

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SLEEP NUMBER CORPORATION,

Plaintiff,

v.

SIZEWISE RENTALS, L.L.C.

Defendant.

Civil Action No. 3:17-cv-3518

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Sleep Number Corporation (“Sleep Number”), by and through its undersigned counsel, files this complaint against Sizewise Rentals, L.L.C. (“Sizewise” 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”).

THE PARTIES

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.

Sizewise Rentals, L.L.C.

3. On information and belief, Defendant Sizewise Rentals, L.L.C. (“Sizewise”) is a Nevada Limited Liability Company organized and existing under the laws of Nevada with a principal place of business at 206 Jefferson Street, Ellis, Kansas 67637. Sizewise may be served via its registered agent for service of process in Texas: Registered Agent Solutions, Inc., 1701 Directors Boulevard, Suite 300, Austin, Texas 78744.

4. On information and belief, Sizewise is in the business of distributing and leasing medical air bed systems and components thereof 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.

Sizewise

7. This Court has personal jurisdiction over Sizewise at least in part because Sizewise is present in and/or transacts and conducts business in and with residents of this District and the State of Texas. For example, on information and belief, Sizewise has significant operations in Texas and in this District, including a manufacturing and/or distribution facility in Arlington, Texas.

8. This Court has specific personal jurisdiction over Sizewise pursuant to the Texas Long Arm Statute because, on information and belief, Sizewise, 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 Texas and in this District. In addition, Sizewise maintains highly interactive and commercial websites, such as <http://sizewise.com/>, which is accessible to residents of Texas and this District, through which Sizewise promotes its products, including products that infringe the patents-in-suit.

9. Venue is proper in 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 Sizewise has a regular and established place of business in this District. For example, on information and belief, Sizewise has a manufacturing and/or distribution plant located at 805 Avenue H, E #503, Arlington, Texas 76011.

FACTUAL BACKGROUND

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, and have 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® bed 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® bed systems. Sleep Number invests substantially in the design, engineering, and research and development of the Sleep Number® bed systems.

The Technology At Issue

13. 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.

14. 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

15. 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.

16. 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 unable to accomplish. The '172 patent also describes a method of achieving a desired firmness in an air mattress system through the use of an improved valve enclosure assembly.

17. On August 22, 2017, the PTO duly and lawfully issued U.S. Patent No. 9,737,154 ("the '154 patent"), entitled "System and Method for Improved Pressure Adjustment." Sleep Number is the sole owner by assignment of the '154 patent, a copy of which is attached hereto as Exhibit 2. The '154 patent relates generally to a system and method for adjusting the pressure in an air bed.

18. On July 8, 2014, the PTO duly and lawfully issued U.S. Patent No. 8,769,747 ("the '747 patent"), entitled "System and Method for Improved Pressure Adjustment." Sleep

Number is the sole owner by assignment of the '747 patent, a copy of which is attached hereto as Exhibit 3. The '747 patent relates generally to a system and method for adjusting the pressure in an air bed.

19. Sleep Number is the exclusive owner of all rights, title, and interest in the patents-in-suit.

20. Sleep Number implements the technology claimed in the patents-in-suit in its Sleep Number® bed systems.

DEFENDANT'S KNOWLEDGE OF THE '172 PATENT AND INFRINGEMENT

21. On October 16, 2015, Select Comfort Corporation and Select Comfort SC Corporation (collectively, "Select Comfort")¹ filed a complaint to institute an investigation in the United States International Trade Commission ("ITC"). Select Comfort alleged that Sizewise infringed the '172 patent by unlawfully importing certain accused devices into the United States.

22. The ITC instituted an investigation on November 20, 2015, Inv. No. 337-TA-971, *Certain Air Mattress Systems, Components Thereof, and Methods of Using the Same*, to determine *inter alia*:

[W]hether there is a violation of subsection (a)(1)(B) of section 337 in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain air mattress systems, components thereof, and methods of using the same by reason of infringement of one or more of claims 2, 6, 9, 12, 16, 20 and 22-241 of the '172 patent . . .

80 Fed. Reg. 72,738 (Nov. 20, 2015).

23. An evidentiary hearing was held on August 8-12, 2016.

24. The Administrative Law Judge ("ALJ") issued an Initial Determination ("ID") that "Respondents infringe claims 12 and 16 of U.S. Patent No. 5,904,172" and that claims 12 and 16 of the '172 patent are not invalid.

¹ On October 27, 2017, Select Comfort Corporation amended its articles of incorporation to change its name to Sleep Number Corporation.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.