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Attorneys for Plaintiff

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA

THE TAWNSAURA GROUP, LLC,

Plaintiff,

vs.

MAGNUM NUTRACEUTICALS, INC.,

Defendant

Case No. SACV12-1636 SJO(AGRx)

FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT

MIRY TRIAL DEMANDED

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Plaintiff The Tawnsaura Group, LLC ("Plaintiff") hereby alleges for its First Amended Complaint against Magnum Nutraceuticals, Inc. ("Defendant"), on personal knowledge as to its own activities and on information and belief as to the activities of others, as follows:

I. THE PARTIES

- Plaintiff is a limited liability company organized and existing under the 1. laws of Nevada, with a registered office at 50 West Liberty Street, Suite 1100, Reno, Nevada 89501.
- 2. Plaintiff is the owner and assignee of United States Patent No. 5,874,471 ("the '471 patent") titled "Orthomolecular Medical Use of L-Citrulline for Vasoprotection, Relaxative Smooth Muscle Tone and Cell Protection," and United States Patent No. 6,028,107 ("the '107 patent") titled "Orthomolecular Medical Use of L-Citrulline for Vasoprotection, Relaxative Smooth Muscle Tone and Cell Protection," and Plaintiff licenses the '471 patent and the '107 patent to at least one third-party and is in negotiations to license the patents to numerous other parties.
- 3. Upon information and belief, Defendant Magnum Nutraceuticals, Inc. is a corporation organized and existing under the laws of British Columbia, Canada with a principal place of business at 101-19097 26th Avenue in Surrey, British Columbia, V39 3V7, Canada.

II. JURISDICTION AND VENUE

- This is an action for patent infringement arising under the patent laws of 4. the United States, Title 35 of the United States Code. Accordingly, this Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1338, and 1367.
 - 5. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391 and 1400.
- This Court has personal jurisdiction over Defendant. Defendant, directly 6. or through intermediaries (including distributors, retailers, and others), ships, distributes, offers for sale, sells, and advertises its nutritional supplement products in the United States, the State of California, and the Central District of California,

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including the products "Serum" and "Opus." Defendant has purposefully and voluntarily placed these products into the stream of commerce with the expectation that they will be purchased in the Central District of California.

THE DEFENDANT'S INFRINGING PRODUCTS III.

- 7. The label and/or advertisements for Defendant's product Serum state that the product contains, inter alia, the ingredient "L-Citrulline" and "L-Citrulline AKG 2:1" to "recycle the Arginine in your system to support harder pumps, increased endurance, shorter recovery." The label and/or advertisements for Defendant's product Opus state that the product contains, inter alia, the ingredient "Instantized L-Citrulline Malate," and "helps send strength levels off the charts by supporting blood flow and hydration of your muscles." The products contain the ingredient 1-citrulline.
- As set forth herein, the above products infringe the claimed methods of the '471 patent and the '107 patent, and are therefore referred to herein as "the products that infringe the claimed methods."
- 9. Defendant has committed the tort of patent infringement within the State of California, and more particularly, within the Central District of California, by virtue of the fact that Defendant has shipped, distributed, offered for sale, sold, and advertised, and continues to ship, distribute, offer for sale, sell, and advertise the products that infringe the claimed methods in this District.

IV. THE DEFENDANT'S INFRINGEMENTS

Defendant's employees, agents, representatives and other persons 10. sponsored by or who endorse Defendant and Defendant's products in advertising and marketing activities, have taken, used, and orally administered the products that infringe the claimed methods which have the effect, without limitation, of increasing the plasma level of arginine in the persons taking the products from a low or normal fasting level to a level which is up to three times an average overnight fasting level and increasing the plasma concentration of arginine in the persons taking the products from a low or normal fasting concentration to a level which is up to three times an average

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- For instance and without limitation, Mike O'Hearn is an athlete who 11. endorses and acts as a spokesperson for Defendant and Defendant's products and regularly takes Defendant's products, including, on information and belief, the infringing products Opus and Serum. fact. In at the website www.hardmagnum.com/profile/mike-ohearn, Mr. O'Hearn lists Opus as one of his "favorite supplements." Mr. O'Hearn is just one example of a person who acts under Defendant's direction and control, practices the methods as set forth in the '471 patent and the '107 paten, is a direct infringer of the patents, and, as a result, Defendant, too, is a direct infringer of the patents.
- 12. End-users of Defendant's products that infringe the claimed methods are also direct infringers of the '471 patent and the '107 patent, because they have taken, used, and orally administered the products that infringe the claimed methods which have the effect, without limitation, of increasing the plasma level of arginine in the persons taking the products from a low or normal fasting level to a level which is up to three times an average overnight fasting level and/or increasing the plasma concentration of arginine in the persons taking the products from a low or normal fasting concentration to a level which is up to three times an average overnight fasting arginine level of about 90 mu.mole per liter of plasma. These persons included persons who, without limitation, were in good health, were in a condition of increased or continuing brain or neural activities, or were in a condition of increased or continuing

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- For example and without limitation, an end-user of Serum called "Bryan 0025" posted a review on the website at http://forum.bodybuilding.com/ showthread.php?t=124322841&page=1 regarding his use of the product in which he stated, "I have noticed that the vascularity in my arms and shoulders during my workout is becoming very visible." Another end-user of Opus called "Fee Weight Friedel" review posted website the a on at http://forum.bodybuilding.com/showthread.php?t=145541021&page=1 regarding use of the product in which he stated, "pumps and energy from it were nothing short of fantastic." These are just two examples of end-users who have practiced the methods as set forth in the '471 patent and the '107 patent and are direct infringers of the patents.
- 14. Defendant's labels and advertising for the products that infringe the claimed methods explain the elements and essential elements of the methods disclosed in the '471 patent and the '107 patent to end-users and encourage, urge, and induce the products' end-users to purchase and orally administer the products to practice those methods, and end-users do practice those methods. Defendant has therefore specifically intended to cause these end-users to directly infringe the claimed methods of the patents, and has urged them to do so.
- 15. Defendant's products that infringe the claimed methods are not suitable for non-infringing uses, and none of Defendant's labels or advertisements for the products disclose any uses for the products nor for the citrulline in those products that do not infringe upon the methods disclosed in the '471 patent and the '107 patent. The inclusion of the citrulline content in the products are, in fact, material to practicing the methods disclosed in the '471 patent and the '107 patent.
- 16. Defendant has knowledge that its products that infringe the claimed methods are especially adapted by end-users of the products for the practicing of the

methods disclosed in the '471 patent and '107 patent, and, indeed, Defendant encourages, urges, and induces the products' end-users to purchase and orally administer the products to practice those methods, and has done so in the past.

- 17. Defendant has intentionally and knowingly induced, encouraged, and urged end-users of the products that infringe the claimed methods to purchase and orally administer the products for the purpose, without limitation, of increasing the plasma level of arginine in the persons taking the products from a low or normal fasting level to a level which is up to three times an average overnight fasting level and increasing the plasma concentration of arginine in the persons taking the products from a low or normal fasting concentration to a level which is up to three times an average overnight fasting arginine level of about 90 mu.mole per liter of plasma, including by end-users who, without limitation, were in good health, were in a condition of increased or continuing brain or neural activities, or were in a condition of increased or continuing muscular activities.
- 18. On information and belief, Defendant had actual, first-hand knowledge of the '471 patent and the '107 patent as early as the time Defendant launched each of the products that infringe the claimed methods in the marketplace. Defendant employs and engages sophisticated, experienced legal counsel with expertise in patent law. Defendant, through its counsel, conducts or should conduct due diligence on the potential for Defendant's products to infringe on patents and knew or should have known that the products that infringe the claimed methods actually infringe or could infringe on the '471 patent and '107 patent, but Defendant decided to infringe the patents anyway or ignored the risk of infringement.
- 19. In the alternative, Plaintiff pleads that Defendant subjectively believed at the time Defendant launched each of the products that infringe the claimed methods in the marketplace that there is or was a high probability of the fact that patents existed that covered the use of citrulline as in the products and that Defendant took deliberate actions to avoid confirming that fact, including not conducting due diligence as to

potential patent infringements. Defendant therefore willfully blinded itself to the infringing nature of its sales of the products that infringe the claimed methods.

- 20. At a minimum, Defendant became aware of the '471 patent and the '107 patent at the time of the filing of the initial Complaint in this matter and the receipt of Plaintiff's counsel's letter regarding the suit. Defendant has not ceased its own direct infringement, contributory infringement, or inducement of infringements by end-users despite such knowledge.
- 21. The earliest exact date Defendant obtained knowledge of the '471 patent and the '107 patent is within the exclusive possession and control of Defendant. However, Defendant specifically induces end-users to use its products, and particularly the citrulline component in the products, for enhancing arginine, "pump," and blood flow in the end-users' bodies and Defendant knows and intends that end-users achieve those objectives by practicing the methods as set forth in the '471 and '107 patents. This is why Defendant includes citrulline in its products – for the purposes of improving of the health of end-users to increase the plasma level of arginine in endusers to a level from a low or normal fasting level to a level which is up to three times an average overnight fasting level, and improving the health of end-users to increase the plasma concentration of arginine in the subject to a level from a low or normal fasting concentration to a level which is up to three times an average overnight fasting arginine level of about 90 mu.mole per liter of plasma - and Defendant knows that end-users purchase and ingest the products, and particularly the citrulline content of the products, for those purposes. Defendant's infringing activities have not stopped despite its knowledge of the patents' existence.

V. FIRST CAUSE OF ACTION

Infringement of U.S. Patent No. 5,874,471

22. Plaintiff repeats and re-alleges the allegations of the foregoing paragraphs of this First Amended Complaint as if fully set forth herein.

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continue to do so unless enjoined by this Court.

24. The claims of the '471 patent infringed by Defendant include claims 1, 2, 20, 21, and 28.

the doctrine of equivalents, directly and indirectly through contributory and/or induced

infringement, one or more claims of the '471 patent by making, using, selling, and

offering for sale nutritional supplements embodying the patented invention, and will

Defendant has in the past and still is literally infringing or infringing under

- 25. Examples of Defendant's direct infringement includes, without limitation, the fact that Defendant's employees, agents, representatives and other persons sponsored by or who endorse Defendant and Defendant's products in advertising and marketing activities, have taken, used, and orally administered the products that infringe the claimed methods which have the effect, without limitation, of increasing the plasma level of arginine in the persons taking the products from a low or normal fasting level to a level which is up to three times an average overnight fasting level. These persons included persons who, without limitation, were in good health, were in a condition of increased or continuing brain or neural activities, or were in a condition of increased or continuing muscular activities. Defendant has encouraged and/or is aware of these persons' oral administration of the products that infringe the claimed methods for these purposes, these persons are acting under Defendant's direction and control, and therefore Defendant is directly practicing the methods set forth in the '471 patent.
- 26. End-users of Defendant's products that infringe the claimed methods are also direct infringers of the '471 patent, because they have taken, used, and orally administered the products that infringe the claimed methods which have the effect, without limitation, of increasing the plasma level of arginine in the persons taking the products from a low or normal fasting level to a level which is up to three times an average overnight fasting level. These persons included persons who, without limitation, were in good health, were in a condition of increased or continuing brain or

neural activities, or were in a condition of increased or continuing muscular activities. Therefore, they practice the methods as set forth in the '471 patent.

- 27. Defendant's labels and advertising for the products that infringe the claimed methods explain the elements or essential elements of the methods disclosed in the '471 patent to end-users and encourage, urge, and induce the products' end-users to purchase and orally administer the products to practice those methods. Defendant's products that infringe the claimed methods are not suitable for non-infringing uses, and none of Defendant's labels or advertisements for the products disclose any uses for the relevant ingredients in the products that have a use that does not infringe upon the methods disclosed in the '471 patent. Defendant has knowledge that its products that infringe the claimed methods are especially adapted by end-users of the products for the practicing of the method disclosed in the '471 patent, as Defendant encourages, urges, and induces the products' end-users to purchase and orally administer the products to practice those methods, and has done so in the past. Defendant therefore is liable for contributory infringement of one or more claims of the '471 patent.
- 28. Defendant has intentionally and knowingly induced, encouraged, and urged end-users of the products that infringe the claimed methods to purchase and orally administer the products for the purpose, without limitation, of increasing the plasma level of arginine in the persons taking the products from a low or normal fasting level to a level which is up to three times an average overnight fasting level, including by end-users who, without limitation, were in good health, were in a condition of increased or continuing brain or neural activities, or were in a condition of increased or continuing muscular activities. On information and belief, Defendant had actual, first-hand knowledge of the '471 patent as early as the time Defendant launched each of the products that infringe the claimed methods in the marketplace. In the alternative, and on information and belief, Plaintiff pleads that Defendant subjectively believed at the time Defendant launched each of the products that infringe the claimed methods in the marketplace that there is or was a high probability of the fact that patents existed that

- 29. Defendant's activities have been without express or implied license by Plaintiff.
- 30. The infringement by Defendant has been and continues to be willful, since the infringement has not ceased, particularly after the filing of the initial suit in this matter.
- 31. As a result of Defendant's acts of infringement, Plaintiff has suffered and will continue to suffer damages in an amount to be proved at trial.
- 32. As a result of Defendant's acts of infringement, Plaintiff has been and will continue to be irreparably harmed by Defendant's infringement and inducement, which will continue unless Defendant is enjoined by this Court.
- 33. Plaintiff believes that Defendant's past infringement and/or continuing infringement has been deliberate and willful, and that this case is therefore an exceptional case, which warrants an award of treble damages and attorneys' fees in accordance with 35 U.S.C. § 285.

VI. SECOND CAUSE OF ACTION

Infringement of U.S. Patent No. 6,028,107

34. Plaintiff repeats and re-alleges the allegations of the foregoing paragraphs of this First Amended Complaint as if fully set forth herein.

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- 35. Defendant has in the past and still is literally infringing or infringing under the doctrine of equivalents, directly and indirectly through contributory and/or induced infringement, one or more claims of the '107 patent by making, using, selling, and offering for sale nutritional supplements embodying the patented invention, and will continue to do so unless enjoined by this Court.
- 36. The claims of the '107 patent infringed by Defendant include claims 1, 2, 15, and 16.
- 37. Examples of Defendant's direct infringement includes, without limitation, the fact that Defendant's employees, agents, representatives and other persons sponsored by or who endorse Defendant and Defendant's products in advertising and marketing activities, have taken, used, and orally administered the products that infringe the claimed methods which have the effect, without limitation, of increasing the plasma concentration of arginine in the persons taking the products from a low or normal fasting concentration to a level which is up to three times an average overnight fasting arginine level of about 90 mu.mole per liter of plasma. These persons included persons who, without limitation, were in good health, were in a condition of increased or continuing brain or neural activities, or were in a condition of increased or continuing muscular activities. Defendant has encouraged and/or is aware of these persons' oral administration of the products that infringe the claimed methods for these purposes, these persons are acting under Defendant's direction and control, and therefore Defendant is directly practicing the methods set forth in the '107 patent.
- 38. End-users of Defendant's products that infringe the claimed methods are also direct infringers of the '107 patent, because they have taken, used, and orally administered the products that infringe the claimed methods which have the effect, without limitation, of increasing the plasma concentration of arginine in the persons taking the products from a low or normal fasting concentration to a level which is up to three times an average overnight fasting arginine level of about 90 mu.mole per liter of plasma. These persons included persons who, without limitation, were in good health,

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27 28 were in a condition of increased or continuing brain or neural activities, or were in a condition of increased or continuing muscular activities. Therefore, they practice the methods as set forth in the '107 patent.

- 39. Defendant's labels and advertising for the products that infringe the claimed methods explain the elements or essential elements of the methods disclosed in the '471 patent to end-users and encourage, urge, and induce the products' end-users to purchase and orally administer the products to practice those methods. Defendant's products that infringe the claimed methods are not suitable for non-infringing uses, and none of Defendant's labels or advertisements for the products disclose any uses for the relevant ingredients in the products that have a use that does not infringe upon the methods disclosed in the '107 patent. Defendant has knowledge that its products that infringe the claimed methods are especially adapted by end-users of the products for the practicing of the method disclosed in the '107 patent, as Defendant encourages, urges, and induces the products' end-users to purchase and orally administer the products to practice those methods, and has done so in the past. Defendant therefore is liable for contributory infringement of one or more claims of the '107 patent.
- Defendant has intentionally and knowingly induced, encouraged, and urged end-users of the products that infringe the claimed methods to purchase and orally administer the products for the purpose, without limitation, of increasing the plasma concentration of arginine in the persons taking the products from a low or normal fasting concentration to a level which is up to three times an average overnight fasting arginine level of about 90 mu.mole per liter of plasma, including by end-users who, without limitation, were in good health, were in a condition of increased or continuing brain or neural activities, or were in a condition of increased or continuing On information and belief, Defendant had actual, first-hand muscular activities. knowledge of the '107 patent as early as the time Defendant launched each of the products that infringe the claimed methods in the marketplace. In the alternative, and on information and belief, Plaintiff pleads that Defendant subjectively believed at the

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- 41. Defendant's activities have been without express or implied license by Plaintiff.
- 42. The infringement by Defendant has been and continues to be willful, since the infringement has not ceased, particularly after the filing of the initial suit in this matter.
- 43. As a result of Defendant's acts of infringement, Plaintiff has suffered and will continue to suffer damages in an amount to be proved at trial.
- 44. As a result of Defendant's acts of infringement, Plaintiff has been and will continue to be irreparably harmed by Defendant's infringement and inducement, which will continue unless Defendant is enjoined by this Court.
- 45. Plaintiff believes that Defendant's past infringement and/or continuing infringement has been deliberate and willful, and that this case is therefore an exceptional case, which warrants an award of treble damages and attorneys' fees in accordance with 35 U.S.C. § 285.

VII. PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for entry of judgment against Defendant as follows:

- 1. A declaration that Defendant has infringed the '471 patent and the '107 patent under 35 U.S.C. §§ 271 et seq.;
- 3. That injunctions, preliminary and permanent, be issued by this Court restraining Defendant, its respective officers, agents, servants, directors, and employees, and all persons in active concert or participation with each, from directly or indirectly infringing, or inducing or contributing to the infringement by others of, the '471 patent and the '107 patent;
- 4. That Defendant be required to provide to Plaintiff an accounting of all gains, profits, and advantages derived by Defendant's infringement of the '471 patent and the '107 patent, and that Plaintiff be awarded damages adequate to compensate Plaintiff for the wrongful infringing acts by Defendant, in accordance with 35 U.S.C. § 284;
- 5. That the damages awarded to Plaintiff with regard to the '471 patent and the '107 patent be increased up to three times, in view of Defendant's willful infringement, in accordance with 35 U.S.C. § 284;
- 6. That this case be declared to be exceptional in favor of Plaintiff under 35 U.S.C. § 285, and that Plaintiff be awarded its reasonable attorneys' fees and other expenses incurred in connection with this action;
- 7. That Plaintiff be awarded its interest and costs of suit incurred in this action;
 - 8. Compensatory damages;
 - 9. Punitive damages; and
- 10. That Plaintiff be awarded such other and further relief as this Court may deem just and proper.

 Respectfully submitted,
 NEWPORT TRIAL GROUP

Dated: October \5, 2012

By: Tyler J. Woods
Attorneys for Plaintiff

A Professional Corporation

| 1 | DEMAND FOR JURY TRIAL | |
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| 2 | Pursuant to Federal Rule of Civil Procedure 38(b), Plaintiff hereby demands a | |
| 3 | jury trial for all issues in this case that properly are subject to a jury trial. | |
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