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9 *(Additional counsel on next page)*

10 **UNITED STATES DISTRICT COURT**
 11 **CENTRAL DISTRICT OF CALIFORNIA**
 12 **SOUTHERN DIVISION**

14 VOXX INTERNATIONAL CORP,
 a Delaware corporation,
 15
 16 Plaintiff,
 17 vs.
 18 SOUTHWEST DEALER SERVICES,
 INC., a California corporation,
 19 Defendant.

Case No.: 23-350

COMPLAINT

INJUNCTIVE RELIEF REQUESTED
 JURY TRIAL REQUESTED

21

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8 VOXX International Corp.

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1 Plaintiff VOXX International Corp., hereby files its Complaint against Defendant
2 Southwest Dealer Services, Inc., and alleges as follows:

3 **PARTIES, JURISDICTION AND VENUE**

4 1. Plaintiff VOXX International, Corp (“VOXX”) is a Delaware
5 corporation.

6 2. Upon information and belief, Defendant Southwest Dealer Services, Inc.
7 (“SWDS”) is a California corporation with its headquarters at 8659 Research Drive,
8 Irvine, California 92618.

9 3. SWDS regularly engages in marketing activities that promote the sale of
10 products that infringe the patent-in-suit to customers and/or potential customers,
11 including those located in California and in this judicial district.

12 4. This Court has jurisdiction over the subject matter of this action as to the
13 Defendant pursuant to 28 U.S.C. §§ 1331 and 1338(a).

14 5. This Court has *in personam* jurisdiction as to SWDS because, upon
15 information and belief, SWDS is subject to both general and specific jurisdiction in
16 California. More particularly, SWDS is registered as a California corporation and sells
17 and offers to sell products that infringe one or more claims of VOXX’s patent in this
18 Judicial District.

19 6. Venue is proper in this judicial district pursuant to 28 U.S.C. §§1391 and
20 1400 because, among other things, SWDS is subject to personal jurisdiction in this
21 judicial district and is a corporation formed in California and in this judicial district.

1 Upon information and belief, SWDS has purposely transacted business involving the
2 accused products in this judicial district, including sales to one or more customers in
3 California, and certain of the acts complained of herein occurred in this judicial
4 district, in California and in the United States.

5 **STATEMENT OF FACTS**

6 7. On December 9, 2008, the United States Patent and Trademark Office
7 duly and legally issued U.S. Patent No. 7,463,135 B2 (“the ’135 Patent”). VOXX is
8 the sole and exclusive owner of the valid and enforceable ’135 Patent, a copy of which
9 is attached hereto as Exhibit A.

10 8. The Patent-in-Suit generally describes and claims a multi-mode vehicle
11 security system including a control module that is wirelessly selectable to operate in
12 one of a plurality of modes; and a function module for receiving a command from the
13 control module and instructing a vehicle device to perform a function associated with
14 the command.

15 9. Upon information and belief, SWDS manufactures, imports, offers for
16 sale and/or sells devices in the United States that directly or indirectly infringe upon
17 one or more claims of the Patent-in-Suit.

18 10. SWDS has in the past and currently manufactures, uses, imports, offers
19 for sale and/or sells the KARR security systems such as the BT Series and the High
20 Performance Series 3. Upon information and belief, SWDS primarily sells the accused
21 products to car dealers for configuration and installation.

1 11. The below chart shows infringement of at least Claim 1 of the '135
 2 Patent:

<u>U.S. PATENT 7,463,135</u>	
VOXX PATENT CLAIM	INFRINGEMENT KARR SYSTEMS
3 4 5 1. A multi-mode vehicle security system, comprising:	The accused KARR Security Systems are multi-mode vehicle security systems, as set forth below:
6 7 8 a control module wirelessly selectable to operate in one of a plurality of modes, wherein said plurality of modes include a first mode in which the control module functions as a vehicle security system, a second mode in which the control module functions as an upgrade to a remote keyless entry (RKE) system, or a third mode in which the control module functions as a shock sensor upgrade to a vehicle security system; and	9 The accused KARR Security Systems includes a control module 10 Below is an example of a KARR control module: 11 12 13 14 15 16 17 18 19 20 21 This controller operates in different modes, the red, blue, or green modes that the KARR controller is programmed to operate. First mode in which the control module functions as a vehicle security system = Red Series:

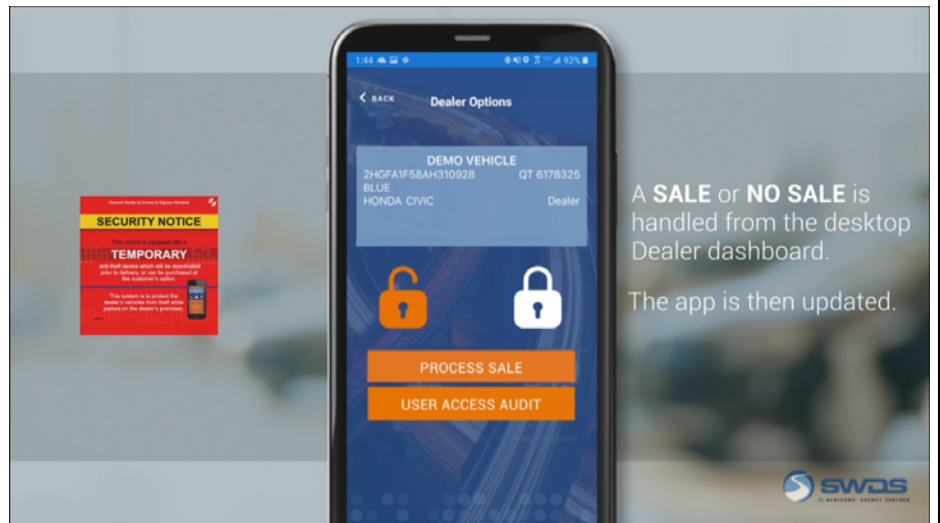


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U.S. PATENT 7,463,135

VOXX PATENT CLAIM

INFRINGING KARR SYSTEMS



Screenshots from “BT and Fusion Dealer App: Processing a Sale on a Red System”, available at <https://vimeo.com/swdealer>. This video shows the control module being programmed to operate in “red” mode wirelessly via Bluetooth through the KARR dealer mobile app during a “process sale” operation.

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U.S. PATENT 7,463,135

VOXX PATENT CLAIM

INFRINGEMENT KARR SYSTEMS

Security system operation in red mode:

ACTIVE/MANUAL ARMING OF THE BT SYSTEM

Press the lock button on the vehicle's keyless entry remote.



Horn honks once on arming.

Doors lock, status L.E.D. light flashes once every second, immobilizer and triggers will become active after five seconds.

If covered entry points are not properly closed, the horn will honk three times. Check and close the hood, trunk or doors. Upon doing so, you will hear a confirmation honk acknowledging it has been properly armed.

Entry points may vary by make and model.

SWS KARR BT Series Customer User Guide, p. 2. *See also pages User Guide, pp. 8-11 for more detail on security mode operation.*

Below is KARR High Performance Series 3 materials depicting features of the security mode of operation:



<https://www.ebay.com/itm/223833696542>

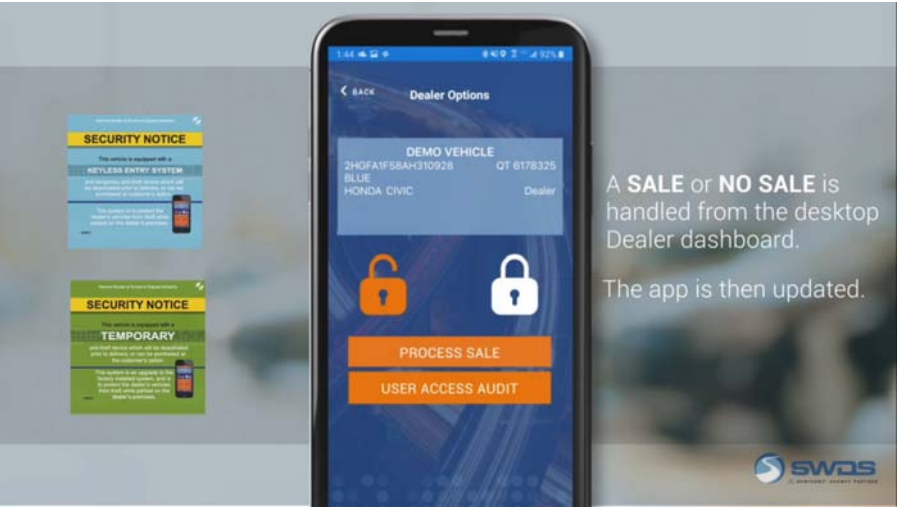
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U.S. PATENT 7,463,135

VOXX PATENT CLAIM

INFRINGEMENT KARR SYSTEMS

Second mode in which the control module functions as an upgrade to a remote keyless entry (RKE) system = Blue Series:



Screenshots from “BT and Fusion Dealer App: Processing a Sale”, available at <https://vimeo.com/swdealer>. *This video shows the control module being programmed to operate in “blue” mode wirelessly via Bluetooth through the KARR dealer mobile app during a “process sale” operation.*

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U.S. PATENT 7,463,135

VOXX PATENT CLAIM

INFRINGING KARR SYSTEMS



Remote keyless entry operation in the blue mode:

KARR BT SYSTEM FUNCTIONS

The KARR BT System App allows you to arm/lock or disarm/unlock in either an audible or silent mode.

By tapping the larger icons, you will be selecting the audible arm/lock or disarm/unlock response.

By tapping the smaller icons, you will be selecting the silent arm/lock or disarm/unlock response.

Whichever arm/lock or disarm/unlock icon is selected, that icon will change in color to orange.

User Guide, p. 8

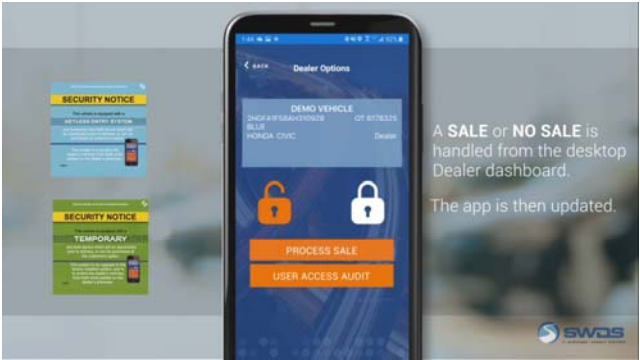
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U.S. PATENT 7,463,135

VOXX PATENT CLAIM

INFRINGEMENT KARR SYSTEMS

Third mode in which the control module functions as a shock sensor upgrade to a vehicle security system = Green Series:



Screenshot from “BT and Fusion Dealer App: Processing a Sale”, available at <https://vimeo.com/swdealer>. *This video shows the control module being programmed to operate in “green” mode wirelessly via Bluetooth through the KARR dealer mobile app during a “process sale” operation.*



<https://honda.malikhbye.net/dealer-installed-karr-alarm-security.html>

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<u>U.S. PATENT 7,463,135</u>	
VOXX PATENT CLAIM	INFRINGEMENT KARR SYSTEMS
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U.S. PATENT 7,463,135

VOXX PATENT CLAIM

INFRINGING KARR SYSTEMS

a function module for receiving a command from the control module and instructing a



The KARR System includes a “function module” to perform the functions noted on pp. 2, 3 and 8 of the User Guide: *Shock sensor operation in the green mode:*

BT SYSTEM VIOLATION TRIGGERS	
If the BT system is triggered from any covered entry point. (Example: opened door)	→ The horn will sound for a thirty second cycle. Upon the completion of the cycle, the BT system resets and after 5 seconds will respond to further triggers.
If the BT system is triggered by the shock sensor.	→ A slight impact will trigger a fast six-honk warning. A significant impact will trigger a full 30-second BT system cycle.

User Guide, p. 3 (see also page 11).

a function module for receiving a command from the control module and instructing a

The KARR Systems include a “function module” for receiving a command from the control module and instructing a vehicle device to perform a function associated with the command, which allows the systems to perform

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<u>U.S. PATENT 7,463,135</u>	
VOXX PATENT CLAIM	INFRINGING KARR SYSTEMS
vehicle device to perform a function associated with the command,	these functions, such as those noted on pp. 2, 3 and 8 of the BT Series User Guide.
wherein when the control module operates in one of the first, second or third modes, the control module is restricted from operating in the other mode or modes.	As seen in the “BT and Fusion Dealer App: Processing a Sale on a Red System” and “BT and Fusion Dealer App: Processing a Sale” videos noted above, the Karr System is programmed during a “process sale” operation to be in one of the red, green or blue modes and, once programmed, the control module is restricted from operating in the other mode or modes.

12. Upon information and belief, SWDS is aware of the Patent-in-Suit, based at least on notice from counsel. SWDS is also liable for the infringement of the Patent-in-Suit by their customers and installers, as SWDS actively induced and contributed to acts of their customers they knew were infringing or were willfully blind to the infringing nature of the acts by virtue of enabling such acts through videos and instructions on use.

COUNT I

Action for Direct Infringement of the Patent-in-Suit

13. Count I is an action by VOXX against SWDS for monetary damages and injunctive relief for direct infringement of the Patent-in-Suit.

1 14. VOXX herein restates and reincorporates into this Count the allegations
2 of Paragraphs 1 through 12 herein.

3 15. Upon information and belief, SWDS manufactures, imports, offers for
4 sale and/or sells products in the United States and in this Judicial District that directly
5 infringe one or more claims of the Patent-in-Suit as set forth in the claim charts above.

6 16. VOXX is entitled to compensatory damages and injunctive relief for
7 SWDS's infringing activities and any ongoing sales thereafter.

8 17. Upon information and belief, SWDS lacks justifiable belief that there is
9 no infringement or that the infringed claims are invalid and has acted with deliberate
10 and malicious intent in its infringing activity. SWDS's infringement is therefore
11 willful, and VOXX is entitled to an award of exemplary damages, attorneys' fees, and
12 costs in bringing this action.

13 **COUNT II**

14 **Action for Induced Infringement of the Patent-in-Suit**

15 18. Count II is an action by VOXX against SWDS for monetary damages
16 and injunctive relief for indirect infringement of the Patent-in-Suit.

17 19. VOXX herein restates and reincorporates into this Count the allegations
18 of Paragraphs 1 through 12 herein.

19 20. SWDS's customers directly infringe the Patent-in-Suit by installing and
20 using the systems identified above, as encouraged, promoted and instructed by
21 SWDS.

1 21. Upon information and belief, SWDS took action during the time the
2 Patent-in-Suit has been in force intending to encourage or assist actions by installers
3 and customers.

4 22. Upon information and belief, SWDS was aware of the Patent-in-Suit and
5 knew that the acts by installers and customers, if taken, would constitute infringement
6 of one or more claims of the Patent-in-Suit or SWDS believed there was a high
7 probability that the acts, if taken, would constitute infringement of one or more claims
8 of the Patent-in-Suit but deliberately avoided confirming that belief.

9 23. Upon information and belief, SWDS is on notice of its infringement of
10 one or more of the claims of the Patent-in-Suit, yet SWDS has continued to sell
11 products that infringe to customers.

12 24. With knowledge of, or a willful blindness to, the Patent-in-Suit, SWDS
13 encouraged installers and customers to infringe the Patent-in-Suit through installation
14 and use of the accused systems in vehicles.

15 25. VOXX is entitled to compensatory damages and injunctive relief for
16 SWDS's infringing activities and any ongoing sales thereafter.

17 26. VOXX has suffered damages as a result of SWDS's induced
18 infringement.

19 Wherefore, Plaintiff VOXX prays this Honorable Court enter such preliminary
20 and final orders and judgments as are necessary to provide VOXX with the following
21 requested relief:

1 A. A permanent injunction enjoining SWDS from infringing the Patent-in-
2 Suit;

3 B. An award of damages against SWDS under 35 U.S.C. §284 in an amount
4 adequate to compensate VOXX for SWDS's infringement, but in no event less than a
5 reasonable royalty for the use made by SWDS of the inventions set forth in the Patent-
6 in-Suit;

7 C. An award against SWDS for enhanced damages under 35 U.S.C. §284,
8 an award of costs and attorneys' fees under 35 U.S.C. § 285; and

9 D. Such other and further relief as this Court deems just and proper.

10 **JURY TRIAL REQUEST**

11 VOXX requests a trial by jury as to all matters so triable.

12
13 Respectfully submitted this February 27, 2023.

14 /s/ Hillary N. Bunsow

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20 (to be admitted *pro hac vice*)
21 Ryan T. Santurri
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