

Exhibit Y

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7

8 **UNITED STATES DISTRICT COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**
10 **SAN FRANCISCO DIVISION**

11 FTL APPAREL, LLC *d/b/a* JOYFOLIE,
12 Plaintiff,
13 v.
14 SHIPPING AND TRANSIT, LLC,
15 Defendant.

CASE NO.: 3:16-cv-01453-WHO

**AMENDED COMPLAINT FOR (1)
DECLARATORY JUDGMENT OF
INVALIDITY, (2) DECLARATORY
JUDGMENT OF NON-INFRINGEMENT,
(3) DECLARATORY JUDGMENT OF
UNENFORCEABILITY, AND (4) BREACH
OF CONTRACT**

JURY TRIAL DEMANDED

28

1 Plaintiff FTL Apparel, LLC *d/b/a* Joyfolie (“Plaintiff” or “Joyfolie”) files this Amended
2 Complaint for Declaratory Judgment of Invalidity, Non-Infringement, Unenforceability, and
3 Breach of Contract against Defendant Shipping and Transit, LLC (“Shipping and Transit”) and
4 states as follows:

5 **THE PARTIES**

6 1. Plaintiff Joyfolie is a Colorado company that relies on and utilizes an ecommerce
7 software and platform that was developed in, and is maintained and based in California.

8 2. Defendant Shipping and Transit LLC (“Shipping and Transit”) is a Florida limited
9 liability corporation having its principal place of business at 711 SW 24th Avenue, Boynton
10 Beach, Florida.

11 **JURISDICTION AND VENUE**

12 3. This Amended Complaint arises under federal law and the laws of California.
13 This Court has jurisdiction over these claims pursuant to 28 U.S.C. § 1338 because the
14 Complaint states claims arising under an Act of Congress relating to patents, 35 U.S.C. § 271.

15 4. This Complaint also arises under the Federal Declaratory Judgment Act, 28 U.S.C.
16 §§ 2201 *et seq.* based on Defendant’s threats to sue Plaintiff for patent infringement, thereby
17 giving rise to an actual case or controversy under 28 U.S.C. §§ 2201 and 2202.

18 5. This Court has personal jurisdiction over Shipping and Transit. Shipping and
19 Transit conducts substantial business in this judicial district, including regularly doing or
20 soliciting business, engaging in other persistent courses of conduct and deriving substantial
21 revenue from individuals and entities in California.

22 6. More specifically, since January 2015, Shipping and Transit has been involved in
23 111 lawsuits asserting the ’970 Patent, of which 20 suits, excluding this one, have been or are
24 being litigated in California. California lawsuits wherein Shipping and Transit has asserted the
25 ’970 Patent include, but are not necessarily limited to:

- 26 • 2:15-cv-06672-JAK-PLA *Shipping & Transit, LLC v. The Antigua Group, Inc.*
- 27 • 2:16-cv-00911-AB-DTB *Shipping & Transit LLC v. VelaTrack, Inc.*
- 28 • 2:16-cv-00195-RGK-AGR *Shipping & Transit LLC v. 123Stores, Inc.*

- 1 • 2:15-cv-06683-JVS-JEM *Shipping & Transit, LLC v. Maravia Corp. of Idaho*
- 2 • 2:15-cv-06699-JVS-AJW *Shipping & Transit, LLC v. Russell Brands, LLC*
- 3 • 2:15-cv-09793-MWF-MRW *Shipping & Transit LLC v. zZounds Music, L.L.C.*
- 4 • 2:15-cv-09539-JAK-PJW *Shipping & Transit LLC v. Gilmore and Co., Inc.*
- 5 • 2:15-cv-08635-GW-PLA *Shipping & Transit LLC v. Campmor, Inc.*
- 6 • 2:15-cv-09804-CAS-AFM *Shipping & Transit LLC v. Babyhaven.com Inc.*
- 7 • 2:15-cv-06675-JAK-PLA *Shipping & Transit LLC v. C3 Concepts, Inc.*
- 8 • 2:15-cv-09533-AG-AS *Shipping & Transit LLC v. J Brand, Inc.*
- 9 • 2:16-cv-00741-R-PLA *Shipping & Transit LLC v. Ebuys, Inc.*
- 10 • 2:16-cv-00192-PSG-FFM *Shipping & Transit LLC v. Marine Layer, Inc.*
- 11 • 2:15-cv-08638-JVS-AS *Shipping & Transit LLC v. Freshpair Inc.*
- 12 • 2:15-cv-08641-DDP-AFM *Shipping & Transit LLC v. Glasses USA, LLC*

13 7. Similarly, since January 2015, Shipping and Transit has been involved in at least
14 63 lawsuits asserting the '359 Patent, of which 4 suits, excluding this one, have been or are being
15 litigated in California.

16 8. Since January 19, 2016, Shipping and Transit has been involved in at least 29
17 lawsuits asserting the '207 Patent, of which 7 suits, excluding this one, have been or are being
18 litigated in California.

19 9. Since January 19, 2016, Shipping and Transit has been involved in at least 29
20 lawsuits asserting the '299 Patent, of which 7 suits, excluding this one, have been or are being
21 litigated in California.

22 10. Indeed, Shipping and Transit is so partial to purposefully availing itself of the
23 California federal district courts, and using those courts as a preferred forum for asserting its
24 patents, that it files suit here against companies that are based in other states, with no apparent
25 connection to California at all. *See, e.g., Shipping & Transit, LLC v. Maravia Corporation of*
26 *Idaho*, Case. No. 2:15-cv-06683-JVS-JEM (C.D. Cal. Sept. 1, 2015) (asserting the '970 Patent).

27 11. Shipping and Transit has sent letters to numerous other companies, including
28 numerous other companies based in California, asserting infringement of one or more of the

1 Patents-in-suit and demanding payment of money. *See* Exhibit 1 at pp. 14-17 (identifying
2 companies that have obtained a license from Shipping and Transit).

3 12. Shipping and Transit was “formerly known as ArrivalStar S.A. and Melvino
4 Technologies Limited.” *See* Exhibit 1. As such, Shipping and Transit was involved in
5 approximately 511 lawsuits across the United States involving the patents-in-suit, or other related
6 patents. As “ArrivalStar S.A. and Melvino,” Shipping and Transit regularly, continuously, and
7 systematically availed itself of the California federal district courts, and repeatedly used those
8 courts as a preferred forum for asserting a number of the patents-in-suit, including the ’970, ’207,
9 ’359, and ’299 Patents.

10 13. As “ArrivalStar S.A. and Melvino,” Shipping and Transit has sent letters to
11 hundreds (if not thousands) of companies, including hundreds (if not thousands) of companies
12 based on California, asserting infringement of one or more of the patents-in-suit and demanding
13 payment of money.

14 14. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b) & (c) because a
15 substantial part of the events or omissions giving rise to the claims herein occurred in this judicial
16 district and because defendant is subject to the Court’s personal jurisdiction with
17 respect to, at a minimum, Plaintiff’s claim for breach of contract.

18 **FACTUAL BACKGROUND**

19 **A. The Asserted Patents**

20 15. On April 22, 1997, U.S. Patent No. 7,400,970 (the ’970 Patent), entitled System
21 and Method for a Notification System for Monitoring and Reporting Proximity of a Vehicles was
22 issued.

23 16. In the American Letter, Shipping and Transit admits that the patent term of the ’970
24 Patent has ended. *See* Exhibit 1, pp. 1-2 & 7.

25 17. Shipping and Transit has accused Plaintiff of infringing Claims 1 and 8 of the ’970
26 Patent. By way of example, Claim 1 of the ’970 Patent claims as follows:

27 1. A computer based notification system, comprising:
28

1 means for enabling communication with a user that is designated to receive
delivery of a package;

2 **means for presenting one or more selectable options to the user, the selectable**
3 **options including at least an activation option for instigating monitoring of**
4 **travel data associated with a vehicle that is delivering the package to the user;**

4 **means for requesting entry by the user of a package identification number or**
5 **package delivery number, each pertaining to delivery of the package;**

6 **means for identifying the vehicle based upon the entry;**

7 means for requesting entry by the user of contact information indicating one or
8 more communication media to be used in connection with a notification
communication to the user;

9 **means for monitoring the travel data; and**

10 means for initiating the notification communication pertaining to the package via
the one or more communication media, based upon the travel data.

11 The '970 Patent, claim 1 (emphasis added).

12 18. Joyfolie has not and does not infringe Claims 1 or 8 for at least the following
13 reasons. Claims 1 or 8 require, *inter alia*, “means for initiating the notification communication
14 pertaining to the package via the one or more communication media, based upon the travel data.”
15 The accused third party online ordering platform that Joyfolie utilizes, however, does not initiate
16 a notification communication “based upon the travel data.” The '970 Patent defines “travel data”
17 in the context of real time, periodically updated information about the delivery vehicle
18 containing the package, such as its location or distance and time from the delivery address.

19 19. Rather, to the extent that the third party system notifies a Joyfolie customer at all,
20 the notices merely inform the customer that the order has been received and then confirms that the
21 order has been shipped. The accused third party online ordering platform that Joyfolie utilizes does
22 not initiate a notification to the customer with travel data (*e.g.*, the current location of the package
23 as it travels in a specific delivery vehicle).

24 20. Claims 1 or 8 also require a “means for identifying the vehicle based upon the entry
25 [of the package identification number].” The accused third-party platform does not identify the
26 vehicle delivering the package.

27 21. On July 2, 2002, U.S. Patent No. 6,415,207 (the '207 Patent), entitled System and
28 Method for Automatically Providing Vehicle Status Information was issued.

1 22. Shipping and Transit has accused Plaintiff of infringing claims 5 and 7 of the '207
2 Patent. By way of example, Claim 5 of the '207 Patent claims as follows:

3 5. A system for monitoring and reporting status of vehicles, comprising:

4 **means for maintaining status information associated with a vehicle**, said status
5 information indicative of a current proximity of said identified vehicle;

6 **means for communicating with a remote communication device**, said means for
7 communicating including a means for receiving caller identification information
8 automatically transmitted to said communicating means;

9 **means for utilizing said caller identification information to automatically search for
10 and locate a set of said status information**; and

11 **means for automatically retrieving and transmitting said set of said status
12 information.**

13 The '207 Patent, claim 5 (emphasis added). Claim 7 depends from Claim 5 and requires
14 “wherein said caller identification information is an e-mail address.”

15 23. The accused third party online ordering platform that Joyfolie utilizes does not
16 infringe Claims 5 or 7 for at least the following reasons. Claim 5 is directed to a system “for
17 monitoring and reporting status of vehicles.” To do so, Claim 5 requires, *inter alia*, “means for
18 maintaining status information associated with a vehicle, said status information indicative of a
19 current proximity of said identified vehicle.” The '207 Patent specification teaches that the
20 claimed systems track in real time the progress of a delivery vehicle and then report that
21 information to the customer expecting the package.

22 24. The accused third party online ordering platform that Joyfolie utilizes, however,
23 does not monitor the progress of a delivery vehicle in real time and does not then update the
24 customer on the progress of that vehicle. Nor does the system maintain status information on that
25 vehicle, let alone identify it. Rather, to the extent that the third party system notifies the customer,
26 it merely notifies the customer that the order has been received and then confirms that the order
27 has been shipped.

28 25. On July 13, 2004, U.S. Patent No. 6,763,299 (the '299 Patent), entitled Notification
Systems and Methods with Notifications Based Upon Prior Stop Locations was issued.

1 26. In the American Letter, Shipping and Transit admits that the patent term of the '299
2 Patent has ended. *See* Exhibit 1, pp. 1-2.

3 27. Shipping and Transit has accused Plaintiff of infringing claim 79 of the '299 Patent.
4 By way of example, Claim 79 of the '299 Patent claims as follows:

5 79. A system, comprising:

6 means for maintaining delivery information **identifying a plurality of stop**
7 **locations;**

8 **means for monitoring travel data associated with a vehicle** in relation to the
9 delivery information;

10 **means for**, when the vehicle approaches, is at, or leaves a stop location:

11 **determining a subsequent stop location in the delivery information;**

12 determining user defined preferences data associated with the stop location, the
13 user defined preferences data including a distance between the vehicle and the
14 subsequent stop that corresponds to when the party wishes to receive the
communication; and

15 **sending a communication to a party associated with the subsequent stop**
16 **location** in accordance with the user defined preferences data to notify the party of
impending arrival at the subsequent stop location.

17 '299 Patent, claim 79 (emphasis added).

18 28. The accused third party online ordering platform that Joyfolie utilizes does not
19 infringe Claim 79 for at least the following reasons. Claim 79 requires, *inter alia*, “monitoring
20 travel data associated with a vehicle,” “determining a subsequent stop location,” and then sending
21 a communication notifying the customer “of the impending arrival” of that vehicle at the delivery
22 address. The '299 Patent specification teaches that the claimed systems track in real time the
23 progress of a delivery vehicle at each predefined stop and then report that information to the
24 ultimate destination.

25 29. The accused third party online ordering platform that Joyfolie utilizes, however,
26 does not monitor the progress of a delivery vehicle in real time and does not send an email to
27 update the customer on the progress of the vehicle. Rather, to the extent that the third party system
28

1 notifies the customer, the notices merely inform the customer that the order has been received and
2 then confirms that the order has been shipped. The accused third party online ordering platform
3 that Joyfolie utilizes does not initiate a notification to the customer with travel data (*e.g.*, the
4 current location of a package as it travels in a specific delivery vehicle).

5 30. On June 7, 2005, U.S. Patent No. 6,904,359 (the '359 Patent), entitled Notification
6 Systems and Methods with User-Definable Notifications Based Upon Occurrence of Events was
7 issued.

8 31. In the American Letter, Shipping and Transit admits that the patent term of the '359
9 Patent has ended. *See* Exhibit 1, pp. 1-2.

10 32. Shipping and Transit has accused Plaintiff of infringing claim 41 of the '359 Patent.
11 By way of example, Claim 41 of the '359 Patent claims as follows:

12 41. A notification system, comprising:

13 (a) means for permitting a user to predefine one or more events that will cause
14 creation and communication of a notification relating to the status of a mobile
15 vehicle in relation to a location, comprising:

16 (1) means for permitting the user to electronically communicate during a
17 first communication link with the notification system from a user
18 communications device that is remote from the notification system *and the*
vehicle whose travel is being monitored, the notification system being
located remotely from the vehicle; and

19 (2) means for receiving during the first communication link an
20 identification of the one or more events relating to the status of the vehicle,
21 wherein the one or more events comprises at least one of the following:
22 distance information specified by the user that is indicative of a distance
23 between the vehicle and the location, location information specified by the
24 user that is indicative of a location or region that the vehicle achieves during
travel, time information specified by the user that is indicative of a time for
travel of the vehicle to the location, or a number of one or more stops that
the vehicle accomplishes prior to arriving at the location; and

25 (b) means for establishing a second communication link between the system and
26 the user upon occurrence of the one or more events *achieved by the mobile vehicle*
during the travel.

27 The '359 Patent, claim 41 (matters printed in italics indicates additions made to the patent as a
28 result of Reexamination).

1 33. The accused third party online ordering platform that Joyfolie utilizes does not
2 infringe Claim 41 for at least the following reasons. Claim 41 is directed to a notification system
3 that requires, *inter alia*, “means for establishing a second communication link between the system
4 and the user upon occurrence of the one or more events achieved by the mobile vehicle during the
5 travel.” The ’359 Patent specification teaches that the claimed systems track in real time the
6 progress of the delivery vehicle and then report that information to the customer expecting the
7 package.

8 34. The accused third party online ordering platform that Joyfolie utilizes, however,
9 does not monitor the progress of a delivery vehicle in real time and does not update the customer
10 on the progress of that vehicle. Specifically, it does not send or establish reporting on events
11 “achieved by the mobile vehicle during the travel.” Rather, to the extent that the third party
12 system notifies the customer, the notices merely inform the customer that the order has been
13 received and then confirms that the order has been shipped.

14 **B. Invalidity of the Patents-in-Suit**

15 35. The American Letter’s asserted claims in the ’970, ’207, ’359, and ’299 Patents, as
16 well as all other claims, are invalid for failure to comply with one or more of the sections of the
17 Patent Code governing validity, namely, 35 U.S.C. §§ 101, 102, 103, and 112. Without limiting
18 further arguments to be developed during the litigation, the claims of the Patents-in-suit are
19 anticipated or rendered obvious by certain prior art references, alone or in combination, that were
20 not considered by the USPTO in issuing the patent.

21 36. Additionally, the ’970, ’207, ’359, and ’299 Patents are invalid as anticipated
22 pursuant to § 102 and as obvious pursuant to § 103. Prior art that renders the ’970, ’207, ’359,
23 and ’299 Patents anticipated and/or obvious includes, but is not necessarily limited to:

- 24 • U.S. Patent No. 4,804,937 (Barbiaux);
- 25 • U.S. Patent No. 5,835,377 (Bush);
- 26 • U.S. Patent No. 6,006,159 (Schmier);
- 27 • Advanced Public Transportation System: The State of the Art Update ’92, U.S. Department
28 of Transportation, April 1992 (Labell et al.);

- 1 • Gadget May End Lengthy Bus Waits: Inventor’s Locator Device Could Stop Bus-Stop
2 Blues, S.F. Chron., Nov. 25, 1996 (Walker);
- 3 • Automatic Vehicle Monitoring, A Tool for Vehicle Fleet Operations, IEEE Transactions
4 on Vehicular Technology, Vol. VT-29, No. 2 (May 1980) (Symes);
- 5 • German “Smart Bus” Systems: Potential for Application in Portland, Oregon Volume 1
6 Technical Report, Office of Technical Assistance and Safety, Jan. 1993; and,
- 7 • Communications and Positioning Systems in the Motor Carrier Industry, Program on
8 Advanced Technology for the Highway, Jan. 1, 1992 (Scapinakis).

9 37. As one example, the Labell reference describes systems for automatic vehicle
10 location for monitoring and real time reporting on the status and location of vehicles. Notably,
11 during reexamination several claims of a patent—U.S. Patent No. 7,030,781—related to the ’970,
12 ’207, ’359, and ’299 Patents were found invalid in view of this reference.

13 38. Further, the claims to the ’970, ’207, ’359, and ’299 Patents are directed to an
14 abstract idea and fail to claim an inventive concept that would transform said abstract idea into an
15 eligible invention pursuant to § 101.

16 39. More specifically, the claims of the ’970, ’207, ’359, and ’299 Patents are directed
17 to the abstract idea of letting an individual know when a package will arrive, which can be done by
18 a person with a telephone and watch or calendar

19 40. The claims of the ’970, ’207, ’359, and ’299 Patents do not recite any particular
20 computer hardware or other gadget. The claims of the ’970, ’207, ’359, and ’299 Patents do not
21 identify a technical solution to any particular technical problem.

22 **C. Joyfolie’s Checkout and Shipping Process**

23 41. Joyfolie is an apparel company, which focuses on shoes and other apparel for
24 women and girls. It is a small company, with a “core team made of only a handful of [] women,
25 who care passionately for [the] business.” .

26 42. Joyfolie markets and sells its products online through a website (at
27 www.joyfolie.com) and ships products using United States Postal Service (“USPS”) and Federal
28

1 Express (“FedEx”). Joyfolie’s customers are located throughout the United States and Canada,
2 including in the San Francisco Bay Area.

3 43. When a customer makes a purchase on www.joyfolie.com, the third-party
4 ecommerce software that Joyfolie uses will automatically provide an order confirmation via email
5 to an email provided by its customer.

6 44. Joyfolie then arranges for the packaging and shipping of the customer’s order via
7 FedEx or USPS.

8 45. FedEx has a license to the entire Shipping and Transit patent portfolio, including
9 Shipping and Transit’s Canadian patents.

10 46. USPS has a license to the entire Shipping and Transit patent portfolio, including
11 Shipping and Transit’s Canadian patents. More specifically, Shipping and Transit has covenanted
12 not to sue the USPS on any of the patents in the Shipping and Transit patent portfolio, and has
13 signed an agreement with the USPS releasing it from all past, present, and future “claims, actions,
14 causes of action, suits, damages, injuries, duties, rights, obligations, liabilities, adjustments,
15 responsibilities, judgments, trespasses, and demands, whatsoever, in law or in equity, whether
16 known or unknown, suspected or unsuspected to exist, now existing or later acquired, which were
17 made or could have been made or may be made in the future” by Shipping and Transit based on
18 any patent in the Shipping and Transit patent portfolio. *ArrivalStar S.A. & Melvino Technologies*
19 *Ltd. v. United States*, 1:11-cv-00784, Dkt. No. 31 (Fed. Cl. Jan. 7, 2013). Shipping and Transit
20 cannot derogate from the rights previously granted by pursuing USPS customers for the use of
21 USPS services. *Jacobs v. Nintendo of America*, 370 F.3d 1097, 1101 (Fed. Cir. 2004).

22 47. When the order has been packed and given to the courier, the accused third party
23 online ordering platform that Joyfolie utilizes sends an email to the customer telling her that her
24 order has shipped, and providing her with the courier’s tracking number and website link. At this
25 point, Joyfolie has completed its interaction with the customer, the package, and the shipment.

26 48. Joyfolie does not track the package or any vehicle that carries the package, does not
27 allow the user to specify when the user wishes to receive notifications, does not receive vehicle or
28 location indicator numbers from the user, does not create a “vehicle status report,” does not

1 automatically or otherwise identify a proximity of a vehicle based on any location indicator, does
2 not track any vehicles, does not analyze data indicative of the travel of any vehicle, does not
3 present the user with options including an activation option to start monitoring travel data
4 associated with a vehicle carrying a package, does not ask the user for a package identification
5 number or package delivery number related to the delivery of a package, does not identify a
6 vehicle based on any such package number, and does not monitor travel data associated with a
7 vehicle delivering a package.

8 **D. Shipping and Transit Threatens Joyfolie with Litigation**

9 49. Shipping and Transit is in the business of patent licensing through the threat of
10 litigation and actual litigation.

11 50. A key part of Shipping and Transit’s business model is sending letters, emails, and
12 making telephone calls threatening patent litigation and following through on that threat.

13 51. On or about January 29, 2016, Shipping and Transit sent a letter (the “American
14 Letter”) to Jessica Hernandez, Joyfolie’s Owner and Founder, asserting that Joyfolie infringes or
15 infringed the ’970, ’207, ’359, and ’299 Patents, and claiming that “[t]wo or more people within
16 Shipping and Transit have done extensive research to determine patent usage before sending you
17 this document.” A true and correct copy of the American Letter is attached as Exhibit 1.

18 52. Shipping and Transit has sent a second letter (the “Canadian Letter”) to companies
19 that proactively fight infringement accusations “to acquaint [the company] with Shipping and
20 Transit’s Canadian patent portfolio, show examples of how [the company] utilizes the patented
21 technologies and offer [the company] a license.” Then, Shipping and Transit claims that the
22 company’s “past and future use requires licensing and compensation.”

23 53. The Canadian letter identifies Canadian Patent Nos. 2,360,288; 2,363,556; and
24 2,283,239 as patents that the proactive company utilizes, does not have a license, and must pay for
25 past and future use. These patents, like its U.S. Patents, are directed to the practice of a patented
26 method.

1 54. Shipping and Transit sends the Canadian letter to companies based in the United
2 States despite having no evidence showing, or in fact even a good faith belief, that the patented
3 method is being practiced in Canada.

4 **E. Third-Party Licenses Protect Joyfolie’s Activities**

5 55. Two parts form the basis for Shipping and Transit’s claims of patent infringement
6 against Joyfolie. The first part of Shipping and Transit’s basis for patent infringement is the use of
7 Joyfolie’s checkout procedure and ecommerce platform.

8 56. The use of Joyfolie’s checkout procedure and ecommerce platform is provided and
9 managed by Magento, Inc.

10 57. The second part of Shipping and Transit’s basis for patent infringement is
11 Joyfolie’s shipment of its products.

12 58. Joyfolie ships its products using FedEx and USPS.

13 59. Magento is a digital commerce platform developed in California and currently
14 headquartered in Campbell, California.

15 60. Magento has a license to the entire Shipping and Transit patent portfolio, including
16 the Canadian patents. Magento’s license extends to its customers, including Joyfolie.

17 61. Shipping and Transit is well aware of the fact that it has granted Magento a license
18 to the entire Shipping and Transit patent portfolio, including the Canadian patents, and it knows
19 (or, with reasonable investigation, should know) that Joyfolie is a Magento customer and an
20 intended third-party beneficiary of the license that it has granted.

21 62. FedEx has licensed the entire Shipping and Transit patent portfolio, including the
22 Canadian patents. *See* Exhibit 1, p. 14-17 (identifying FedEx Corp. as a licensee). FedEx’s
23 license extends to its customers, including Joyfolie.

24 63. Shipping and Transit is well aware of the fact that it has granted FedEx a license to
25 the entire Shipping and Transit patent portfolio, including the Canadian patents, and it knows (or,
26 with reasonable investigation, should know) that Joyfolie ships products using FedEx. Shipping
27 and Transit knows that Joyfolie is an intended third-party beneficiary of the license that it has
28 granted.

1 64. USPS has licensed the entire Shipping and Transit patent portfolio, including the
2 Canadian patents. A true and correct copy of the covenant not to sue, which acts as a license, that
3 Shipping and Transit granted to the USPS is attached as Exhibit 2.

4 65. The USPS license extends to its customers, including Joyfolie. Shipping and
5 Transit cannot derogate from the rights previously granted by pursuing USPS customers for the
6 use of USPS services. *Jacobs v. Nintendo of America*, 370 F.3d 1097, 1101 (Fed. Cir. 2004).

7 66. Shipping and Transit is aware of the fact that it has covenanted not to sue, which is
8 the legal equivalent of a license, the USPS for the entire Shipping and Transit patent portfolio,
9 including the Canadian patents, and it knows (or, with a reasonable investigation, should know)
10 that Joyfolie ships products using USPS. Shipping and Transit knows that Joyfolie in an intended
11 third-party beneficiary of the license that it has granted.

12 67. Upon information and belief, Joyfolie cannot infringe any patent in the Shipping
13 and Transit patent portfolio on the basis of the Magento license.

14 68. Upon information and belief, Joyfolie cannot infringe any patent in the Shipping
15 and Transit patent portfolio for any product shipped by FedEx.

16 69. Upon information and belief, Joyfolie cannot infringe any patent in the Shipping
17 and Transit patent portfolio for any product shipped by USPS.

18 70. To the extent that Shipping and Transit claims the Magento license is insufficient to
19 cover any patent, then all of Joyfolie's orders that ship via FedEx, USPS, or, and at a minimum,
20 any other shipping company that Shipping and Transit identified in the American Letter as a
21 licensee, such as United Parcel Services, are protected by each delivery company's license.

22 **F. The Patents-in-Suit: Shipping and Transit's Patent Portfolio**

23 71. The Shipping and Transit patent portfolio includes, but is not necessarily limited to,
24 U.S. Patent Nos. 5,400,020; 5,444,444; 5,623,260; 5,648,770; 5,657,010; 5,668,543; 6,278,936;
25 6,313,760; 6,317,060; 6,363,254; 6,363,323; 6,411,891; 6,415,207; 6,486,801; 6,492,912;
26 6,510,383; 6,618,668; 6,683,542; 6,700,507; 6,714,859; 6,741,927; 6,748,318; 6,748,320;
27 6,763,299; 6,763,300; 6,804,606; 6,859,722; 6,904,359; 6,952,645; 6,975,998; 7,030,781;
28 7,089,107; 7,191,058; and 7,400,970.

1 72. The Shipping and Transit patent portfolio includes, but is not necessarily limited to,
2 Canadian Patent Nos. 2,267,206; 2,283,239; 2,360,288; 2,363,556; 2,521,206; and 2,528,647.

3 73. The patent term for the '970 Patent has expired.

4 74. The patent term for the '299 Patent has expired.

5 75. The patent term for the '359 Patent has expired.

6 76. On March 21, 1995, U.S. Patent No. 5,400,020, entitled Advanced Notification
7 System and Method was issued.

8 77. On August 22, 1995, U.S. Patent No. 5,444,444, entitled Apparatus and Method of
9 Notifying a Recipient of an Unscheduled Delivery was issued.

10 78. On April 22, 1997, U.S. Patent No. 5,623,260, entitled Advanced Notification
11 System and Method Utilizing Passenger-Definable Notification Time Period was issued.

12 79. On July 15, 1997, U.S. Patent No. 5,648,770, entitled Apparatus and Method of
13 Notifying a Party of an Pending Delivery or Pickup was issued.

14 80. On August 12, 1997, U.S. Patent No. 5,657,010, entitled Advanced Notification
15 System and Method Utilizing Vehicle Progress Report Generator was issued.

16 81. On September 16, 1997, U.S. Patent No. 5,668,543, entitled Advance Notification
17 System and Method Utilizing Passenger Calling Report Generator was issued.

18 82. On August 21, 2001, U.S. Patent No. 6,278,936, entitled System and Method for an
19 Advance Notification System for Monitoring and Reporting Proximity of a Vehicle was issued.

20 83. On November 6, 2001, U.S. Patent No. 6,313,760, entitled Advanced Notification
21 System and Method Utilizing a Distinctive Telephone Ring was issued.

22 84. On November 13, 2001, U.S. Patent No. 6,317,060, entitled Base Station System
23 and Method for Monitoring Travel of Mobile Vehicles and Communicating Notification Messages
24 was issued.

25 85. On March 26, 2002, U.S. Patent No. 6,363,254, entitled System and Method for
26 Enciphering and Communicating Vehicle Tracking Information was issued.

27 86. On March 26, 2002, U.S. Patent No. 6,363,323, entitled Apparatus and method for
28 monitoring travel of a mobile vehicle was issued.

1 87. On June 25, 2002, U.S. Patent No. 6,411,891, entitled Advance Notification System
2 and Method Utilizing User-Definable Notification Time Periods was issued.

3 88. On November 26, 2002, U.S. Patent No. 6,486,801, entitled Base Station Apparatus
4 and Method for Monitoring Travel of a Mobile Vehicle was issued.

5 89. On December 10, 2002, U.S. Patent No. 6,492,912, entitled System and Method for
6 Efficiently Notifying Users of Impending Arrivals of Vehicles was issued.

7 90. On January 21, 2003, U.S. Patent No. 6,510,383, entitled Vehicular Route
8 Optimization System and Method was issued.

9 91. On September 9, 2003, U.S. Patent No. 6,618,668, entitled System and Method for
10 Obtaining Vehicle Schedule Information in an Advance Notification System was issued.

11 92. On January 27, 2004, U.S. Patent No. 6,683,542, entitled Advanced Notification
12 System and Method Utilizing a Distinctive Telephone Ring was issued.

13 93. On March 2, 2004, U.S. Patent No. 6,700,507, entitled Advance Notification
14 System and Method Utilizing Vehicle Signaling was issued.

15 94. On March 30, 2004, U.S. Patent No. 6,714,859, entitled System and Method for an
16 Advance Notification System for Monitoring and Reporting Proximity of a Vehicle was issued.

17 95. On May 25, 2004, U.S. Patent No. 6,741,927, entitled User-Definable
18 Communications Methods and Systems was issued.

19 96. On June 8 2004, U.S. Patent No. 6,748,318, entitled Advanced Notification
20 Systems and Methods Utilizing a Computer Network was issued.

21 97. On June 8 2004, U.S. Patent No. 6,748,320, entitled Advance Notification Systems
22 and Methods Utilizing a Computer Network was issued.

23 98. On July 13, 2004, U.S. Patent No. 6,763,300, entitled Notification Systems and
24 Methods with Purpose Message in Notifications was issued.

25 99. On October 12, 2004, U.S. Patent No. 6,804,606, entitled Notification Systems and
26 Methods with User-Definable Notifications Based Upon Vehicle Proximities was issued.

27 100. On February 22, 2005, U.S. Patent No. 6,859,722, entitled Notification Systems
28 and Methods with Notifications Based Upon Prior Package Delivery was issued.

COUNT II – DECLARATION OF INVALIDITY

(U.S. Patent No. 6,415,207)

1
2 113. Joyfolie restates and incorporates by reference the allegations in paragraphs 1
3 through 105 of this Complaint as if fully set forth herein.

4 114. Shipping and Transit claims to own all rights, title, and interest to the '207 Patent.

5 115. Shipping and Transit has demanded that Joyfolie take a license to the '207 Patent.

6 116. A substantial, immediate, and real controversy therefore exists between Joyfolie
7 and Shipping and Transit regarding whether the claims of the '207 Patent are valid.

8 117. The claims of the '207 Patent are invalid under at least 35 U.S.C. §§ 101, 102, 103,
9 and 112.

10 118. The claims of the '207 Patent do not constitute patentable subject matter pursuant
11 to 35 U.S.C. § 101, and therefore are an invalid patent on an abstract idea.

12 119. Based on Shipping and Transit's letter, its threat of litigation for patent
13 infringement, its pattern of litigation, and Joyfolie's denial of infringement, an actual case or
14 controversy exists as to whether Joyfolie infringes any valid claim of the '207 Patent, and Joyfolie
15 is entitled to a declaration that the claims of the '207 Patent are invalid.

16 **COUNT III – DECLARATION OF INVALIDITY**

(U.S. Patent No. 6,763,299)

17 120. Joyfolie restates and incorporates by reference the allegations in paragraphs 1
18 through 105 of this Complaint as if fully set forth herein.

19 121. Shipping and Transit claims to own all rights, title, and interest to the '299 Patent.

20 122. Shipping and Transit has demanded that Joyfolie take a license to the '299 Patent.

21 123. A substantial, immediate, and real controversy therefore exists between Joyfolie
22 and Shipping and Transit regarding whether the claims of the '299 Patent are valid.

23 124. The claims of the '299 Patent are invalid under at least 35 U.S.C. §§ 101, 102, 103,
24 and 112.

25 125. The claims of the '299 Patent do not constitute patentable subject matter pursuant
26 to 35 U.S.C. § 101, and therefore are an invalid patent on an abstract idea.
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1 126. Based on Shipping and Transit’s letter, its threat of litigation for patent
2 infringement, its pattern of litigation, and Joyfolie’s denial of infringement, an actual case or
3 controversy exists as to whether Joyfolie infringes any valid claim of the ’299 Patent, and Joyfolie
4 is entitled to a declaration that the claims of the ’299 Patent are invalid.

5 **COUNT IV – DECLARATION OF INVALIDITY**
6 (U.S. Patent No. 6,904,359)

7 127. Joyfolie restates and incorporates by reference the allegations in paragraphs 1
8 through 105 of this Complaint as if fully set forth herein.

9 128. Shipping and Transit claims to own all rights, title, and interest to the ’359 Patent.

10 129. Shipping and Transit has demanded that Joyfolie take a license to the ’359 Patent.

11 130. A substantial, immediate, and real controversy therefore exists between Joyfolie
12 and Shipping and Transit regarding whether the claims of the ’359 Patent are valid.

13 131. The claims of the ’359 Patent are invalid under at least 35 U.S.C. §§ 101, 102, 103,
14 and 112.

15 132. The claims of the ’359 Patent do not constitute patentable subject matter pursuant
16 to 35 U.S.C. § 101, and therefore are an invalid patent on an abstract idea.

17 133. Based on Shipping and Transit’s letter, its threat of litigation for patent
18 infringement, its pattern of litigation, and Joyfolie’s denial of infringement, an actual case or
19 controversy exists as to whether Joyfolie infringes any valid claim of the ’359 Patent, and Joyfolie
20 is entitled to a declaration that the claims of the ’359 Patent are invalid.

21 **COUNT V – DECLARATION OF NON-INFRINGEMENT**
22 (U.S. Patent No. 7,400,970)

23 134. Joyfolie restates and incorporates by reference the allegations in paragraphs 1
24 through 105 of this Complaint as if fully set forth herein.

25 135. Shipping and Transit claims to own all rights, title, and interest in the ’970 Patent.

26 136. Shipping and Transit has demanded that Joyfolie take a license to the ’970 Patent.

27 137. Based on Shipping and Transit’s letters, its threat of litigation for patent
28 infringement, and its pattern of litigation, and Joyfolie’s denial of infringement, a substantial,
immediate, and real controversy exists between Joyfolie and Shipping and Transit regarding

1 whether Joyfolie directly or indirectly infringes or has infringed the '970 Patent. A judicial
2 declaration is necessary to determine the parties' respective rights regarding the '970 Patent.

3 138. Joyfolie seeks a judgment declaring that Joyfolie does not directly or indirectly
4 infringe and has not infringed any claim of the '970 Patent.

5 **COUNT VI – DECLARATION OF NON-INFRINGEMENT**
6 (U.S. Patent No. 6,415,207)

7 139. Joyfolie restates and incorporates by reference the allegations in paragraphs 1
8 through 105 of this Complaint as if fully set forth herein.

9 140. Shipping and Transit claims to own all rights, title, and interest in the '207 Patent.

10 141. Shipping and Transit has demanded that Joyfolie take a license to the '207 Patent.

11 142. Based on Shipping and Transit's letters, its threat of litigation for patent
12 infringement, and its pattern of litigation, and Joyfolie's denial of infringement, a substantial,
13 immediate, and real controversy exists between Joyfolie and Shipping and Transit regarding
14 whether Joyfolie directly or indirectly infringes or has infringed the '207 Patent. A judicial
15 declaration is necessary to determine the parties' respective rights regarding the '207 Patent.

16 143. Joyfolie seeks a judgment declaring that Joyfolie does not directly or indirectly
17 infringe and has not infringed any claim of the '207 Patent.

18 **COUNT VII – DECLARATION OF NON-INFRINGEMENT**
19 (U.S. Patent No. 6,763,299)

20 144. Joyfolie restates and incorporates by reference the allegations in paragraphs 1
21 through 105 of this Complaint as if fully set forth herein.

22 145. Shipping and Transit claims to own all rights, title, and interest in the '299 Patent.

23 146. Shipping and Transit has demanded that Joyfolie take a license to the '299 Patent.

24 147. Based on Shipping and Transit's letters, its threat of litigation for patent
25 infringement, and its pattern of litigation, and Joyfolie's denial of infringement, a substantial,
26 immediate, and real controversy exists between Joyfolie and Shipping and Transit regarding
27 whether Joyfolie directly or indirectly infringes or has infringed the '299 Patent. A judicial
28 declaration is necessary to determine the parties' respective rights regarding the '299 Patent.

1 148. Joyfolie seeks a judgment declaring that Joyfolie does not directly or indirectly
2 infringe and has not infringed any claim of the '299 Patent.

3 **COUNT VIII – DECLARATION OF NON-INFRINGEMENT**
4 (U.S. Patent No. 6,904,359)

5 149. Joyfolie restates and incorporates by reference the allegations in paragraphs 1
6 through 105 of this Complaint as if fully set forth herein.

7 150. Shipping and Transit claims to own all rights, title, and interest in the '359 Patent.

8 151. Shipping and Transit has demanded that Joyfolie take a license to the '359 Patent.

9 152. Based on Shipping and Transit's letters, its threat of litigation for patent
10 infringement, and its pattern of litigation, and Joyfolie's denial of infringement, a substantial,
11 immediate, and real controversy exists between Joyfolie and Shipping and Transit regarding
12 whether Joyfolie directly or indirectly infringes or has infringed the '359 Patent. A judicial
13 declaration is necessary to determine the parties' respective rights regarding the '359 Patent.

14 153. Joyfolie seeks a judgment declaring that Joyfolie does not directly or indirectly
15 infringe and has not infringed any claim of the '359 Patent.

16 **Count IX – Declaration of Unenforceability Based on License**

17 (U.S. Patent Nos. 5,400,020; 5,444,444; 5,623,260; 5,648,770; 5,657,010; 5,668,543; 6,278,936;
18 6,313,760; 6,317,060; 6,363,254; 6,363,323; 6,411,891; 6,415,207; 6,486,801; 6,492,912;
19 6,510,383; 6,618,668; 6,683,542; 6,700,507; 6,714,859; 6,741,927; 6,748,318; 6,748,320;
20 6,763,299; 6,763,300; 6,804,606; 6,859,722; 6,904,359; 6,952,645; 6,975,998; 7,030,781;
21 7,089,107; 7,191,058; and 7,400,970; and Canadian Patent Nos. 2,267,206; 2,283,239; 2,360,288;
22 2,363,556; 2,521,206; and 2,528,647)

23 154. Joyfolie restates and incorporates by reference the allegations in paragraphs 1
24 through 153 of this Amended Complaint as if fully set forth herein.

25 155. Shipping and Transit has granted licenses to third parties that cover Joyfolie's
26 services, systems, and practices that Shipping and Transit accuses of infringement in the American
27 Letter.

28 156. Shipping and Transit granted a license to its entire patent portfolio to Magento that
extends to Magento's customers.

157. Joyfolie is an intended third-party beneficiary of the Shipping and Transit-Magento
license.

1 158. Shipping and Transit’s license grant to Magento renders the entire Shipping and
2 Transit Patent Portfolio contractually unenforceable, at minimum, against Joyfolie because it is an
3 intended third-party beneficiary of that license.

4 159. Shipping and Transit granted a license to its entire patent portfolio to FedEx that
5 extends to anything “in connection with any product, service, or system provided to or for FedEx
6 or its Affiliates.”

7 160. Joyfolie is an intended third-party beneficiary of the Shipping and Transit-FedEx
8 license.

9 161. Shipping and Transit’s license grant to FedEx renders the entire Shipping and
10 Transit Patent Portfolio contractually unenforceable, at minimum, against Joyfolie for all products
11 shipped via FedEx because it is an intended third-party beneficiary of that license.

12 162. Shipping and Transit has granted a license, the legal equivalent of a covenant not to
13 sue, to its entire patent portfolio to the USPS that extends to its customers.

14 163. Joyfolie is an intended third-party beneficiary of this license by virtue of shipping
15 with the USPS.

16 164. Shipping and Transit’s license grant to the USPS renders the entire Shipping and
17 Transit Patent Portfolio contractually unenforceable, at minimum, against Joyfolie for all products
18 shipped via USPS because it is an intended third-party beneficiary of that license.

19 165. A substantial, immediate, and real controversy exists between Joyfolie and
20 Shipping and Transit regarding whether the Joyfolie’s services, systems, and practices that
21 Shipping and Transit accuses of infringement are, in fact, licensed and incapable of infringing any
22 patent in the Shipping and Transit Patent Portfolio.

23 166. A judicial declaration of unenforceability by virtue of license is necessary to
24 establish Joyfolie’s right to continue operating its business free of unwarranted claims of
25 infringement by Shipping and Transit.

26 **Count X – Breach of Contract**

27 167. Joyfolie restates and incorporates by reference the allegations in paragraphs 1
28 through 166 of this Complaint as if fully set forth herein.

1 168. Shipping and Transit has granted licenses to third parties that cover the Joyfolie
2 methods, processes, and systems that are accused of infringement by Shipping and Transit's
3 American Letter.

4 169. Upon information and belief, Joyfolie's checkout process and shipping method are
5 covered by the Magento, FedEx, and USPS licenses. Joyfolie is an intended third-party
6 beneficiary of Shipping and Transit's contracts with Magento, FedEx, and USPS.

7 170. Upon information or belief, Joyfolie has complied with all, or substantially all, of
8 the requirements that the Shipping and Transit's licenses with Magento, FedEx, and USPS
9 required, which is utilize Magento's software and ship products via FedEx or USPS.

10 171. Upon information and belief, all conditions required by the licenses have occurred
11 to trigger Shipping and Transit's performance and obligations pursuant to the licenses.

12 172. The USPS covenant not to sue granted by Shipping and Transit does not require
13 any conditions by the USPS or Joyfolie to trigger Shipping and Transit's performance and
14 obligations pursuant to the license.

15 173. Shipping and Transit has threatened litigation for patent infringement against,
16 demanded money from, and harassed Joyfolie in breach of its license agreements with Magento,
17 USPS, and FedEx. Shipping and Transit's patent infringement accusations or any claims of patent
18 infringement, which rely on licensed systems, processes, and services, that Shipping and Transit
19 may assert are material breaches of those licenses.

20 174. Shipping and Transit has made accusations of patent infringement in bad faith and
21 with unclean hands, and has made threats to pursue litigation against Joyfolie even though Joyfolie
22 is protected by licenses that Shipping and Transit has granted.

23 175. As a result of Shipping and Transit breaching, at a minimum, the Magento, UPS,
24 USPS, and FedEx licenses, Joyfolie has been harmed.

25 176. As an intended third-party beneficiary of these licenses, Joyfolie has standing to file
26 suit on said breach and seek enforcement of the parties' contractual terms for which it is an
27 intended beneficiary, as well as seek compensation for the harm it has suffered and the costs to
28 enforce the contractual terms.

PRAYER FOR RELIEF

WHEREFORE, Joyfolie respectfully prays for the following relief:

A. A declaration that Joyfolie’s services, systems, and practices do not infringe and have not infringed the ’970, ’207, ’299, and ’359 Patents;

B. A declaration that the ’970, ’207, ’299, and ’359 Patents are invalid;

C. A declaration that U.S. Patent Nos. 5,400,020; 5,444,444; 5,623,260; 5,648,770; 5,657,010; 5,668,543; 6,278,936; 6,313,760; 6,317,060; 6,363,254; 6,363,323; 6,411,891; 6,415,207; 6,486,801; 6,492,912; 6,510,383; 6,618,668; 6,683,542; 6,700,507; 6,714,859; 6,741,927; 6,748,318; 6,748,320; 6,763,299; 6,763,300; 6,804,606; 6,859,722; 6,904,359; 6,952,645; 6,975,998; 7,030,781; 7,089,107; 7,191,058; and 7,400,970; and Canadian Patent Nos. 2,267,206; 2,283,239; 2,360,288; 2,363,556; 2,521,206; and 2,528,647 are contractually unenforceable against Joyfolie.

D. A determination that Shipping and Transit is in breach of the licenses granted to Magento, FedEx, and USPS and that, as an intended third-party beneficiary, Joyfolie has been harmed by said breach.

E. An injunction barring further breach of the licenses granted to Magento, FedEx, and USPS including an injunction barring the initiation and prosecution of any lawsuit in the United States, Canada, or elsewhere, against Joyfolie based on the Shipping and Transit Patent Portfolio;

F. A determination that this is an exceptional case and an award of all costs and attorneys’ fees to Joyfolie;

G. That Joyfolie be awarded its costs of suit, and pre- and post-judgment interest on any money amount; and

H. Any other relief as this Court deems just and proper.

Dated: April 15, 2016

Respectfully submitted,

/s/ Marcel F. De Armas

Marcel F. De Armas

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