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Attorneys for Plaintiff

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA EASTERN DIVISION

SLEEP NUMBER CORPORATION,

Plaintiff,

v.

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AMERICAN NATIONAL MANUFACTURING, INC.,

Defendant.

Civil Action No. 5:18-cv-00357 AB (SPx)

FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT

JURY TRIAL DEMANDED

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Plaintiff Sleep Number Corporation ("Sleep Number"), by and through its undersigned counsel, files this amended complaint against American National Manufacturing, Inc. ("American National" or "Defendant") for infringement of United States Patent Nos. 5,904,172 ("the '172 patent"), 9,737,154 ("the '154 patent"), and 8,769,747 ("the '747 patent") (collectively, "the patents-in-suit").

<u>THE PARTIES</u> Plaintiff

1. Sleep Number is a Minnesota corporation with a principal place of business at 1001 Third Avenue South, Minneapolis, Minnesota 55404.

2. Sleep Number is in the business of designing, manufacturing, and selling adjustable air mattress systems, most notably the Sleep Number® bed, and components thereof, including products that practice the patents-in-suit.

American National Manufacturing, Inc.

3. On information and belief, American National is a California corporation organized and existing under the laws of California with a principal place of business at 252 Mariah Circle, Corona, California 92879. American National may be served via its registered agent for service of process in California: Ric Jansen, 252 Mariah Circle, Corona, California 92879.

4. On information and belief, American National is in the business of, among other things, manufacturing and selling consumer and medical air bed systems in the United States.

NATURE OF THE ACTION, JURISDICTION, AND VENUE

5. Sleep Number brings this action for patent infringement under the patent laws of the United States, 35 U.S.C. § 271 *et seq*.

6. This Court has subject matter jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1338(a) because the action arises under the patent laws of the United States.

FACTUAL BACKGROUND

American National

7. This Court has personal jurisdiction over American National at least in part because American National is present in and/or transacts and conducts business in and with residents of this District and the State of California. For example, American National has significant operations in California and in this District, including a manufacturing and distribution plant in Corona, California.

8. This Court has specific personal jurisdiction over American National pursuant to the California Long Arm Statute because, on information and belief, American National, directly or through intermediaries, has conducted and conducts substantial business in this forum, including but not limited to: (i) engaging in at least part of the infringing acts alleged herein; (ii) purposefully and voluntarily placing one or more infringing products into the stream of commerce with the expectation that they will be purchased and/or used by consumers in this forum; and/or (iii) regularly doing or soliciting business or deriving substantial revenue from goods provided to individuals in the State of California and in this District. In addition, American National maintains highly interactive and commercial websites, such as http://www.americannationalmfg.com/index.html, which is accessible to residents of California and this District, through which American National promotes its products, including products that infringe the patents-in-suit.

9. Venue is proper is this District under 28 U.S.C. § 1400(b) for the reasons set forth above. In addition, venue is proper because acts of infringement are occurring in this District and because American National has a regular and established place of business in this District. For example, American National has a manufacturing and distribution plant located at 252 Mariah Circle, Corona, California 92879.

Sleep Number

10. Sleep Number provides products and services, including air mattress systems, most notably the Sleep Number® bed, and components thereof, including pumps for air mattresses, valve enclosure assemblies, and air bladders to consumers throughout the United States and the world.

11. Sleep Number's air mattress systems are market successes. Specifically, Sleep Number's air mattress systems have significantly changed the specialty sleep industry by providing an alternative to traditional innerspring and foam mattresses. Sleep Number has repeatedly improved the technology behind air mattresses, transforming them from noisy and uncomfortable substitutes for innerspring or foam mattresses into luxury items that give consumers precise control over the firmness of their mattress.

12. Sleep Number has invested significantly in the acquisition and maintenance of equipment used to engineer and manufacture the Sleep Number air mattress systems. Sleep Number employs thousands of individuals in the United States in relation to the design, engineering, research and development, manufacture, marketing, and sale of the Sleep Number air mattress systems. Sleep Number invests substantially in the design, engineering, and research and development of the Sleep Number air mattress systems.

Craig Miller and Dires, LLC

13. American National's president, Craig Miller, was a consultant for Sleep Number from August 2006 through December 2011.

14. American National manufactures products for a company called Dires, LLC d/b/a Personal Comfort Bed, of which Craig Miller is managing member and the principal manager. Dires, LLC focuses all facets of its advertising, including online video bed demonstrations, on comparisons to Sleep Number and Sleep Number's technology.

The Technology At Issue

15. The technology at issue relates to systems and methods for adjusting the pressure in an air mattress system, and components thereof. Traditional mattresses offer a static level of firmness to consumers, so if the bed is shared, both persons using it must agree on the firmness level. Further, even if the mattress is not shared, some people may wish to adjust the firmness of their mattress periodically, without buying an entirely new mattress. Traditional innerspring and foam mattresses cannot solve this problem; such mattresses have uniform, constant firmness.

16. An air mattress system, on the other hand, can be designed to allow for individualized comfort sections, which allows those with different firmness preferences to share the same bed without compromising comfort. Further, an air mattress system allows a mattress's firmness to be changed over time, allowing persons whose desired firmness changes to have, for example, a relatively firm mattress one night and a soft one the next.

PATENTS-IN-SUIT

17. On May 18, 1999, the United States Patent & Trademark Office ("PTO") duly and lawfully issued U.S. Patent No. 5,904,172 ("the '172 patent"), entitled "Valve Enclosure Assembly." Sleep Number is the sole owner by assignment of the '172 patent, a copy of which is attached hereto as **Exhibit 1**.

18. The '172 patent relates generally to an improved valve enclosure assembly. The improved assembly is used with an air mattress system such as the Sleep Number® bed. The '172 patent describes improvements over prior art valve enclosure assemblies that have problems with air leakage due to counter pressure in the air bladder and overheating. The '172 patent also describes embodiments of a valve enclosure assembly that is able to monitor the pressure inside the air mattress during an inflate/deflate cycle, which prior art valve enclosure assemblies were

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