

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

BLITZSAFE TEXAS, LLC,

Plaintiff,

v.

**GEELY SWEDEN HOLDINGS AB,
VOLVO CAR AB, VOLVO CAR
CORPORATION, AND VOLVO CAR
USA, LLC,**

Defendants.

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Case No. 2:17-cv-00420-JRG

JURY TRIAL DEMANDED

PLAINTIFF’S SECOND AMENDED COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff, Blitzsafe Texas, LLC (“Blitzsafe” or “Plaintiff”), files this First Amended Complaint against Defendants Geely Sweden Holdings AB, Volvo Car AB, Volvo Car Corporation, and Volvo Car USA, LLC (collectively, “Defendants”), for patent infringement under 35 U.S.C. § 271 and alleges as follows:

THE PARTIES

1. Plaintiff, Blitzsafe Texas LLC, is a limited liability company organized and existing under the laws of the State of Texas, and maintains its principal place of business at 100 W. Houston Street, Marshall, Texas 75670. Blitzsafe sells automotive interface products that allow the end user to connect a third-party external audio device or multimedia device to a car stereo in order to play the content on the device through the car stereo system and speakers. Blitzsafe sells its products throughout the United States including in this judicial district.

Blitzsafe is the owner of all right, title, and interest in and to U.S. Patent No. 7,489,786 and U.S. Patent No. 8,155,342.

2. Upon information and belief, Defendant Geely Sweden Holdings AB is a Swedish corporation with a place of business at Box 1670, Stockholm, Sweden 111 96.

3. Upon information and belief, Defendant Volvo Car AB is a Swedish automobile manufacturer with a place of business at VAK Building, Assar Gabrielssons väg, Goteborg, Sweden, SE-405 31.

4. Upon information and belief, Defendant Volvo Car Corporation is a Swedish corporation with a place of business at VAK Building, Assar Gabrielssons väg, Goteborg, Sweden, SE-405 31.

5. Upon information and belief, Defendant Volvo Car USA, LLC (“Volvo USA”) is a Delaware corporation with a place of business at 1 Volvo Drive, Rockleigh, New Jersey 07647, and may be served with process through its registered agent, CT Corporation System, 1999 Bryan Street, Suite 900, Dallas, Texas 75201. Volvo USA imports into the United States and wholesales in the United States new Volvo automobiles, parts, and accessories, including in the Eastern District of Texas.

6. Upon information and belief, Volvo USA engages in sales of products that infringe the patents-in-suit to Crest Volvo Cars¹ in the Eastern District of Texas. Upon information and belief, Volvo USA is registered to do business in Texas with the Secretary of State. The Texas Business Organizations Code (Bus. Org. § 9.001) requires all entities formed outside of the State of Texas to complete such registration in order to “transact business” in Texas. Upon information and belief, Volvo USA is registered as a taxable entity with the Texas

¹ Located in Plano, TX. See <https://www.crestvolvocars.com/>.

Comptroller of Public Accounts in connection with its sales of Volvo-branded vehicles through its relationships with Volvo dealerships.

7. Volvo USA has three employees residing in the Eastern District of Texas. These employees include: (i) a field specialist who works with dealers on difficult inspection, service, or repair issues, (ii) a market manager who works with dealers on sales and marketing related support, and (iii) an aftersales manager who works with dealers on issues related to the service of parts and accessories. These three employees work on-site at various dealerships including the Volvo dealership in the Eastern District of Texas. Volvo USA reimburses these employees for travel and personal expenses related to their job responsibilities.

8. Upon information and belief, the Volvo dealer located within the Eastern District of Texas has executed a dealer agreement with Volvo USA. Upon information and belief, these dealer agreements set forth standards and requirements enumerated by Volvo USA that dealers are required to comply with. Upon information and belief, these standards and requirements are directed to at least the dealership facility, space, appearance, layout, and equipment.

9. Upon information and belief, Volvo USA regularly, continuously, and systematically provide support to and control over the Volvo dealer located in the Eastern District of Texas. Upon information and belief, Volvo USA employees regularly and continuously work at the Volvo dealer in this District in order to provide support and exercise control over the sales, marketing, and service of Volvo automobiles in this District.

10. As an example of Volvo USA's support to and control over the dealerships, upon information and belief, Volvo USA's representatives regularly and systematically work at the dealership in this District to educate dealership employees regarding features of the accused

Volvo products sold in this judicial district, including but not limited to features regarding audio and multimedia integration systems.

11. As another example of Volvo USA's support to and control over the dealerships, upon information and belief, Volvo USA employees work at the dealership located in this District to provide sales, technical, repair and business support to employees of Volvo dealerships, including in this judicial district. Volvo USA employs "Aftersales Market Managers" to "evaluate retailer performance and make recommendations and implement change in business operations," "communicate best practices in order to improve parts & service business performance and opportunities at the retailer level," "handle customer issues while developing retailer personnel with regard to appropriate customer handling in order to enhance the Volvo experience (includes coordination of buybacks, and litigation avoidance efforts)," "monitor, coach and improve retailer's competencies through training via Volvo's Performance Academy," and "analyze and coach warranty & compliance to 'best in class' retailer levels." See Exhibit A, available at <http://jobs.jobvite.com/volvocars/job/oDiJ5fwt>. This position and similar positions at Volvo Cars, upon information and belief, require working at the dealership in this District. *Id.*

12. Upon information and belief, while Volvo USA employees are working at dealerships in this District, they have access to communications devices (cell phones, laptops, etc.) provided by Volvo USA on which they conduct business on behalf of Volvo USA. Upon information and belief, Volvo USA employees have access to their Volvo USA e-mail accounts while they are present in dealerships in this District.

13. Upon information and belief, Volvo USA warrants to the original and each subsequent owner of new Volvo vehicles that any authorized Volvo Retail Facility will make any

repairs or replacements necessary to correct defects in material or workmanship arising during the warranty period. Upon information and belief, all such warranty work is paid for by the Defendants. Upon information and belief, there is one authorized Volvo Retail Facility in the Eastern District of Texas, at the service department at Crest Volvo Cars, physically located in Plano, Texas. Upon information and belief, service technicians employed at Crest Volvo Cars participate in Volvo USA-sponsored training programs, schools, and events.

14. Upon information and belief, Volvo USA provides Service and Warranty Booklets (“Booklets”) to Volvo customers, including those customers that purchase Volvo vehicles in the Eastern District of Texas. The Booklets direct questions regarding warranty rights and responsibilities to Volvo USA’s Customer Care Center. Upon information and belief, the Booklets direct customers, including those customers that purchase Volvo vehicles in the Eastern District of Texas, to provide direct, written notification of any alleged unrepaired defects or malfunctions and service difficulties to Volvo USA’s Customer Care Center, including notifications under applicable state laws.

15. Upon information and belief, the Volvo Retail Facility located within this district is Volvo USA’s exclusive agent and representative within this judicial district for the provision within this District of all new warranty service for Volvo vehicles sold both within the district and outside the district. Upon information and belief, if a Volvo customer located within the district needs to have new car warranty repairs performed within the district, Volvo USA requires the Volvo customer to have the work performed at the authorized Volvo Retail Facility within the District.

16. Upon information and belief, through its exclusive agents and representatives, Volvo USA provides new car warranty service within the district on the infringing products.

17. Upon information and belief, the technicians employed by Volvo USA including those that reside in the district, provide direct supervision and assistance within the District on a regular, ongoing, and continuous basis in connection with warranty repairs being performed within the district.

18. Upon information and belief, Volvo USA engages in marketing activities that promote the sale of Volvo-branded products to customers and/or potential customers located in Texas and in the Eastern District of Texas. Upon information and belief, Defendants maintain interactive commercial websites, that target residents of Texas and the Eastern District of Texas, through which Defendants promote their products that infringe the patents-in-suit. Upon information and belief, these interactive commercial websites direct customers as to where to buy Volvo-branded vehicles with accused products, including the Volvo dealership within the Eastern District of Texas. Defendants' interactive commercial websites also have submission forms that allow customers to request offers and quotes from the dealer in this judicial district, schedule test drives with the dealer in this judicial district, and view inventory at the dealer in this judicial district. Defendants' interactive websites allow users to shop for Volvo parts available at the dealer in this judicial district. Defendants' interactive websites also provide "how to" videos, service and care information, and materials about Defendants' products, including the accused products, such as downloadable manuals, guides, and mobile applications.

19. Upon information and belief, Volvo Car Corporation owns Volvo trademarks in the United States, including but not limited to S50, D6, V40, V80, XC30, XC20, XC40, XC80, T3, T2, C80, V20, V30, C40, C60, T4, XC-Range, Racing the Sun, Intellisafe Autopilot, Cross Country, Sensus Connect, and Sensus Connected Touch.

JURISDICTION AND VENUE

20. This is an action for patent infringement arising under the patent laws of the United States, 35 U.S.C. §§ 1, *et seq.* This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

21. This Court has personal jurisdiction over Defendants. Defendants conduct business and have committed acts of patent infringement and/or have induced acts of patent infringement by others in this judicial district and/or have contributed to patent infringement by others in this judicial district, the State of Texas, and elsewhere in the United States.

22. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391 and/or 28 U.S.C. § 1400(b) because, among other things, Defendants are subject to personal jurisdiction in this judicial district, Defendants have a regular and established place of business in the State of Texas and in this judicial district, have purposely transacted business involving the accused products in this judicial district, including sales to one or more customers in Texas, and certain of the acts complained of herein occurred in this judicial district. To the extent any Defendant is not a resident in the United States, venue as to that Defendant in this judicial district is proper under 28 U.S.C. § 1391(c).

23. Defendants are subject to this Court's jurisdiction pursuant to due process and/or the Texas Long Arm Statute due at least to its substantial business in this State and judicial district, including (a) at least part of its past infringing activities, (b) regularly doing or soliciting business in Texas, and/or (c) engaging in persistent conduct and/or deriving substantial revenue from goods and services provided to customers in Texas.

PATENTS-IN-SUIT

24. On February 10, 2009, the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 7,489,786 (the “786 Patent”) entitled “Audio Device Integration System.”

25. On April 10, 2012, the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 8,155,342 (the “342 Patent”) entitled “Multimedia Device Integration System.”

FACTUAL ALLEGATIONS

26. The patents-in-suit generally cover systems for integrating third-party audio devices and multimedia devices with a car stereo.

27. Plaintiff has complied with the requirements of 35 U.S.C. § 287(a).

28. Defendants manufacture, import and/or sell audio and multimedia integration systems, which have been installed in Volvo-branded vehicles made in or imported into the United States since at least approximately 2011, including the “Sensus Connect” system as well as accessories to be installed at or after the time of delivery of the vehicle (hereinafter collectively referred to as “Infotainment Systems”). These Infotainment Systems include head units, extension modules, and iPod/iPhone and mp3 integration kits that Volvo purchases from third-party suppliers including, but not limited to, Mitsubishi Electric Corporation, Mitsubishi Electric U.S. Inc., and Mitsubishi Electric Automotive America, Inc.

29. The Volvo Infotainment Systems are sold in at least the following Volvo vehicles during the period 2011 to the present: S40, V40 II, XC90 Classic, S60 II, V60, S60 Cross Country, V60 Cross Country, XC60, XC90, S90, V90 II, V90 Cross Country, C70 Coupe, C70 Convertible, S40 II, 50, C30, S80, and XC60.

30. The Infotainment Systems support the integration of third-party external audio and multimedia devices, such as MP3 players, with the car stereo. The Infotainment Systems permit an end user to connect a third-party external audio or multimedia device to the car stereo by wire, such as through a USB port or auxiliary port, or wirelessly, such as through Bluetooth. Once connected, the end user may control the third-party external audio or multimedia device using the car stereo's controls, and the audio from the external audio device may be played through the car stereo and speakers while text, pictures, visual images and video may be displayed on the display screen of the car stereo.

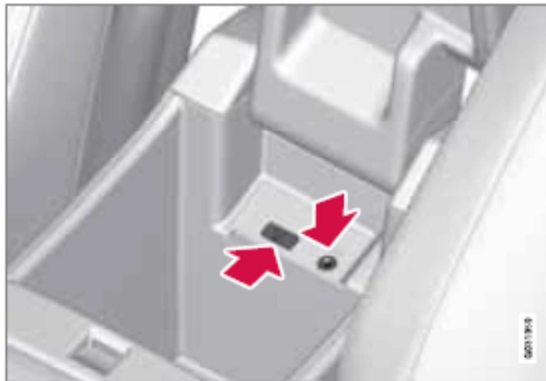
31. Volvo's user manuals, instructional videos, websites, and other information demonstrate to the Volvo's users, customers, and prospective customers how an external audio device and external multimedia device may be connected to the car stereo by wire to, for example, a USB port or wirelessly by Bluetooth and how the external device may be controlled by the car stereo's controls. For example, the Owner's Manual for the 2012 Volvo S60, downloaded from <http://www.volvocars.com/us/own/owner-info/owners-manuals> provides:

Infotainment system overview



- 1 Sockets for external audio sources (AUX and USB)
- 2 Steering wheel keypad
- 3 7" display
- 4 Center console control panel

Connecting external devices



Sockets for auxiliary devices in the storage compartment between the front seats



An auxiliary device, such as an iPod® or MP3 player can be connected to the audio system via one of the sockets in the center console storage compartment. A device connected to the USB socket can be operated using the vehicle's infotainment system controls.

An iPod® or an MP3 player with rechargeable batteries will also be charged if the device is connected to the USB socket (if the vehicle's ignition is on or if the engine is running).

The text **Reading USB** will be displayed while the system reads the device's folders. This may take a short time, depending on the folder structure and the number of files.

When this information has been loaded, track information will be displayed and a track can be selected.

Tracks can be selected in two ways:

- Turn **TUNE** and press **OK/MENU**
- Use the right or left arrow keys  /  on the center console control panel or on the steering wheel keypad

Streaming audio

Introduction

The vehicle's media player is equipped with Bluetooth® and can play streaming audio files from a Bluetooth® device such as a cell phone or personal digital assistant (PDA). Navigation and control of the device can be done through the vehicle's center console control panel or the steering wheel keypad. On certain external devices, it is also possible to change tracks from the device.

In order to listen streaming audio, the vehicle's media player must first be put in **Bluetooth** mode. To do so, Press **MEDIA** several times until **Bluetooth** is displayed. Release the button and wait several seconds or press **OK/MENU**.

Choices can be made in the **Bluetooth** menus from the center console control panel or the steering wheel keypad. See page 244 for additional information about navigating the various menus.

COUNT I **(Infringement of the '786 Patent)**

32. Paragraphs 1 through 31 are incorporated by reference herein as if fully set forth in their entireties.

33. Blitzsafe has not licensed or otherwise authorized Defendants to make, use, offer for sale, sell, or import any products that embody the inventions of the '786 Patent.

34. Defendants have and continue to directly infringe one or more claims of the '786 Patent, including claim 57, either literally or under the doctrine of equivalents, by making, using, offering to sell, selling and/or importing into the United States infringing Infotainment Systems without authority and in violation of 35 U.S.C. § 271.

35. Defendants have and continue to indirectly infringe one or more claims of the '786 Patent by knowingly and intentionally inducing others to directly infringe, either literally or under the doctrine of equivalents, by making, using, offering to sell, selling and/or importing into

the United States the infringing Infotainment Systems. For example, Defendants, with knowledge that the Infotainment Systems infringe the '786 Patent at least as of the date of this Complaint, knowingly and intentionally induced, and continue to knowingly and intentionally induce, direct infringement of the '786 Patent by providing Infotainment System user manuals, product manuals, instructional videos and website information that instruct end users how to use the Infotainment Systems, including specifically how to connect their external third-party audio and multimedia devices to the car stereo and how to control the external device using the automobile's controls. Defendants induced infringement by others, including end users, with the intent to cause infringing acts by others or, in the alternative, with the belief that there was a high probability that others, including end users, infringe the '786 Patent, but while remaining willfully blind to the infringement.

36. Defendants have and continue to indirectly infringe one or more claims of the '786 Patent by contributing to the direct infringement, either literally or under the doctrine of equivalents, by others, including end users, by offering to sell, selling and/or importing into the United States the infringing Infotainment Systems and with the knowledge, at least as of the date of this Complaint, that the Infotainment Systems contain components that constitute a material part of the inventions claimed in the '786 Patent. Such components include, for example, interfaces that permit an end user to use a car stereo's controls to control an external third party audio device and multimedia device. Defendants know that these components are especially made or especially adapted for use in an infringement of the '786 Patent and that these components are not a staple article or commodity of commerce suitable for substantial non-infringing use. Alternatively, Defendants believed there was a high probability that others would infringe the '786 Patent, but remained willfully blind to the infringing nature of others' actions.

37. Blitzsafe has suffered damages as a result of Defendants' direct and indirect infringement of the '786 Patent in an amount to be proved at trial.

38. Blitzsafe has suffered, and will continue to suffer, irreparable harm as a result of Defendants' infringement of the '786 Patent, for which there is no adequate remedy at law, unless Defendants' infringement is enjoined by this Court.

39. Defendants have committed and continue to commit acts of infringement that Defendants actually knew or should have known constituted an unjustifiably high risk of infringement of at least one valid and enforceable claim of the '786 Patent. Upon information and belief, Defendants had actual knowledge of the '786 Patent from prior litigations accusing products made by Infotainment System suppliers of Defendants, prior litigations in which Infotainment System suppliers were involved as third parties, and prior litigations involving Defendants themselves. Defendants' infringement of the '786 Patent has been and continues to be willful, entitling Blitzsafe to an award of treble damages, reasonable attorney fees, and costs in bringing this action.

COUNT II
(Infringement of the '342 Patent)

40. Paragraphs 1 through 31 are incorporated by reference herein as if fully set forth in their entireties.

41. Blitzsafe has not licensed or otherwise authorized Defendants to make, use, offer for sale, sell, or import any products that embody the inventions of the '342 Patent.

42. Defendants have and continue to directly infringe one or more claims of the '342 Patent, including claim 49, either literally or under the doctrine of equivalents, by making, using, offering to sell, selling and/or importing into the United States infringing Infotainment Systems without authority and in violation of 35 U.S.C. § 271.

43. Defendants have and continue to indirectly infringe one or more claims of the '342 Patent by knowingly and intentionally inducing others to directly infringe, either literally or under the doctrine of equivalents, by making, using, offering to sell, selling and/or importing into the United States the infringing Infotainment Systems. For example, Defendants, with knowledge that the Infotainment Systems infringe the '342 Patent at least as of the date of this Complaint, knowingly and intentionally induced, and continue to knowingly and intentionally induce, direct infringement of the '342 Patent by providing Infotainment System operating manuals, product manuals, instructional videos and website information and documentation that instruct end users how to use the Infotainment Systems, including specifically how to connect external third-party audio and multimedia devices to the car stereo and how to control the external device using the automobile's controls. Defendants induced infringement by others, including end users, with the intent to cause infringing acts by others or, in the alternative, with the belief that there was a high probability that others, including end users, infringe the '342 Patent, but while remaining willfully blind to the infringement.

44. Defendants have and continue to indirectly infringe one or more claims of the '342 Patent by contributing to the direct infringement, either literally or under the doctrine of equivalents, by others, including end users, by offering to sell, selling and/or importing into the United States infringing Infotainment Systems, with the knowledge, at least as of the date of this Complaint, that the Infotainment Systems contain components that constitute a material part of the inventions claimed in the '342 Patent. Such components include, for example, interfaces that permit an end user to use a car stereo's controls to control an external third-party audio device. Defendants know that these components are especially made or especially adapted for use in an infringement of the '342 Patent and that these components are not a staple article or commodity

of commerce suitable for substantial non-infringing use. Alternatively, Defendants believed there was a high probability that others would infringe the '342 Patent, but remained willfully blind to the infringing nature of others' actions.

45. Blitzsafe has suffered damages as a result of Defendants' direct and indirect infringement of the '342 Patent in an amount to be proved at trial.

46. Blitzsafe has suffered, and will continue to suffer, irreparable harm as a result of Defendants' infringement of the '342 Patent, for which there is no adequate remedy at law, unless Defendants' infringement is enjoined by this Court.

47. Defendants have committed and continue to commit acts of infringement that Defendants actually knew or should have known constituted an unjustifiably high risk of infringement of at least one valid and enforceable claim of the '342 Patent. Upon information and belief, Defendants had actual knowledge of the '342 Patent from prior litigations accusing products made by Infotainment System suppliers of Defendants, prior litigations in which Infotainment System suppliers were involved as third parties, and prior litigations involving Defendants themselves. Defendants' infringement of the '342 Patent has been and continues to be willful, entitling Blitzsafe to an award of treble damages, reasonable attorney fees, and costs in bringing this action.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a jury for all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, Blitzsafe prays for relief against Defendants as follows:

a. Entry of judgment declaring that Defendants have directly and/or indirectly infringed one or more claims of each of the patents-in-suit;

b. Entry of judgment declaring that Defendants' infringement of the patents-in-suit has been willful and deliberate;

c. An order pursuant to 35 U.S.C. § 283 permanently enjoining Defendants, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them, from further acts of infringement of the patents-in-suit;

d. An order awarding damages sufficient to compensate Blitzsafe for Defendants' infringement of the patents-in-suit, but in no event less than a reasonable royalty, together with interest and costs;

e. An order awarding Blitzsafe treble damages under 35 U.S.C. § 284 as a result of Defendants' willful and deliberate infringement of the patents-in-suit;

f. Entry of judgment declaring that this case is exceptional and awarding Blitzsafe its costs and reasonable attorney fees under 35 U.S.C. § 285; and

g. Such other and further relief as the Court deems just and proper.

Dated: April 4, 2018

Respectfully submitted,

BROWN RUDNICK LLP

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**ATTORNEYS FOR PLAINTIFF
BLITZSAFE TEXAS, LLC**

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on April 4, 2018, all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3).

/s/ Alfred R. Fabricant
Alfred R. Fabricant