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7 Attorneys for Plaintiff  
SIGNAL IP, INC.

8 **UNITED STATES DISTRICT COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**

11 SIGNAL IP, INC., a California  
12 corporation,

13 Plaintiff,

14 vs.

15 VOLKSWAGEN GROUP OF  
AMERICA, INC., d/b/a. AUDI OF  
16 AMERICA, INC., a New Jersey  
corporation; BENTLEY MOTORS,  
17 INC., a Delaware Corporation,

18 Defendants.

Case No. LA CV14-03113 JAK (JEMx)

**FIRST AMENDED COMPLAINT  
FOR PATENT INFRINGEMENT**

**JURY TRIAL DEMANDED**

19 Plaintiff Signal IP, Inc. (“Signal IP” or “Plaintiff”) brings this First Amended  
20 Complaint against Defendants Volkswagen Group of America, Inc., d/b/a Audi of  
21 America, Inc. and Bentley Motors, Inc. (collectively, “Defendants”), as permitted by  
22 Fed. R. Civ. P. 15(a)(1)(B), alleging as follows:

23 **PARTIES**

24 1. Plaintiff Signal IP is a California corporation with its principal place of  
25 business at 11100 Santa Monica Blvd., Suite 380, Los Angeles, CA 90025.

26 2. On information and belief, Defendant Volkswagen Group of America,  
27 Inc., d/b/a Audi of America, Inc. is a New Jersey corporation with its principal place  
28

1 of business at 2200 Ferdinand Porsche Drive, Herndon, VA 20171.

2 3. On information and belief, Defendant Bentley Motors, Inc. is a  
3 Delaware corporation with its principal place of business at 2200 Ferdinand Porsche  
4 Drive, Herndon, VA 20171.

5 4. On information and belief, Defendants are part of an integrated  
6 automotive group that manufactures and distributes cars under brand names  
7 including “Audi”, “Volkswagen”, and “Bentley.”

8 **JURISDICTION, VENUE AND JOINDER**

9 5. This action arises under the patent laws of the United States, Title 35 of  
10 the United States Code. This Court has subject matter jurisdiction pursuant to 28  
11 U.S.C. §§ 1331 and 1338(a).

12 6. This Court has personal jurisdiction over Defendants. Defendants have  
13 conducted extensive commercial activities and continue to conduct extensive  
14 commercial activities within the State of California. Defendants are registered to do  
15 business in California. Additionally, on information and belief, Defendants, directly  
16 and/or through intermediaries (including Defendants’ entities, subsidiaries,  
17 distributors, sales agents, partners and others), distribute, offer for sale, sell, and/or  
18 advertise their products (including but not limited to the products and services that  
19 are accused of infringement in this lawsuit) in the United States, in the State of  
20 California, and in this judicial district, under the “Audi”, “Volkswagen”, and  
21 “Bentley” brand names. Defendants have purposefully and voluntarily placed one  
22 or more of their infringing products and services into the stream of commerce with  
23 the expectation that the products and services will be purchased or used by  
24 customers in California and within this judicial district. Accordingly, Defendants  
25 have infringed Signal IP’s patents within the State of California and in this judicial  
26 district as alleged in more detail below.

27 7. Venue is proper in this district under 28 U.S.C. §§ 1391 and 1400(b).

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**BACKGROUND**

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8. Signal IP, Inc. is a California corporation with a principal place of business at 11100 Santa Monica Blvd., Suite 380, Los Angeles, CA 90025. It is the owner of the entire right, title and interest in and to U.S. Patent Nos. 5,714,927; 5,732,375; 5,954,775; 6,012,007; 6,434,486; and 6,775,601 (the “Patents-in-Suit”), including the right to recover for past, present and future infringement.

9. On information and belief, Defendants are direct or indirect subsidiaries of global car manufacturer and distributor Volkswagen AG, which is headquartered in Germany. Volkswagen AG manufactures and distributes cars under brand names including “Audi”, “Volkswagen”, and “Bentley.”

10. Defendants have knowledge of each of the Patents-in-Suit, and have had the specific knowledge that their products and services described below infringe the Patents-in-Suit, since at least the filing of the complaint in this action on April 23, 2014, which was served on Defendants on April 30, 2014. Signal IP gives and has given Defendants notice of its infringement of the Patents-in-Suit.

11. Signal IP has also already served Defendants with its Asserted Claims and Infringement Contentions pursuant to Standing Patent Rule §§ 2.1 and 2.2 (the “Infringement Contentions”), on July 8, 2014. The Infringement Contentions provide Defendants with notice of each claim of each patent in suit that is infringing, and separately for each asserted claim, identify each accused instrumentality in a manner that is as specific as is reasonably possible. The Infringement Contentions also identify specifically where each limitation of each asserted claim is found within each accused instrumentality, and identify the basis for Signal IP’s allegations of willful infringement. The Infringement Contentions set forth Signal IP’s allegations of infringement in this matter.

**FIRST CLAIM FOR RELIEF**  
**(Infringement of the ‘927 Patent)**

12. Plaintiff incorporates all previous paragraphs of this complaint as if set

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1 forth in full herein.

2 13. Signal IP is the owner of the entire right, title, and interest in and to  
3 U.S. Patent No. 5,714,927 (the ‘927 Patent), entitled “Method of Improving Zone of  
4 Coverage Response of Automotive Radar.” The ‘927 Patent was duly and legally  
5 issued by the U.S. Patent and Trademark Office on February 3, 1998. A true and  
6 correct copy of the ‘927 Patent is attached as Exhibit A.

7 14. On information and belief, Defendants have been and are directly  
8 infringing, inducing others to infringe, and/or contributorily infringing, literally,  
9 under the doctrine of equivalents, and/or jointly, one or more claims of the ‘927  
10 Patent, including, but not limited to, claims 1, 2 and 6 (“the ‘927 Patent Asserted  
11 Claims”), in the State of California, in this judicial district, and elsewhere in the  
12 United States by, among other things, importing, making, using, offering for sale,  
13 and/or selling in the United States certain methods or systems disclosed and claimed  
14 in the ‘927 Patent, including, but not limited to, the Active Blind Spot Assist  
15 system, used in products including, but not limited to, to the Audi A3, A4, A4  
16 Allroad, A4 Sedan/Avant, A5, A6, A7, A8, Q3, Q5, Q7, Q5 Hybrid, S4, S5, S5  
17 Cabriolet, S6, S7, S8, SQ5, RS5, and RS7, and the Volkswagen CC, Touareg,  
18 Phaeton, and Touareg Hybrid (collectively, the accused products and features are  
19 referred to herein as “the ‘927 Patent Accused Instrumentalities,” although the  
20 accused instrumentalities and asserted claims have been formally identified in  
21 Signal IP’s Infringement Contentions).

22 15. The ‘927 Patent Accused Instrumentalities are described or have been  
23 described at least in part online at:  
24 <http://www.audiusanews.com/newsrelease.do?&id=2757&allImage=1&teaser=drive>  
25 [r-assistance-systems&mid;](http://www.audiusanews.com/newsrelease.do?&id=2757&allImage=1&teaser=drive) and  
26 <http://en.volkswagen.com/en/innovation-and-technology/technical->  
27 [glossary/spurwechselassistentsideassist.html.](http://en.volkswagen.com/en/innovation-and-technology/technical-glossary/spurwechselassistentsideassist.html)

28 16. As described below in and in the Infringement Contentions,

1 Volkswagen includes a radar system where a host vehicle uses radar to detect a  
2 target vehicle in a blind spot of the host vehicle driver which improves the perceived  
3 zone of coverage response of automotive radar. Volkswagen determines the relative  
4 speed of the host and target vehicles and selects a variable sustain time as a function  
5 of relative vehicle speed. Volkswagen detects target vehicle presence and produces  
6 an alert command. Volkswagen activates an alert signal in response to the alert  
7 command. At the end of the alert command, Volkswagen determines whether the  
8 alert signal was active for a threshold time and if the alert signal was active for the  
9 threshold time, Volkswagen sustains the alert signal for the variable sustain time;  
10 where the zone of coverage appears to increase according to the variable sustain  
11 time.

12 17. According to Defendants' website or documentation, Defendants' Side  
13 Assist system "monitors traffic behind the vehicle and warns the driver of critical  
14 lane changes as necessary" through the use of "[t]wo radar systems at the rear  
15 [which] scan the areas up to around 50 metres behind the vehicle and in the blind  
16 spots to the sides."

17 18. According to Defendants' website or documentation, "[t]he Side  
18 Assist] system begins to operate at a speed of about 30 km/h (18.64 mph)." At that  
19 speed, a computer evaluates the data from the rear radar sensors. If the sensors  
20 "detect another vehicle that is in the critical zone – that is, traveling in the blind spot  
21 or quickly approaching from behind – the information stage is activated."

22 19. According to Defendants' website or documentation, "Side Assist  
23 signals any vehicle which is in the critical zone for a lane change, regardless of  
24 whether a lane change is in progress or not. (¶) The system draws the driver's  
25 attention to the potential danger with a light that comes on in the exterior mirror on  
26 the side in question. (¶) If the driver nevertheless signals to change lane, the same  
27 LED light starts to flash more brightly and draws attention to the danger."

28 20. According to Defendants' website or documentation, "[i]nstead of

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