

line and NANO[®]. Recently, Plaintiffs' HEXBUG[®] NANO[®] was named Toy of the Year for 2011.

2. Upon information and belief, Toysmith is an entity of unknown form with its principal place of business at 3101 West Valley Hwy East, Sumner, Washington 98390. Upon information and belief, Toysmith, through its agent or representative, maintains an office at 2050 N. Stemmons Freeway, Unit 124, Dallas, Texas 75207.

3. Upon information and belief, McManemin Companies is an entity of unknown form with its principal place of business at 2050 N. Stemmons Freeway, Unit 124, Dallas, Texas 75207. McManemin is Toysmith's authorized agent or representative located in the State of Texas and within this judicial district.

4. Upon information and belief, Toysmith and McManemin regularly conduct business activities within this judicial district, including conducting trade shows within this judicial district such as the Dallas Gift And Home Market trade show on January 18-24, 2012; Dallas International Gift And Home Market trade show on June 20-26, 2012 (scheduled); and Dallas Fall Preview trade show in October 2012 (scheduled).

II. JURISDICTION AND VENUE

5. Plaintiffs repeat and re-allege the allegations in Paragraphs 1 to 4 above as though fully set forth here.

6. This action arises under the patent laws of the United States, Title 35, United States Code § 1, *et. seq.* This Court has exclusive subject matter jurisdiction over this case for patent infringement under 28 U.S.C. §§ 1331 and 1338(a).

7. Personal jurisdiction exists generally over each of the Defendants because each of the Defendants maintains sufficient minimum contacts with the State of Texas and this judicial

district as a result of business conducted within the State of Texas and within this judicial district. Personal jurisdiction also exists specifically over each of the Defendants because each, directly or indirectly, makes, uses, offers for sale, sells, imports, distributes, advertises, markets, and/or makes available products within the State of Texas and this judicial district, that infringe United States Patent No. 8,038,503 , as described more particularly below.

8. Venue is proper in the Northern District of Texas under 28 U.S.C. §§ 1391 (b)-(c) and 1400(b).

III. PATENT INFRINGEMENT

9. Plaintiffs repeat and re-allege the allegations in Paragraphs 1 to 8 above as though fully set forth here.

10. United States Patent No. 8,038,503 (“‘503 Patent”) entitled “Vibration Powered Toy” was duly and legally issued by the United States Patent and Trademark Office on October 18, 2011. A copy of the ‘503 Patent is attached hereto as Exhibit A.

11. IFI is the owner of the ‘503 Patent. IFLI has an exclusive license from IFI to the ‘503 Patent that includes, among other things, the exclusive right to market, distribute and sell products under the ‘503 Patent.

12. Upon information and belief, Defendants have directly and/or indirectly infringed (by induced and/or contributory infringement), and is continuing to infringe, directly and/or indirectly, one or more claims of the ‘503 Patent (including, for example, Claim 1), in this judicial district or otherwise within the United States by making, using, offering to sell, distributing, and/or importing into the United States, without authority from Plaintiffs, products embodying the patented invention claimed in the ‘503 Patent (the “Infringing Products.”). The Infringing

Products include the “Busy Bugs,” “Hurry Scurry Cockroach,” “Hurry Scurry Lady Bug,” and “Hurry Scurry Mouse.”

13. Upon information and belief, Defendants have knowledge of the ‘503 Patent, which is identified on Plaintiffs’ products, packaging and/or website, and Defendants have not ceased their infringing activities. Upon information and belief, Defendants’ infringement of the ‘503 Patent has been and continues to be willful and deliberate.

14. As a result of Defendants’ infringing activities, unless such infringing activities are enjoined by the Court, Plaintiffs have suffered, and will continue to suffer, injury to their business and/or property rights.

15. As a result of Defendants’ infringing activities, Plaintiffs are entitled to damages, including lost profits and in no event less than a reasonable royalty, costs, interest and attorneys’ fees pursuant to 35 U.S.C. §§ 284 and 285.

16. Defendants’ infringing activities have caused, are causing, and, unless such infringing activities are enjoined by the Court, will continue to cause immediate and irreparable harm to Plaintiffs for which there is no adequate remedy at law, and for which Plaintiffs are entitled to preliminary and permanent injunctive relief under 35 U.S.C. § 283.

IV. REQUESTED RELIEF

17. Plaintiffs request the following relief:

- A. A judgment that each Defendant has infringed, directly and indirectly, one or more claims of the ‘503 Patent;
- B. A preliminary and thereafter a permanent injunction restraining and enjoining Defendants and all those in acting in privity, concert or participation with Defendants from making, using, selling, offering for sale, importing into the

- United States, exposing for sale, marketing, distributing the Infringing Products, or otherwise engaging in any activities that infringe the '503 Patent;
- C. A judgment and order requiring each Defendant to pay Plaintiffs damages pursuant to 35 U.S.C. § 284, and that such award be increased up to three times for willful infringement as provided by 35 U.S.C. § 284;
- D. Find this case exceptional pursuant to 35 U.S.C. § 285, and award Plaintiffs attorneys' fees and costs incurred in this case;
- E. Award Plaintiffs prejudgment and post-judgment interest on any monetary awards; and
- F. Award Plaintiffs such other and further relief as the Court may deem just, proper and equitable under the circumstances.

V. DEMAND FOR JURY TRIAL

18. Plaintiffs demand that all issues that are triable by jury be determined by a jury.

Dated: June 29, 2012.

Respectfully Submitted
GREENBERG TRAURIG LLP

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