 2001.

13. The '713 Patent also claims priority to Provisional Application No. 60/335,933, filed on November 2, 2001.

14. The '781 Patent, entitled "Umbrella Apparatus," duly and legally issued on August 5, 2014, from U.S. Patent Application No. 10/650,537, filed on August 28, 2003, naming as inventor Mr. Kuelbs. A true and correct copy of the '781 Patent is attached hereto as **Exhibit B** and is incorporated by reference.

15. The '781 Patent is a continuation of the '713 Patent and claims priority to it.

16. The '781 Patent also claims priority to Provisional Application No. 60/267,018, filed on February 7, 2001.

17. The '781 Patent also claims priority to Provisional Application No. 60/335,933, filed on November 2, 2001.

18. On November 12, 2013, World Factory, Inc., assigned all right, title, and interest in and to the '713 Patent to LakeSouth. A true and correct copy of the assignment agreement is attached as **Exhibit C**.

19. The assignment agreement referenced in paragraph 18 above and attached as **Exhibit C** included an assignment of the "right to file or pursue and non-provisional applications, divisions, re-examinations, reissues, substitutions, continuations, continuations-in-part, and extensions of or to the Patents"

20. At the time of the assignment agreement referenced in paragraph 18 above and attached as **Exhibit C**, the '781 Patent was pending as a continuation of the '713 Patent.

21. The assignment agreement referenced in paragraph 18 above and attached as **Exhibit C** was an effective assignment of all right, title, and interest in and to the '781 Patent (which was then pending as a continuation application) to LakeSouth.

22. LakeSouth is the owner and assignee of all rights, title, and interest in and under the '713 Patent and '781 Patent.

23. LakeSouth has standing to sue for infringement of the '713 Patent and the '781 Patent.

24. On information and belief, to the extent any marking was required by 35 U.S.C. § 287, LakeSouth and all predecessors in interest to the '713 Patent and '781 Patent have complied with any such requirements.

25. On information and belief, all licensees of the '713 Patent and the '781 Patent are in compliance with any marking required by 35 U.S.C. § 287.

REEXAMINATIONS OF THE ASSERTED PATENTS

26. On August 12, 2005, Southern Sales & Marketing Group, Inc. ("Southern Sales") filed a Petition for *Inter Partes* Reexamination of the '713 Patent.

27. On September 9, 2005, the United States Patent & Trademark Office (the "USPTO") granted Southern Sales's Petition for *Inter Partes* Reexamination of the '713 Patent.

28. On September 23, 2013, the USPTO issued an *Inter Partes* Reexamination Certificate for the '713 Patent. A true and correct copy of the reexamination certificate is attached as **Exhibit D** and is incorporated by reference.

29. On November 18, 2016, Petitioner Yotrio Corporation filed a Petition for *Inter Partes* Review of Claims 2, 4, 15, 16, 24, 25, and 28 of the '713 Patent (the "'713 IPR Petition") at the USPTO Patent Trial and Appeal Board ("PTAB").

30. The '713 IPR Petition asserted U.S. Patent No. 2,960,094 (the "Small '094 Patent") as prior art against the '713 Patent.

31. The '713 IPR Petition asserted U.S. Patent No. 6,089,297 (the "Wu '297 Patent") as prior art against the '713 Patent.

32. The '713 IPR Petition asserted U.S. Patent No. 5,758,948 (the "Hale '948 Patent") as prior art against the '713 Patent.

33. The '713 IPR Petition asserted U.S. Patent No. 6,439,249 (the "Pan '249 Patent") as prior art against the '713 Patent.

34. The '713 IPR Petition asserted U.S. Patent No. 4,999,060 (the "Szekely '060 Patent") as prior art against the '713 Patent.

35. The PTAB declined to institute an IPR on the '713 Patent in an Order dated May 15, 2017. A true and correct copy of the PTAB's Order denying the '713 IPR Petition on the '713 Patent is attached as **Exhibit E** and is incorporated by reference.

36. The PTAB stated on page 9 of its Order denying the '713 IPR Petition, "the Petition presents 'the same prior art' previously considered by the Office."

37. The PTAB also stated on page 9 of its Order denying the '713 IPR Petition, "we find that Small, Pan, Wu I/II, and Hale have been before the Office in connection with the prosecution of the subject patent in a manner that supports our exercise of discretion to deny institution."

38. The PTAB stated on page 11 of its Order denying the '713 IPR Petition, "we find that every one of Petitioner's Grounds in this Petition involves at least two references that have been before the Office during the prosecution of the '713 Patent. Not only has the art been before the Office, but in the case of Small, Pan, and Wu I/II, we find that the Examiner has specifically considered and disposed of these references in an in-depth manner that indicates far more than cursory review."

39. The PTAB stated on page 12 of its Order denying the '713 IPR Petition, "Petitioner also does not provide a compelling reason why we should re-adjudicate substantially the same prior art, applied in substantially the same manner, as that presented during reexamination and considered by the Examiner."

40. On November 18, 2016, Petitioner Yotrio Corporation also filed a Petition for *Inter Partes* Review of Claims 1, 2, 4, and 5 of the '781 Patent at the PTAB (hereinafter the "'781 IPR Petition").

41. The '781 IPR Petition asserted the Small '094 Patent as prior art against the '781 Patent.

42. The '781 IPR Petition asserted the Wu '297 Patent as prior art against the '781 Patent.

43. The '781 IPR Petition asserted the Hale '948 Patent as prior art against the '781 Patent.

44. The '781 IPR Petition asserted the Pan '249 Patent as prior art against the '781 Patent.

45. The '781 IPR Petition asserted U.S. Patent No. 5,222,799 (the "Sears '799 Patent") as prior art against the '781 Patent.

46. The '781 IPR Petition asserted U.S. Patent No. 727,495 (the "Todd '495 Patent") as prior art against the '781 Patent.

47. The PTAB declined to institute an IPR on the '781 Patent in an Order dated May 15, 2017. A true and correct copy of the PTAB's Order denying the '781 IPR Petition is attached as **Exhibit F** and is incorporated by reference.

48. The PTAB stated on page 10 of its Order denying the '781 IPR Petition, "the Petition presents 'the same prior art' previously considered by the Office."

49. The PTAB also stated on pages 10–11 of its Order denying the '781 IPR Petition, "we find that Small, Pan, Wu I[], and Hale have been before the Office in connection with the examination of the '537 application in a manner that supports our exercise of discretion to deny institution."

50. The PTAB stated on page 11 of its Order denying the '781 IPR Petition, "[t]he Examiner expressly and substantively considered each of Small and Pan with respect to claims of the '537 application."

51. The PTAB stated on page 12 of its Order denying the '781 IPR Petition, "Petitioner does not provide a compelling reason why we should re-adjudicate substantially the same prior art, applied in substantially the same manner, as that presented during prosecution and considered by the Examiner."

CLAIM CONSTRUCTIONS REGARDING THE ASSERTED PATENTS

52. The '713 Patent has been recently litigated in the Northern District of Texas.

53. On August 10, 2015 in the *LakeSouth Holdings, LLC v. Ace Evert, Inc., et al.*, No. 3:14-cv-1348 (N.D. Texas) case, the Court issued a claim construction order construing various

claims terms of the '713 Patent. A true and correct copy of the claim construction order (Dkt. No. 95) is attached hereto as **Exhibit G**.

LICENSEES

54. Numerous companies have obtained patent licenses to the '713 Patent and '781 Patent as a result of litigation and outside of litigation including Ningbo Everluck Outdoor Products Manufacturing Co., Ningbo Everluck Import and Export Co., Ace Evert, Inc., Ace Evert International, Inc., Blue Wave Products, Inc., J&J Global LLC, LB International, Inc., Plantation Patterns LLC, Sunset Vista Designs Co., Inc., Yotrio Corporation, Yotrio Group, Ltd., Zhejiang Nengfu Tourist Products Co., Ltd., and Leisureway Inc. (collectively, "Licensees").

55. LakeSouth and the Asserted Patents are well-known and recognized in the industry as important. As a result, companies such as Plantation Patterns LLC, have initiated contact with LakeSouth, without prompting by LakeSouth, in order to obtain a license to the Asserted Patents to license solar-powered umbrellas.

56. LakeSouth's Licensees have supplied and/or are supplying solar-powered outdoor and patio umbrellas, licensed under the Asserted Patents, to major retailers, including, but not limited to Amazon, Target, Wal-Mart, Sears, Bed Bath & Beyond, Lowe's, Home Depot, Kohl's, and Tuesday Morning.

AMAZON

57. On information and belief, Amazon uses, offers to sell, sells, distributes, and/or imports in the United States various patio and outdoor solar-powered umbrellas.

58. On information and belief, Amazon's website identifies various patio and outdoor solar-powered umbrellas which are not "ship[ped] from and sold by Amazon.com." For example, Amazon's website identifies a product described as "Best Choice Products 10FT Deluxe Solar

LED Lighted Patio Umbrella w/ Tilt Adjustment (Tan),” model no. SKY3297, ASIN B06XD26YTW, which is not sold and shipped by Amazon.com. Those solar-powered umbrellas, and all those solar-powered umbrellas identified on Amazon’s website which are not “ship[ped] from and sold by Amazon.com,” are not accused of infringement in this complaint.

59. On information and belief, Amazon’s website identifies various patio and outdoor solar-powered umbrellas which are “ship[ped] from and sold by Amazon.com.” On information and belief, Amazon purchases patio and outdoor solar-powered umbrellas which are “ship[ped] from and sold by Amazon.com” from both licensed and unlicensed suppliers.

60. As an example of licensed suppliers, Amazon’s website offers for sale a product named “Island Umbrella Mirage Fiesta Market Umbrella with Solar LED in Stone Olefin, 9’,” model no. NU5424ST, ASIN B01E3RTF88, which is “ship[ped] from and sold by Amazon.com.” The manufacturer of the product described as “Island Umbrella Mirage Fiesta Market Umbrella with Solar LED in Stone Olefin, 9’,” model no. NU5424ST, ASIN B01E3RTF88 is identified on Amazon’s website as Blue Wave Products. Blue Wave Products has a license to the Asserted Patents. LakeSouth does not accuse the product named “Island Umbrella Mirage Fiesta Market Umbrella with Solar LED in Stone Olefin, 9’,” model no. NU5424ST, ASIN B01E3RTF88, or any other solar-umbrellas supplied by a Licensee, of infringement in this complaint.

61. As an example of unlicensed suppliers, Amazon’s website offers for sale a product described as “Trademark Innovations Deluxe Solar Powered LED Lighted Patio Umbrella, 9-Feet,” model no. PATUMB-LED-TAN, ASIN B00LBFSOVU, which is “ship[ped] from and sold by Amazon.com.” The manufacturer of the product described as “Trademark Innovations Deluxe Solar Powered LED Lighted Patio Umbrella, 9-Feet,” model no. PATUMB-LED-TAN, ASIN B00LBFSOVU is identified on Amazon’s website as Red Cup Pong.

62. To date, LakeSouth has identified the following products from Amazon’s website, which LakeSouth believes were supplied by unlicensed suppliers, are “ship[ped] and sold by Amazon.com,” according to Amazon’s website and which LakeSouth asserts infringe the Asserted Patents:

Product Description	Model No.	ASIN	Manufacturer
Adeco 9 Feet Outdoor Market Aluminum Solar Cell LED Light Umbrella with Tilt and Crank, for Patio Yard Beach cafe and pub, 8 Ribs Rust-resis Heavy Duty Without base	UM0002-2	B016CDVG6U	Adeco
Adeco 9 Feet Outdoor Market Aluminum Solar Cell LED Light Umbrella with Tilt and Crank, for Patio Yard Beach cafe and pub,8 Ribs Rust-resis Heavy Duty Without base	UM0002-1	B016CDVCYG	Adeco
BenefitUSA New Solar 40 LED Lights Patio Umbrella Garden Outdoor Sunshade, Burgundy	U021-270-BURGUNDY	B00IZ2G81A	BenefitUSA
BenefitUSA 8ft Solar Light Patio Umbrella Tilt Aluminum Sunshade Outdoor Garden Market Balcony (Beige)	U253-250	B06XR9RNCS	BenefitUSA
BenefitUSA 6.5ft Solar Light Patio Umbrella Tilt Aluminum Sunshade Outdoor Garden Market Balcony (Green)	U253-200-GRE	B06XPDQT22	BenefitUSA
BenefitUSA10' Solar Patio Umbrella 80 LED Light Garden Tilt Crank Outdoor Sunshade (Green)	U259-300	B06XZ2Q6F4	BenefitUSA
BenefitUSA Ecru New Solar 40 LED Lights Patio Umbrella Garden Outdoor Sunshade	U021-270-ECRU	B00NGHSKZ6	BenefitUSA
BenefitUSA Patio Cantilever Umbrella 8 ft x 8 ft with Solar Powered Lights Outdoor OffSet Umbrella	499.327	B074DVJQ5F	BenefitUSA
BenefitUSA Solar Patio Umbrella Lighted Outdoor	U075-203-BRW	B06Y5XR6T7	BenefitUSA

Product Description	Model No.	ASIN	Manufacturer
Garden Rectangle Sunshade Tilt Crank, 26 LED, Brown			
BenefitUSA 9' Solar Patio Umbrella 80 LED Light Garden Tilt Crank Outdoor Sunshade (Brown)	U259	B06XSWMQMJ	BenefitUSA
BenefitUSA 9ft Solar Light Patio Umbrella Tilt Aluminum Sunshade Outdoor Garden Market Balcony (Brown)	U253-270	B06XRWKWCG	BenefitUSA
BenefitUSA 10ft Patio Cantilever Umbrella with Solar Powered Lights Outdoor Offset Umbrella Easy Open Lift 360 Degree Rotation	483.444	B074MXNC1G	BenefitUSA
EdenBranch Rectangular Solar Lighted Umbrella, Dusk to Dawn, 8 Rib, Neutral Taupe, 32 Super Bright LED, Hand Crank, Push-Button Tilt, Stand Not Included, 811027	811027	B0711SV1G4	EdenBranch
Outsunny 8.5' Solar LED Market Patio Umbrella (Wine Red)	84D-018WR	B06XD957PW	Outsunny
Outsunny 9' Solar LED Market Patio Umbrella w/Bluetooth - Coffee	840-123CF	B01DKWBB20	Outsunny
Outsunny 6.5' x 10' Rectangle Solar Powered LED Lit Market Patio Umbrella - Dark Green	84D-005GN	B0725G1FV1	Outsunny
Outsunny 10' Solar Powered LED Lit Market Patio Umbrella - Brown	84D-010BN	B071RY2BY1	Outsunny
Trademark Innovations Deluxe Solar Powered LED Lighted Patio Umbrella, 9-Feet, Tan	PATUMB-LED-TAN	B00LBFSOVU	Red Cup Pong
Sorbus LED Outdoor Umbrella, 10 ft Patio Umbrella LED Solar Power, with Tilt Adjustment and Crank Lift System, Perfect for Backyard, Patio, Deck, Poolside, and more (Solar LED - Orange)	UMB-ORLEDA	B071G3XKX3	Sorbus
Sunjoy Prescott Umbrella Made of Steel & Fabric with LED Lights	S-UM277PST	B01N2TAKBN	Sunjoy

Product Description	Model No.	ASIN	Manufacturer
Sunjoy 9' Solar bar Lighted Umbrella	S-UM275PST	B01N7HKC4R	Sunjoy
Dienspeak Deluxe Round Patio Umbrella with Solar Powered 32 LED Lights with Tilt & Crank, 250g Spun Polyester, EU Standard Grade 4 Minutes at 1000 Hours, Burgundy	HD1300822	B071ZVN1XB	Top Patio
Trademark Innovations 7' Solar LED Patio Umbrella (Tan)	UMBLED7-TAN	B01DFS5EZY	Trademark Innovations
Rectangular Solar Powered LED Lighted Patio Umbrella - 10' x 6.5' - By Trademark Innovations (Tan)	UMBLED-RECT-TAN	B00S5F97V0	Trademark Innovations
Trademark Innovations Deluxe Solar Powered LED Lighted Patio Umbrella - 7' With Scalloped Edge Top - (Tan)	UMBLED7-SCLP-TAN	B01IA615W2	Trademark Innovations
Trademark Innovations Deluxe Solar Powered LED Lighted Patio Umbrella, 10', Tan	UMBLED10-TAN	B019JDCFQ0	Trademark Innovations
Trademark Innovations Deluxe Solar Powered LED Lighted Patio Umbrella - 8' With Scalloped Edge Top - (Blue)	UMBLED8-SCLP-BU	B01I9OUE22	Trademark Innovations
Trademark Innovations Deluxe Solar LED Lighted Patio Umbrella with Decorative Edges, 9', Light Green	UMBLED-SCLP-LTGR	B01H1SNZ9G	Trademark Innovations
Trademark Innovations Deluxe Solar Powered LED Lighted Patio Umbrella, Red, 10'	UMBLED10-SCLP-RED	B01IA61144	Trademark Innovations
Trademark Innovations Deluxe Solar Powered LED Lighted Patio Umbrella - 8' - (Tan)	UMBLED8-TAN	B019JDC4G6	Trademark Innovations
5' x 6.5' LED Patio Half Umbrella with Rectangular Design by Trademark Innovations (Pink)	LEDRECT-HALF-ROSE	B01N7KLBTW	Trademark Innovations
Trademark Innovations 9' Solar Powered LED Lighted Wood Frame Patio Umbrella (Tan)	UMBLED9-WOOD-TAN	B01N6BT4UR	Trademark Innovations
Rectangular Solar Powered LED Lighted Patio Umbrella - 10' x	UMBLED-RECT-BU	B00ZV2JQI4	Trademark Innovations

Product Description	Model No.	ASIN	Manufacturer
6.5' - By Trademark Innovations (Blue)			
Trademark Innovations Deluxe Polyester Offset Patio Umbrella with LED lights, 10', Dark Brown	UMBLED-OFFST-DRKBR	B015LAEN4C	Trademark Innovations
Trademark Innovations Rectangular Solar Powered LED Lighted Patio Umbrella - 10' x 6.5' - (Pink)	UMBLED-RECT-ROSE	B01M682H4V	Trademark Innovations
Trademark Innovations LED Patio Umbrella, Red, 8'	UMBLED8-SQ-RED	B01EGOQYIW	Trademark Innovations

63. LakeSouth accuses of infringing the Asserted Patents those products specifically identified in paragraph 62, as well as any and all, current and prior, reasonably similar solar-powered umbrellas “ship[ped] and sold by Amazon.com” that have the same or equivalent functions and features to the extent relevant to the claims of the Asserted Patents, specifically including, but not limited to, models with different colors than each specifically identified model number (the “Accused Amazon Umbrellas”).

64. Upon information and belief, Amazon obtains some of the Accused Amazon Umbrellas from Blue Ridge Product Solutions, LLC and/or Blue Ridge Product Solutions, Inc., companies which do business under the names Trademark Innovation and Red Cup Pong (collectively, “Blue Ridge”), which have not licensed the Asserted Patents. Blue Ridge’s website, www.blueridgeorders.com, was registered by an individual named James Addison, with an email of james@bludridgeproductsolutions.com. Trademark Innovation’s website, www.trademarkinnovations.com, was registered by James Addison, with an email of james@blueridgeproducstolutions.com. Red Cup Pong’s website, www.redcuppong.com, was registered by James Addison, with an email of james@blueridgeorders.com.

65. The Accused Amazon Umbrellas are and have been sold, offered for sale, and/or marketed by Amazon through its website at www.amazon.com and the Amazon mobile application for phone and tablet devices and are “ship[ped] and sold by Amazon.com.”

66. Upon information and belief, the Accused Amazon Umbrellas are offered for sale and sold within the Northern District of Texas.

67. On information and belief, Amazon has sold, shipped, or distributed the Accused Amazon Umbrellas from, through, and/or to one or more facilities located in the Northern District of Texas, including but not limited to: 6627 Maple Avenue, Dallas, Texas 75235, 3838 West Miller Road, Garland, Texas 75041, 940 West Bethel Road, Coppell, Texas 75019, 12401 N. Stemmons Freeway, Suite 100, Farmers Branch, Texas 75234, 33333 LBJ Freeway, Dallas, Texas 75241, 2101 Daniieldale Road, Lancaster, Texas 75134, 2700 Regent Blvd., Suite 100, Irving, Texas 75063, 944 West Sandy Lake Road, Coppell, Texas 75019, and/or 3351 Altamoore Drive, Dallas, Texas 75134.

68. Amazon has not obtained a license to the Asserted Patents.

69. Amazon needs to obtain a license to the Asserted Patents and cease its ongoing infringement of LakeSouth’s patent rights.

70. Amazon has infringed and continues to infringe (literally and/or under the doctrine of equivalents), directly, indirectly, and/or through subsidiaries, agents, representatives, or intermediaries, one or more claims of the Asserted Patents including at least Claims 2, 4, 15, 16, 24, 25 and 28 of the ’713 Patent and/or at least Claims 1, 2, 4, and 5 of the ’781 Patent by using, importing, testing, supplying, causing to be supplied, selling, and/or offering for sale in the United States the Accused Amazon Umbrellas.

71. Amazon induces its customers to infringe the Asserted Patents. Amazon customers have infringed and continue to infringe the '713 Patent and the '781 Patent by using the Accused Amazon Umbrellas purchased from Amazon. Through its website and mobile applications, product manuals, and/or sales and marketing activities, Amazon solicits, instructs, encourages, and aids and abets its customers to purchase and use the Accused Amazon Umbrellas, including to use the Accused Amazon Umbrellas with a base support. Amazon does so with knowledge of the Asserted Patents and knowledge that the induced actions of its customers constitutes infringement.

72. Amazon contributes to its customer's infringement of the Asserted Patents. Amazon customers infringe the '713 Patent by using certain Accused Amazon Umbrellas (those that are not supplied with a base support) in combination with a base support including but not limited to an umbrella base, table, or the ground to support positioning the Accused Amazon Umbrellas in an upright position. The Accused Amazon Umbrellas constitute a material part of the combination, and Amazon has known and still knows its Accused Amazon Umbrellas are especially designed, made and/or adapted for use in a way that infringes one or more claims of the '713 Patent. Amazon does so with knowledge of the Asserted Patents and knowledge that the actions of its customers constitutes infringement.

73. Further, the Accused Amazon Umbrellas are not staple articles or commodities of commerce suitable for substantial noninfringing uses. For example, the Accused Amazon Umbrellas are umbrellas, designed to be used as umbrellas, and have no substantial noninfringing use as something other than an umbrella. Amazon has not advertised, marketed, promoted, or represented the Accused Amazon Umbrellas as having any use other than as umbrellas.

WILLFULNESS

74. On information and belief, Amazon's actions have been with specific intent to cause infringement or Amazon has been willfully blind to the resulting infringement because Amazon has had actual knowledge of the '713 Patent and/or the '781 Patent and knowledge that its acts were inducing or contributing to infringement of the Asserted Patents since before the filing of this action.

75. Amazon's direct and indirect infringement of the '713 Patent and the '781 Patent has been willful.

76. World Factory, Inc. was a company that had made and sold solar powered umbrellas. World Factory, Inc. is the original assignee, and now a non-exclusive licensee of the Asserted Patents.

77. On information and belief, Amazon has known about World Factory, Inc. since late February 2014.

78. In a letter dated February 21, 2014, addressed to Jeff Bezos, who was, and is, Chief Executive Officer of Amazon, with a subject line titled "Solar Powered Umbrellas," World Factory, through its attorney Max Ciccarelli, informed Amazon about several patents, including the '713 Patent.

79. The February 21, 2014 letter enclosed a copy of the Reexamination Certificate for U.S. Patent No. 6,612,713.

80. Amazon received World Factory's February 21, 2014 letter.

81. In the February 21, 2014 letter, World Factory informed Amazon and Mr. Bezos that if Amazon was interested in licensing the World Factory patent portfolio, then Amazon should

contact World Factory's attorney and author of the letter, Max Ciccarelli. Mr. Ciccarelli's contact information was provided in the letter.

82. After receiving the February 21, 2014 letter from World Factory, after learning of the '713 Patent, after receiving a copy of the Reexamination Certificate for the '713 Patent, after learning that World Factory was manufacturing solar lighted umbrellas, after learning that World Factory was willing to discuss selling solar powered umbrellas to Amazon, and after learning that World Factory was willing to discuss licensing to Amazon the World Factory patent portfolio, which included the '713 Patent, Amazon used, sold, offered to sell, and/or imported the Accused Amazon Umbrellas, which were supplied by vendors other than World Factory.

83. After receiving the February 21, 2014 letter from World Factory, Amazon chose not to respond to the February 21, 2014 letter and not to use World Factory as a vendor of solar-powered umbrellas.

84. After receiving the February 21, 2014 letter from World Factory, Amazon did not and has not obtained a patent license to the '713 Patent or the '781 Patent from World Factory or from LakeSouth, the current owner of the Asserted Patents.

85. Amazon had knowledge of the '713 Patent before the filing of this action.

86. Amazon had knowledge of the '781 Patent before the filing of this action.

87. Upon information and belief, Amazon uses, has used, offers to sell, has offered to sell, sells, has sold, imports, and/or has imported solar-powered umbrellas that include lights and a solar panel which are marked with the Asserted Patents. For example, Amazon's website offers for sale a product described as "Island Umbrella Mirage Fiesta Market Umbrella with Solar LED in Stone Olefin, 9'," model no. NU5424ST, ASIN B01E3RTF88 which is "ship[ped] and sold by Amazon.com."

88. The manufacturer of the product described as “Island Umbrella Mirage Fiesta Market Umbrella with Solar LED in Stone Olefin, 9’,” model no. NU5424ST, ASIN B01E3RTF88 is identified on Amazon’s website as Blue Wave Products.

89. On information and belief, the products described on Amazon’s website as “Island Umbrella Mirage Fiesta Market Umbrella with Solar LED in Stone Olefin, 9’,” model no. NU5424ST, ASIN B01E3RTF88 are marked with the Asserted Patents.

90. Despite its knowledge of the ’713 Patent and the ’781 Patent, Amazon has used, sold, offered for sale, and/or imported into the United States the Accused Amazon Umbrellas covered by one or more claims of the Asserted Patents.

91. Amazon’s infringement of the Asserted Patents has been willful and intentional because it has continued its acts of infringement with knowledge of the Asserted Patents and despite the likelihood that its actions constituted infringement of a valid patent.

DAMAGES

92. LakeSouth has been and continues to be damaged as a result of Amazon’s infringing conduct. Amazon is therefore liable to LakeSouth in an amount that adequately compensates LakeSouth for Amazon’s infringement, 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.

COUNT I – INFRINGEMENT OF THE ’713 PATENT

93. LakeSouth incorporates and realleges the allegations contained in the preceding paragraphs above as if fully set forth herein.

94. Amazon has been and is now directly infringing the ’713 Patent in violation of 35 U.S.C. § 271(a) by using, selling, offering for sale, and/or importing into the United States products

that are covered by at least Claims 2, 4, 15, 16, 24, 25 and 28 of the '713 Patent, including but not limited to the Accused Amazon Umbrellas.

95. An exemplary claim chart comparing the "Trademark Innovations Deluxe Solar Powered LED Lighted Patio Umbrella, 9-Feet," model no. PATUMB-LED-TAN, ASIN B00LBFSOVU, one of the Accused Amazon Umbrellas, to Claim 2 of the '713 Patent is attached as **Exhibit H** and incorporated herein by reference.

96. Amazon's direct infringement of the '713 Patent is willful.

97. In addition to and/or in the alternative, Amazon has been and is now inducing infringement of the '713 Patent in violation of 35 U.S.C. § 271(b) by actively inducing its unlicensed suppliers including but not limited to, Blue Ridge, and its customers to directly infringe the '713 Patent.

98. For example, to satisfy its demand for solar-powered umbrellas among other reasons, Amazon encourages its unlicensed suppliers such as Blue Ridge to import, make, sell, and/or offer to sell the Accused Amazon Umbrellas.

99. As another example, Amazon sells the Accused Amazon Umbrellas to its customers for the express purpose of having its customers use the Accused Amazon Umbrellas. Through its retail stores, online store, phone and tablet applications, product manuals, and/or sales and marketing activities, Amazon solicits, instructs, aids and abets, and encourages its customers to purchase and use the Accused Amazon Umbrellas, including to use the Accused Amazon Umbrellas with a base support and/or umbrella base.

100. Amazon's induced infringement of the '713 Patent is willful.

101. In addition to and/or in the alternative, Amazon has been and is now contributorily infringing the '713 Patent, in violation of 35 U.S.C. § 271(c), by offering to sell, selling, and/or

importing into the United States the Accused Amazon Umbrellas, which are a component of a patented machine, manufacture, combination, or composition, the Accused Amazon Umbrellas constituting a material part of the invention, and Amazon knowing the same to be especially made or especially adapted for use in a manner that infringes one or more claims of the '713 Patent.

102. The Accused Amazon Umbrellas are not a staple article or commodity of commerce suitable for substantial noninfringing use.

103. Amazon's contributory infringement of the '713 Patent is willful.

104. On information and belief, Amazon has known about the '713 Patent before the filing of this lawsuit.

105. Amazon acted despite the likelihood that its actions constituted infringement of a valid patent.

106. Amazon was aware that its actions would cause infringement of the '713 Patent and acted with intent to encourage direct infringement of the '713 Patent.

107. As a result of Amazon's infringement of the '713 Patent, LakeSouth has suffered and is owed monetary damages that are adequate to compensate it for the infringement under 35 U.S.C. § 284, but in no event less than a reasonable royalty.

COUNT II – INFRINGEMENT OF THE '781 PATENT

108. LakeSouth incorporates and realleges the allegations contained in the preceding paragraphs above as if fully set forth herein.

109. Amazon has been and is now directly infringing the '781 Patent in violation of 35 U.S.C. § 271(a) by using, selling, offering for sale, and/or importing into the United States products that are covered by at least Claims 1, 2, 4, and 5 of the '781 Patent, including but not limited to the Accused Amazon Umbrellas.

110. An exemplary claim chart comparing “Trademark Innovations Deluxe Solar Powered LED Lighted Patio Umbrella, 9-Feet,” item number 704660922855, model no. PATUMB-LED-TAN, one of the Accused Amazon Umbrellas, to Claim 1 of the ’781 Patent is attached as **Exhibit I** and incorporated herein by reference.

111. Amazon’s direct infringement of the ’781 Patent is willful.

112. In addition to and/or in the alternative, Amazon has been and is now inducing infringement of the ’781 Patent in violation of 35 U.S.C. § 271(b) by actively inducing its suppliers such as Blue Ridge and its customers to directly infringe the ’781 Patent.

113. For example, to satisfy its demand for solar-powered umbrellas among other reasons, Amazon encourages its unlicensed suppliers such as Blue Ridge to import, make, sell, and/or offer to sell the Accused Amazon Umbrellas.

114. As another example, Amazon sells the Accused Amazon Umbrellas to its customers for the express purpose of having its customers use the Accused Amazon Umbrellas. Through its website, mobile application, product manuals, and/or sales and marketing activities, Amazon solicits, instructs, aids and abets, and encourages its customers to purchase and use the Accused Amazon Umbrellas.

115. Amazon’s induced infringement of the ’781 Patent is willful.

116. On information and belief, Amazon has known about the ’781 Patent since before the filing of this action.

117. Amazon acted despite the likelihood that its actions constituted infringement of a valid patent.

118. Amazon was aware that its actions would cause infringement of the ’781 Patent and acted with intent to encourage direct infringement of the ’781 Patent.

119. As a result of Amazon's infringement of the '781 Patent, LakeSouth has suffered and is owed monetary damages that are adequate to compensate it for the infringement under 35 U.S.C. § 284, but in no event less than a reasonable royalty.

DEMAND FOR A JURY TRIAL

120. Pursuant to Rule 38 of the Federal Rules of Civil Procedure, LakeSouth demands a trial by jury on all issues triable of right by a jury.

PRAYER FOR RELIEF

121. WHEREFORE, LakeSouth respectfully requests that this Court enter judgment in its favor and grant the following relief:

- a. A judgment that Amazon has directly infringed one or more claims of the '713 Patent and '781 Patent;
- b. A judgment that Amazon has indirectly infringed one or more claims of the '713 Patent and '781 Patent;
- c. A judgment and order requiring Amazon to pay LakeSouth past and future damages under 35 U.S.C. § 284, including for supplemental damages arising from any continuing post-verdict infringement for the time between trial and entry of the final judgment with an accounting, as needed, as provided by 35 U.S.C. § 284;
- d. A judgment and order finding that this is an exceptional case and awarding LakeSouth its reasonable attorneys' fees against Amazon pursuant to 35 U.S.C. § 285;
- e. A judgment and order requiring Amazon to pay LakeSouth reasonable ongoing royalties on a going-forward basis after final judgment;
- f. A judgment and order requiring Amazon to pay LakeSouth pre-judgment and post-judgment interest on the damages award;
- g. A judgment and order requiring Amazon to pay LakeSouth's costs; and
- h. Such other and further relief as the Court may deem just and proper.

Dated: January 17, 2018

Respectfully submitted,

A handwritten signature in black ink, appearing to read "E. Albritton", written over a horizontal line.

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