	Case 8:18-cv-00374 Document 1 Filed	03/07/18 Page 1 of 18 Page ID #:1	
1 2 3 4 5 6 7 8 9 10 11	RYAN E. HATCH (SBN 235577) LAW OFFICE OF RYAN E. HATCH, PC 13323 Washington Blvd., Suite 100 Los Angeles, CA 90066 Work: 310-279-5076 Mobile: 310-435-6374 Fax: 310-693-5328 ryan@ryanehatch.com Richard C. Weinblatt (<i>pro hac vice to be filed</i>) STAMOULIS & WEINBLATT LLC Two Fox Point Centre 6 Denny Road, Suite 307 Wilmington, DE 19809 Telephone: (302) 999-1540 Facsimile: (302) 762-1688 weinblatt@swdelaw.com Attorney for Plaintiff TANGELO IP, LLC		
-	UNITED STA	UNITED STATES DISTRICT COURT	
	CENTRAL DISTRICT OF CALIFORNIA		
0756-660-015 XBJ 0106-617 14 15 16			
14	TANGELO IP, LLC	CASE NO. 8:18-cv-00374	
	Plaintiff,	ORIGINAL COMPLAINT	
Ľ	VS.		
17	HOUDINI INC.	JURY TRIAL DEMANDED	
18	Defendant.		
19 20	COMPLAINT		
20 21	For its Complaint, Plaintiff Tangelo IP, LLC ("Tangelo"), by and through the		
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22 23	undersigned counsel, alleges as follows:		
23 24	THE PARTIES		
24 25	1. Tangelo is a Texas limited liability company with a place of business		
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20	located at 555 Republic Drive, 2nd Floor #42, Plano, Texas 75074.		
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	ORIGINAL COMPLAINT		

Law Office of Ryan E. Hatch, PC 13323 Washington Blvd., Suite 100 Los Angeles, CA 90066 Tel: 310-279-5076 Fax: 310-693-5328 Defendant Houdini Inc. is a California company with, upon information and belief, a place of business located at 4225 North Palm Street, Fullerton, California 92835.

3. By forming its company in California, Defendant has a permanent and continuous presence in California.

JURISDICTION AND VENUE

4. This action arises under the Patent Act, 35 U.S.C. § 1 *et seq.*

5. Subject matter jurisdiction is proper in this Court under 28 U.S.C. §§ 1331 and 1338.

6. Upon information and belief, Defendant conducts substantial business in this forum, directly or through intermediaries, 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 this district.

7. Venue is proper in this district pursuant to 28 U.S.C. § 1400(b).

BACKGROUND

8. Tangelo's closely related operating entity is Tangelo, LLC (formerly
known as Active8media, LLC), a developer of advanced interactive and shoppable
image products. Tangelo's technology already is used by many major publishers to
drive sales and connect readers and customers. Tangelo, LLC was awarded a MAX

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Marketing Award for its interactive image technology. It was also showcased on CNBC's Power Lunch for the implementation of Vogue Magazine's interactive ad images and the resulting highest revenue issue in Vogue's 110-year history.

9. Among other things, Tangelo, LLC operates Tangelo Images, a user interface application for creating interactive brand and user-generated photos. In addition, Tangelo, LLC launched Tangelo Tags within the Facebook app center to allow brand and individual users to create interactive and shoppable photos within Facebook's timeline. Tangelo, LLC has been recognized as a TAG Top 40 - Georgia's Most Innovative Companies.

10. Todd Mannik is a co-founder of Tangelo, LLC. Since at least 1999, Mr. Mannik has dedicated his career to focusing on the interactivity of photo images and the discovery of what's "inside" a photo. Mr. Mannik is the co-inventor of several patents, including the patent-in-suit, which represent pioneering advances in the transformation of images into interactive and shoppable images online.

THE PATENT-IN-SUIT

11. On April 23, 2013, U.S. Patent No. 8,429,005 (the "'005 patent"), entitled
"Method for Determining Effectiveness of Display of Objects in Advertising Images,"
was duly and lawfully issued by the U.S. Patent and Trademark Office. A true and
correct copy of the '005 patent is attached hereto as Exhibit A.

12. Mr. Mannik is the first listed co-inventor on the patent-in-suit, which is

U.S. Patent No. 8,429,005 (the "'005 patent"). The '005 patent is a continuation-in-part of U.S. Patent No. 6,535,889, which is a continuation-in-part of U.S. Patent No. 6,557,006. The earliest filing in the priority chain leading up to the '005 patent is U.S. Patent Application No. 09/406,171, filed on Sep. 23, 1999.

13. The technology recited in the claims of the '005 patent provides an inventive concept and does not claim an abstract idea. The inventive concept greatly enhances and facilitates technological methods and apparatuses which comprise providing of electronic and interactive catalogs comprising replications of product images appearing in a corresponding physical catalogs, wherein the electronic and interactive replications include selectable portions corresponding with the image replications, and wherein selection of the selectable portions provides additional product information and enables a user to initiate an online purchase of the product.

14. One inventive component of the '005 patent is improving electronic catalogs in ways that are necessarily rooted in computer technology to overcome problems specifically arising in the realm of computer networks, including the Internet.
The claims recite an invention that was not merely a routine or conventional use of the Internet.

15. The technology claimed in the '005 patent does not preempt all types of
electronic catalogs or anything else. For example, the prior art cited on the face of the
'005 patent remains available for practice by the Defendant, and the '005 patent claims

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do not preempt practice of those prior art methods.

16. The '005 patent claims cannot be practiced by a human alone and there exists no human analogue to the methods claimed in the '005 patent. The claims are specifically directed to, *inter alia*, the electronic and interactive replication of product images appearing in a corresponding physical publication page, wherein the electronic and interactive replications include selectable portions corresponding with duplications of the appearance of the product, and wherein selection of the selectable portions provides additional product information and enables a user to initiate an online purchase of the product. These things exist only in the context of computers.

17. The claims of the '005 patent specifically address a technological problem – inability to use a computer to locate additional information about products shown in visual media sources, such as failure to provide instantaneous product descriptions and separate enlarged views of each of the products shown within the image – via an unconventional technological solution. For example, the claimed graphical user interface includes prescribed functionality directly related to the graphical user interface's structure that addresses and resolves a specifically identified problem in the prior art.

18. In further detail, printed publications in traditional media, such as
newspaper or magazine advertisements could not be associated with, or "hot-linked"
to, additional sources of information like electronic files, Ex. A at 1:46-50, and

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conventional visual media present in some electronic publications (including video sources) on the Internet did not provide a breakdown of products forming the digital or electronic image contained within the electronic publication. *Id.* at 2:32-36. The claims of the '005 patent describe an approach to accomplishing a specific, practical, and useful improvement to traditional or conventional visual media, by creating a graphical user interface. *Id.* at 3:3-4:11.

19. The claims of the '005 patent do not perform some fundamental practice long prevalent in our system, as confirmed by the specification's criticism of prior art and the explanation as to how the claimed inventions solve the prior art's inadequacies. *See id.* at 1:40-2:50, 3:3-4:11.

20. The '005 patent's claims entail an unconventional technological solution to a technological problem. The '005 patent describes how its particular arrangements of elements is a technical improvement over prior art, *id.* at 3:3-4:11, and the particular arrangements are claimed.

20 21. The claims of the '005 patent have an obvious technological effect: they 21 aid in the technological goal of creating a graphical user interface that displays an 22 interactive electronic representation of a corresponding visual media object that can 23 associate a visual media object contained within an electronic publication to an 25 interactive electronic representation of a visual media object. These are not claims that 26 contain mere token references to a computer or its use; instead, these claims are

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inherently tied to computers and the Internet.

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22. The claims of the '005 patent improve the computer functionality. The '005 patent explains, for example, that the prior art's "severe limitations on the depth of content provided by traditional visual media can be very frustrating for readers, viewers, and in particular, shoppers," id. at 1:53-55, and "[t]he reader may turn to a web search engine for assistance, but without knowing the manufacturer of [the product shown] or other information, any Internet search by the reader is likely to be futile." Id. at 1:63-66. Likewise, "[c]onventional electronic publications generally do not provide instantaneous product descriptions and separate enlarged views of each of the products shown within the image", id. at 2:37-40, and if the reader seeks additional information about products shown in the image, "the reader may need to initiate an Internet or web search to ascertain" more information and "[s]uch an Internet search could be rather time consuming without any guarantee of success." Id. at 2:43-50. The '005 patent thus is directed to solving this Internet-centric problem by creating a graphical user interface that displays an interactive electronic representation of a corresponding visual media object that can associate a visual media object contained within an electronic publication to an interactive electronic representation of a visual media object.

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23. The prior art to the '005 patent did not permit the usability permitted by
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28. The prior art to the '005 patent did not permit the usability permitted by
29. The prior art to the '005 patent. When the limitations of the '005 patent's

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claims are taken together as an ordered combination, the claims recite an invention that is not merely the routine or conventional use of the Internet or a computer replicating a printed publication.

The '005 patent's claims do not preempt a broad building block that would 24. unduly obstruct innovation. Instead, the claims describe a very specific means for a computer to display a graphical user interface that includes an interactive and electronic replication of a corresponding physical publication page or a portion thereof. There is no risk that the claims could foreclose innovation by others.

Tangelo is the assignee and owner of the right, title and interest in and to 25. the '005 patent, including the right to assert all causes of action arising under said patent and the right to any remedies for infringement of it.

COUNT I – INFRINGEMENT OF U.S. PATENT NO. 8,429,005

Tangelo repeats and realleges the allegations of paragraphs 1 through 25 26. as if fully set forth herein.

Without license or authorization and in violation of 35 U.S.C. § 271(a), 27. 20 21 Defendant is liable for infringement of the '005 patent by practicing, making, using, 22 importing, offering for sale, selling and/or hosting methods and computer readable 23 media for methods, apparatuses, and computer readable media, including associated 24 25 with websites and/or apps, for providing an electronic and interactive replication of 26 product images appearing in a corresponding physical publication page. 27

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More specifically and upon information and belief, Defendant's online 28. catalog system for providing interactive replications of product images appears in a corresponding physical publication page.



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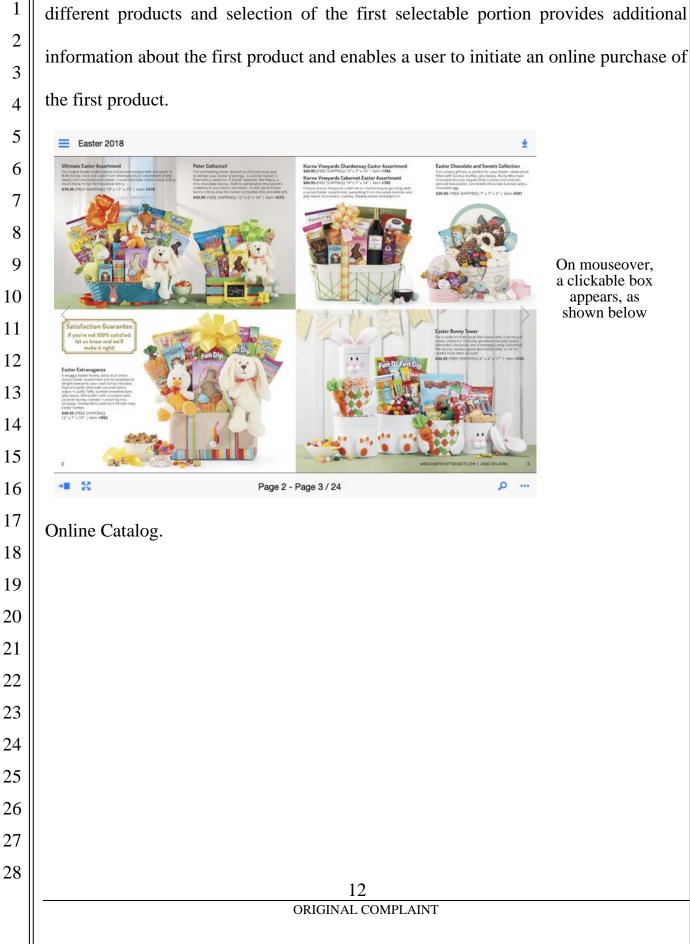
http://digitaledition.qwinc.com/publication/?m=53642&l=1#{"issue_id":468569,"pag
e":2} ("Online Catalog"). Defendant uses a computer system that associates a page
number of a physical publication page with an electronic and interactive replication of
at least a portion of the physical publication page, and the electronic catalog comprises
exact duplications of the at least two different products from the physical publication.

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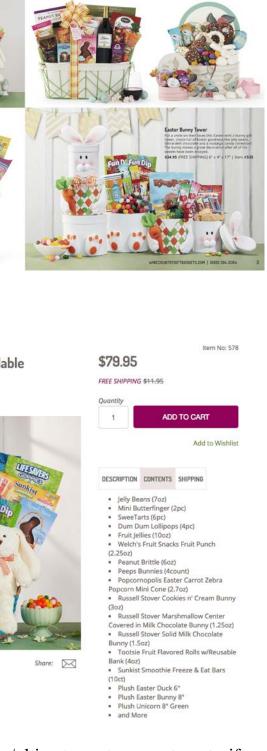
ma Vineyards Chardonnay Easter Assorts 95 (FREE SHIFPING) 197 x 77 x 147 L Ison #784

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Easter Chocolate and Sweets Collec





26 https://www.winecountrygiftbaskets.com/ultimate-easter-assortment-gift-

²⁷ baskets/578/aff/y/concat/Email. The electronic catalog includes a second selectable

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portion corresponding with duplication of the appearance of a second product of the at least two different products and selection of the second selectable portion provides additional information about the second product and enables a user to initiate an online purchase of the second product.

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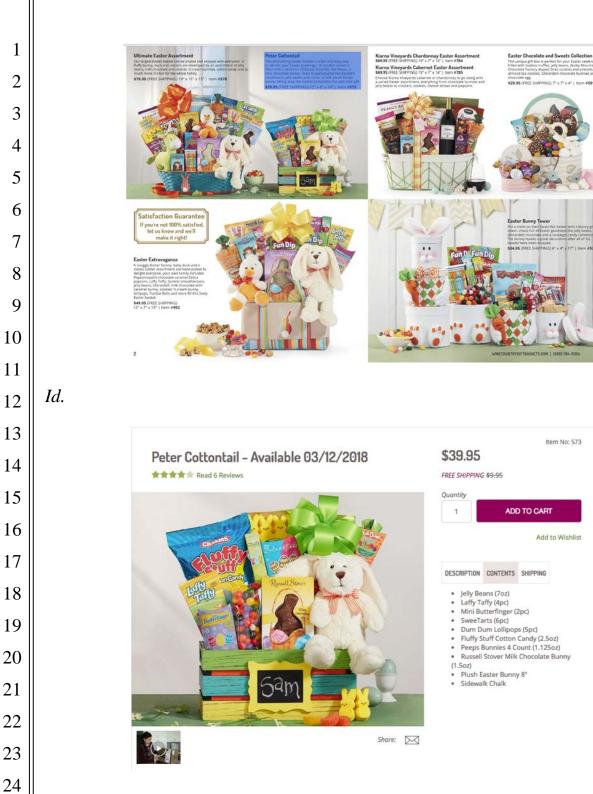
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26 https://www.winecountrygiftbaskets.com/peter-cottontail-gift-

baskets/573/aff/y/concat/Email. A web server application is executed by the host

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computer and it provides the electronic and interactive representation to a computing device of a user in response to receiving input representing the page number.



Online Catalog.

29. Tangelo is entitled to recover from Defendant the damages sustained by Tangelo as a result of Defendant's infringement of the '005 patent in an amount subject to proof at trial, 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.

30. Defendant's use of Tangelo's patented technology has caused, is causing and will continue to cause Tangelo irreparable harm unless enjoined by this Court.

JURY DEMAND

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Tangelo hereby demands a trial by jury on all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, Tangelo requests that this Court enter judgment against Defendant as follows:

A. An adjudication that Defendant has infringed the '005 patent;

B. A permanent injunction enjoining Defendant and its officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert or participation with it, from making, using, offering to sell, or selling in the United States or importing into the United States any devices, methods or systems that infringe any claim of the '005 patent, or contributing to or inducing the same by others;

C. An award of damages to be paid by Defendant adequate to compensate Tangelo for Defendant's past infringement of the '005 patent and any continuing or future infringement through the date such judgment is entered, including interest, costs, expenses and an accounting of all infringing acts including, but not limited to, those acts not presented at trial;

D. A declaration that this case is exceptional under 35 U.S.C. § 285, and an
award of Tangelo's reasonable attorneys' fees; and

E. An award to Tangelo of such further relief at law or in equity as the Court
deems just and proper.



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Dated: March 7, 2018 LAW OFFICE OF RYAN E. HATCH, PC /s/ Ryan E. Hatch Ryan E. Hatch 13323 Washington Blvd., Suite 100 Los Angeles, CA 90066 Telephone: (310) 279-5076 Facsimile: (310) 693-5328 ryan@ryanehatch.com *Of Counsel:* Richard C. Weinblatt (*pro hac vice to be filed*) STAMOULIS & WEINBLATT LLC Two Fox Point Centre 6 Denny Road, Suite 307 Wilmington, DE 19809 Telephone: (302) 999-1540 Facsimile: (302) 762-1688 weinblatt@swdelaw.com Attorneys for Plaintiff Tangelo IP, LLC ORIGINAL COMPLAINT