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13 **UNITED STATES DISTRICT COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA**
15 **WESTERN DIVISION**

17 PHILIPS NORTH AMERICA LLC,

18 *Plaintiffs,*

19 v.

20 GARMIN INTERNATIONAL, INC.
21 GARMIN USA, INC. and GARMIN LTD.,

22 *Defendants.*

Case No. 2:19-cv-6301

**COMPLAINT FOR PATENT
INFRINGEMENT**

JURY TRIAL DEMANDED

23 **COMPLAINT FOR PATENT INFRINGEMENT**

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27 Philips North America LLC (“Philips North America” or “Plaintiff”), by its
28 undersigned counsel, hereby alleges, with knowledge with respect to its own acts and on

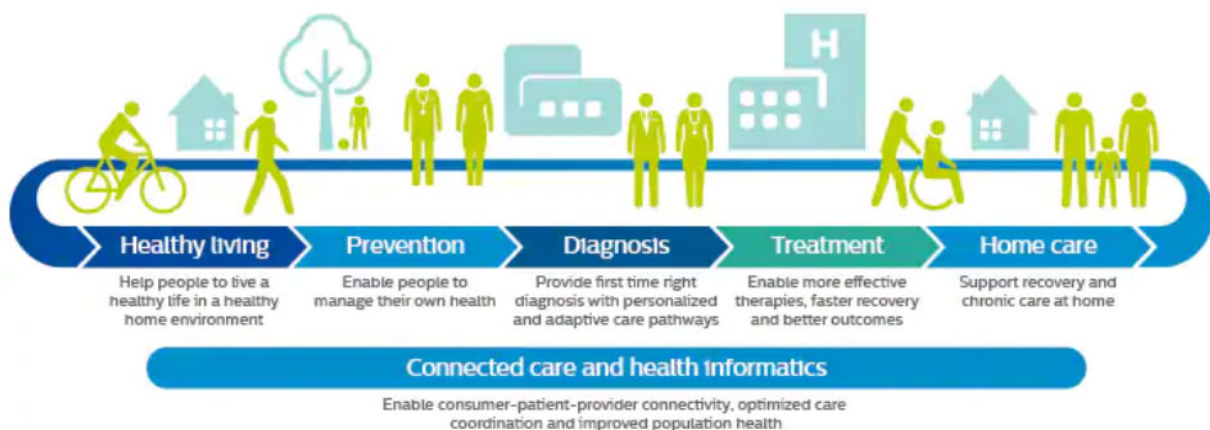
1 information and belief as to other matters, the following in support of its Complaint
 2 against Garmin International, Inc., Garmin USA, Inc. and Garmin Ltd. (collectively
 3 “Defendants” or “Garmin”).

4 NATURE OF THE ACTION

5 1. Philips North America brings this action to compel Garmin to stop
 6 infringing Philips North America’s patents, and to compensate Philips North America for
 7 Garmin’s past infringement.

8 2. Philips North America is a subsidiary of Koninklijke Philips N.V.,
 9 originally founded in 1891, and a world leader in technology and innovation across many
 10 technological fields (generally referred to as “Philips”). For more than 100 years, Philips
 11 has dedicated significant resources to research and development for the advancement of
 12 technology used around the world.

13 3. Philips strives to make the world healthier and more sustainable through
 14 innovation with the goal of improving lives of billions of people. Philips approaches
 15 healthcare as a continuum where its technologies can be applied across activities of
 16 healthy living, prevention, diagnosis, treatment and home care as depicted below:



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 25 4. Connected health technologies developed by Philips are employed across the
 26 health continuum. Both inside and outside hospitals, Philips has developed technologies
 27 that empower consumers to better manage their health by improving access to and
 28 analysis of personal health and fitness information obtained in various manners. Philips

1 provides the Actiwatch family of devices, which are designed to help better understand
2 the daily activity and sleep and wake patterns of individuals. Examples of Philips
3 Actiwatch devices are shown here:



16 5. In another example, MIO Global incorporated Philips' heart rate monitor
17 technology into its MIO Alpha fitness tracker watch, making it among the first and most
18 accurate integrated wrist-worn heartrate monitors available. Philips continues to lead the
19 development of technologies that underpin connected health products including trackers.
20 Others have recognized the value of Philips' investment in innovation in this area and
21 have sought and taken technology licenses from Philips, including licenses to the patents
22 asserted in this case.

23 6. Philips also invests in technologies developed by other companies and has
24 acquired companies and their patented innovative technologies as part of its emphasis on
25 supporting and advancing innovation. Philips has made numerous direct investments in
26 connected health technologies in recent years, including its acquisition of Lifeline
27 Systems, Inc. in 2006, its acquisition of Wellcentive in 2016, its acquisitions of Health
28 and Parenting LTD and VitalHealth in 2017, and its acquisition of Blue Willow Systems

1 in 2018. Each of these acquisitions expanded Philips' capabilities in personal health
2 management and supported Philips' longstanding commitment to deliver integrated
3 solutions across the health continuum.

4 7. Philips shares its innovation with others through, for example, its pioneering
5 role in open innovation as well as in offering access to its technology through licensing.
6 In this way, Philips has been able to share its innovations with many other companies.
7 Licensing revenues fund further research at Philips. Philips' patent portfolio currently
8 includes more than 60,000 patents, and in 2017 Philips filed more patent applications in
9 the field of medical technology at the European Patent Office than any other company in
10 the world.

11 8. While some of Philips' patents are asserted in this action, Philips has many
12 others covering connected health. The patented technologies asserted in this action
13 enable and enhance customer demand for products such as, for example: GPS/audio
14 athletic training, security mechanisms for transmission of personal data, connected
15 wearable/online products, and handling of interrupted connections.

16 9. Founded in 1989 as "ProNav," Garmin was originally a company that
17 offered devices for navigation. Garmin did not offer a wearable tracker for athletic
18 activity until 2014, after the smartphone eliminated demand for handheld GPS devices
19 and Garmin's sales plummeted. *See*

20 [https://www.forbes.com/sites/alexknapp/2016/09/14/how-garmin-mapped-out-a-new-
22 direction-with-fitness-wearables/#5f382ea727b9](https://www.forbes.com/sites/alexknapp/2016/09/14/how-garmin-mapped-out-a-new-
21 direction-with-fitness-wearables/#5f382ea727b9). In entering the wearable tracker market,
23 Garmin leveraged the patented technology of Philips from the beginning. Garmin
24 experienced significant growth and revenues as a result. *See*
25 <https://www.cnet.com/news/garmins-doing-well-in-wearables/>.

26 10. For years, Philips has repeatedly offered to license rights in the Patents-in-
27 Suit¹ to Garmin, but Garmin has repeatedly refused to accept Philips' offers to license.

28 ¹ The "Patents-in-Suit" refer to the patents identified below in Counts I-IV.

1 Garmin's past and continuing sales of its devices i) willfully infringes Philips' Patents-in-
2 Suit and ii) impermissibly takes the significant benefits of Philips' patented technologies
3 without compensation to Philips. Garmin's refusal to take a royalty bearing license under
4 the Patents-in-Suit has forced Philips to seek remediation to stop Garmin's continuing
5 willful infringement of the Patents-in-Suit and to be compensated for Garmin's past
6 willful infringement of the Patents-in-Suit.

7 **PARTIES**

8 11. Plaintiff Philips North America LLC (formerly known as Philips Electronics
9 North America Corporation) is a limited liability company duly organized and existing
10 under the laws of Delaware. There are facilities for Philips Sonicare in Ontario, CA
11 within this Judicial District in addition to Philips Respironics in Carlsbad, CA. Philips
12 has been a technology leader for over a century including in the field of connected health
13 products and across the healthcare continuum. Philips patented innovations in this action
14 pertain to GPS/audio athletic training, security mechanisms for transmission of personal
15 data, connected wearable/online products, and handling of interrupted connections.

16 12. Defendant Garmin International, Inc. is a corporation organized under the
17 laws of Kansas having a regular and established place of business located at 120
18 Cremona Drive, Goleta, CA, within this Judicial District.

19 13. Defendant Garmin USA, Inc. is a corporation organized and existing under
20 the laws of Kansas having a regular and established place of business located at 120
21 Cremona Drive, Goleta, CA, within this Judicial District.

22 14. Defendant Garmin International, Inc. also has a regular and established
23 place of business at 21680 Gateway Center Drive, Diamond Bar, CA, within this Judicial
24 District.

25 15. Defendant Garmin USA, Inc. also has a regular and established place of
26 business at 21680 Gateway Center Drive, Diamond Bar, CA, within this Judicial District.

27 16. Defendant Garmin Ltd. is a foreign company organized and existing under
28 the laws of Switzerland with its principal place of business at Muhlenstalstrasse 2, 8200

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