

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION**

**TRAXXAS, L.P.,**

*Plaintiff,*

**v.**

**HOBBICO, INC., et al.,**

*Defendants.*

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**Civil Action No. 2:16-cv-768-JRG-RSP**

**JURY TRIAL DEMANDED**

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**SECOND AMENDED COMPLAINT FOR PATENT INFRINGEMENT**

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COMES NOW Plaintiff Traxxas, L.P. (“Traxxas”) and files this Second Amended Complaint for Patent Infringement against Defendants Hobbico, Inc. (“Hobbico”) and Arrma Durango Ltd. (“Arrma”), alleging as follows:

**I. NATURE OF THE SUIT**

1. This is a claim for patent infringement arising under the patent laws of the United States, Title 35 of the United States Code.

**II. THE PARTIES**

2. Plaintiff **Traxxas, L.P.** is a Texas limited partnership that maintains its principal place of business in McKinney, Texas.

3. Defendant **Hobbico, Inc.** is an Illinois corporation that does business in Texas, directly or through intermediaries, and maintains its principal place of business in Champaign, Illinois.

4. Defendant **Arrma Durango Ltd.** is a United Kingdom private limited company and a subsidiary of Defendant Hobbico, Inc. that does business in Texas, directly or through

intermediaries, and maintains its principal place of business in Moira, Derbyshire, United Kingdom.

### **III. JURISDICTION AND VENUE**

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

6. This Court has specific personal jurisdiction over each Defendant pursuant to due process and the Texas Long Arm Statute because each Defendant, directly or through intermediaries, has conducted and does conduct substantial business in this forum, such substantial business including but not limited to: (i) at least a portion of the infringements alleged herein; (ii) purposefully and voluntarily placing one or more infringing products or services into the stream of commerce with the expectation that they will be purchased by consumers in this forum; or (iii) regularly doing or soliciting business, engaging in other persistent courses of conduct, or deriving substantial revenue from goods and services provided to individuals in Texas and in this District.

7. Venue is proper in this Court under 28 U.S.C. §§ 1391(b)-(d) and 1400(b) for the reasons set forth above. Furthermore, venue is proper because each Defendant, directly or through intermediaries, sells and offers to sell infringing products to persons in this District, as discussed below. Each of Defendants' infringing acts in this District gives rise to proper venue.

#### **IV. BACKGROUND**

##### **A. The Asserted Patents**

8. This cause of action asserts infringement of United States Patent Nos. 7,793,951 B2; 8,982,541 B1; 7,883,099 B2; D567,886 S; 9,061,763 B1; and 9,221,539 B2 (collectively, the “Asserted Patents”).

9. A true and correct copy of United States Patent No. 7,793,951 B2 (the “’951 Patent”), entitled “Integrated Center Point Steering Mechanism for a Model Vehicle,” is attached hereto as Exhibit A.

10. Traxxas is the current owner by assignment of all rights, title, and interest in and under the ’951 Patent, which duly and legally issued on September 14, 2010, with Brent Whitfield Byers and Seralathan Hariharesan as the named inventors. Traxxas has standing to sue for infringement of the ’951 Patent.

11. A true and correct copy of United States Patent No. 8,982,541 B1 (the “’541 Patent”), entitled “Protective Enclosure for Model Vehicle,” is attached hereto as Exhibit B.

12. Traxxas is the current owner by assignment of all rights, title, and interest in and under the ’541 Patent, which duly and legally issued on March 17, 2015, with Timothy E. Roberts, Jon Kenneth Lampert, and Otto Karl Allmendinger as the named inventors. Traxxas has standing to sue for infringement of the ’541 Patent.

13. A true and correct copy of United States Patent No. 7,883,099 B2 (the “’099 Patent”), entitled “Vehicle Suspension for a Model Vehicle,” is attached hereto as Exhibit C.

14. Traxxas is the current owner by assignment of all rights, title, and interest in and under the ’099 Patent, which duly and legally issued on February 8, 2011, with Brent Whitfield

Byers and Jon Kenneth Lampert as the named inventors. Traxxas has standing to sue for infringement of the '099 Patent.

15. A true and correct copy of United States Patent No. D567,886 S (the "'886 Patent"), entitled "Vehicle Mounted Coil Spring and Shock Assembly," is attached hereto as Exhibit D.

16. Traxxas is the current owner by assignment of all rights, title, and interest in and under the '886 Patent, which duly and legally issued on April 28, 2008, with Jon Kenneth Lampert and Brent Whitfield Byers as the named inventors. Traxxas has standing to sue for infringement of the '886 Patent.

17. A true and correct copy of United States Patent No. 9,061,763 B1 (the "'763 Patent"), entitled "Rotorcraft With Integrated Light Pipe Support Members," is attached hereto as Exhibit E.

18. Traxxas is the current owner by assignment of all rights, title, and interest in and under the '763 Patent, which duly and legally issued on June 23, 2015, with Casey Christen Jens Christensen, Otto Karl Allmendinger, Richard Douglas Hohnholt, Kent Poteet, Scott Rollin Michael Schmitz, and Thomas Blackwell as the named inventors. Traxxas has standing to sue for infringement of the '763 Patent.

19. A true and correct copy of United States Patent No. 9,221,539 B2 (the "'539 Patent"), entitled "Rotorcraft With Integrated Light Pipe Support Members," is attached hereto as Exhibit F.

20. Traxxas is the current owner by assignment of all rights, title, and interest in and under the '539 Patent, which duly and legally issued on December 29, 2015, with Casey Christen Jens Christensen, Otto Karl Allmendinger, Richard Douglas Hohnholt, Kent Poteet, Scott Rollin

Michael Schmitz, and Thomas Blackwell as the named inventors. Traxxas has standing to sue for infringement of the '539 Patent.

**B. Arrma**

21. Arrma, directly or through intermediaries, makes, uses, sells, or offers to sell within the United States, or imports into the United States, remotely controllable model vehicles (the “Arrma Nero Accused Products”), including but not limited to the NERO 6S BLX, NERO BIG ROCK 6S BLX, and FAZON 6S BLX Monster Trucks.

22. Arrma, directly or through intermediaries, makes, has made, uses, has used, sells, has sold, offers to sell, or has offered to sell within the United States, or imports or has imported into the United States, remotely controllable model vehicles (the “Other Arrma Accused Products”), including but not limited to the products listed on Exhibit G attached hereto.

23. The Arrma Nero Accused Products and the Other Arrma Accused Products are collectively referred to herein as the “Arrma Accused Products.”

24. The Arrma Accused Products are sold or offered for sale in this District via distributors such as HobbyTown.

25. By selling and/or offering to sell the Arrma Accused Products, Arrma, directly or through intermediaries, purposefully and voluntarily places the Arrma Accused Products into the stream of commerce with the expectation that they will be purchased by consumers in this District.

**C. Hobbico**

26. Hobbico, directly or through intermediaries (including but not limited to its subsidiary Arrma), makes, uses, sells, or offers to sell the Arrma Accused Products within the United States, or imports the Arrma Accused Products into the United States.

27. Hobbico, directly or through intermediaries, makes, has made, uses, has used, sells, has sold, offers to sell, or has offered to sell within the United States, or imports or has imported into the United States, remotely controllable quadcopters (the “Dromida Vista Accused Products”), including but not limited to the Dromida Vista Drone (both UAV and FPV models) and the Dromida OMINUS FPV Quad.

28. Hobbico, directly or through intermediaries, makes, uses, sells, or offers to sell within the United States, or imports into the United States, remotely controllable model vehicles (the “Dromida XL Accused Products”), including but not limited to the Dromida XL Drone (both UAV and FPV models).

29. The Dromida Vista Accused Products and the Dromida XL Accused Products are collectively referred to herein as the “Dromida Accused Products.”

30. The Arrma Accused Products and the Dromida Accused Products are sold or offered for sale in this District via distributors such as HobbyTown.

31. By selling and/or offering to sell the Arrma Accused Products and the Dromida Accused Products in this District, Hobbico, directly or through intermediaries, purposefully and voluntarily places the Arrma Accused Products and the Dromida Accused Products into the stream of commerce with the expectation that they will be purchased by consumers in this District.

## **V. CLAIMS—ARRMA**

32. Based on the above-described products, Traxxas asserts the following causes of action against Arrma.

**A. Infringement of the '951 Patent**

33. The allegations of each foregoing paragraph are incorporated by reference as if fully set forth herein.

34. The Arrma Nero Accused Products are covered by at least claim 27 of the '951 Patent.

35. Arrma has directly infringed and continues to infringe at least claim 27 of the '951 Patent in violation of 35 U.S.C. § 271(a) by, directly or through intermediaries and without Traxxas' authority, making, using, selling, or offering to sell the Arrma Nero Accused Products in the United States, or importing the Arrma Nero Accused Products into the United States.

36. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Arrma has been and now is actively inducing infringement of at least claim 27 of the '951 Patent in violation of 35 U.S.C. § 271(b). Users of the Arrma Nero Accused Products directly infringe at least claim 27 of the '951 Patent when they use the Arrma Nero Accused Products in the ordinary, customary, and intended way. Arrma's inducements include, without limitation and with specific intent to encourage the infringement, knowingly inducing consumers to use the Arrma Nero Accused Products within the United States in the ordinary, customary, and intended way by, directly or through intermediaries, supplying the Arrma Nero Accused Products to consumers within the United States and instructing such consumers (for example in instruction manuals that Arrma provides online or with the Arrma Nero Accused Products) how to use the Arrma Nero Accused Products in the ordinary, customary, and intended way, which Arrma knows or should know infringes at least claim 27 of the '951 Patent.

37. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Arrma has been and now is actively contributing to infringement of at least claim 27

of the '951 Patent in violation of 35 U.S.C. § 271(c). Arrma installs, configures, and sells the Arrma Nero Accused Products with distinct components, including but not limited to a steering servo protection system, that are especially made or especially adapted to practice the invention claimed in at least claim 27 of the '951 Patent. The steering servo protection system within the Arrma Nero Accused Products constitutes a material part of the claimed invention recited in at least claim 27 of the '951 Patent and not a staple article or commodity of commerce because it is specifically configured according to at least claim 27 of the '951 Patent. Arrma's contributions include, without limitation, making, offering to sell, and/or selling within the United States, and/or importing into the United States, the Arrma Nero Accused Products, which include a steering servo protection system, knowing the steering servo protection system to be especially made or especially adapted for use in an infringement of at least claim 27 of the '951 Patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use.

38. Arrma's infringement of the '951 Patent has been and continues to be willful and deliberate.

**B. Infringement of the '541 Patent**

39. The allegations of each foregoing paragraph are incorporated by reference as if fully set forth herein.

40. The Arrma Accused Products are covered by at least claim 1 of the '541 Patent.

41. Arrma has directly infringed and continues to infringe at least claim 1 of the '541 Patent in violation of 35 U.S.C. § 271(a) by, directly or through intermediaries and without Traxxas' authority, making, using, selling, or offering to sell the Arrma Accused Products in the United States, or importing the Arrma Accused Products into the United States.

42. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Arrma has been and now is actively inducing infringement of at least claim 1 of the '541 Patent in violation of 35 U.S.C. § 271(b). Users of the Arrma Accused Products directly infringe at least claim 1 of the '541 Patent when they use the Arrma Accused Products in the ordinary, customary, and intended way. Arrma's inducements include, without limitation and with specific intent to encourage the infringement, knowingly inducing consumers to use the Arrma Accused Products within the United States in the ordinary, customary, and intended way by, directly or through intermediaries, supplying the Arrma Accused Products to consumers within the United States and instructing such consumers (for example in instruction manuals that Arrma provides online or with the Arrma Accused Products) how to use the Arrma Accused Products in the ordinary, customary, and intended way, which Arrma knows or should know infringes at least claim 1 of the '541 Patent.

43. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Arrma has been and now is actively contributing to infringement of at least claim 1 of the '541 Patent in violation of 35 U.S.C. § 271(c). Arrma installs, configures, and sells the Arrma Accused Products with distinct components, including but not limited to a Radio Box Set (Part No. AR320169, Part No. AR320248, or substantially similar), that are especially made or especially adapted to practice the invention claimed in at least claim 1 of the '541 Patent. The Radio Box Set within the Arrma Accused Products constitutes a material part of the claimed invention recited in at least claim 1 of the '541 Patent and not a staple article or commodity of commerce because it is specifically configured according to at least claim 1 of the '541 Patent. Arrma's contributions include, without limitation, making, offering to sell, and/or selling within the United States, and/or importing into the United States, the Arrma Accused Products, which

include the Radio Box Set, knowing the Radio Box Set to be especially made or especially adapted for use in an infringement of at least claim 1 of the '541 Patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use.

44. Arrma's infringement of the '541 Patent has been and continues to be willful and deliberate.

**C. Infringement of the '099 Patent**

45. The allegations of each foregoing paragraph are incorporated by reference as if fully set forth herein.

46. The Arrma Nero Accused Products are covered by at least claim 1 of the '099 Patent.

47. Arrma has directly infringed and continues to infringe at least claim 1 of the '099 Patent in violation of 35 U.S.C. § 271(a) by, directly or through intermediaries and without Traxxas' authority, making, using, selling, or offering to sell the Arrma Nero Accused Products in the United States, or importing the Arrma Nero Accused Products into the United States.

48. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Arrma has been and now is actively inducing infringement of at least claim 1 of the '099 Patent in violation of 35 U.S.C. § 271(b). Users of the Arrma Nero Accused Products directly infringe at least claim 1 of the '099 Patent when they use the Arrma Nero Accused Products in the ordinary, customary, and intended way. Arrma's inducements include, without limitation and with specific intent to encourage the infringement, knowingly inducing consumers to use the Arrma Nero Accused Products within the United States in the ordinary, customary, and intended way by, directly or through intermediaries, supplying the Arrma Nero Accused Products to consumers within the United States and instructing such consumers (for example in

instruction manuals that Arrma provides online or with the Arrma Nero Accused Products) how to use the Arrma Nero Accused Products in the ordinary, customary, and intended way, which Arrma knows or should know infringes at least claim 1 of the '099 Patent.

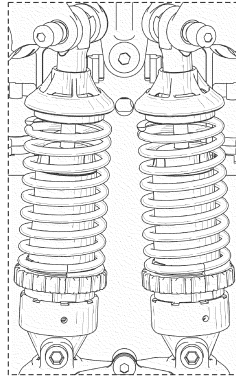
49. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Arrma has been and now is actively contributing to infringement of at least claim 1 of the '099 Patent in violation of 35 U.S.C. § 271(c). Arrma installs, configures, and sells the Arrma Nero Accused Products with distinct components, including but not limited to suspension system components such as shocks, suspension arms, and rockers, that are especially made or especially adapted to practice the invention claimed in at least claim 1 of the '099 Patent. Each suspension system component within the Arrma Nero Accused Products constitutes a material part of the claimed invention recited in at least claim 1 of the '099 Patent and not a staple article or commodity of commerce because it is specifically configured according to at least claim 1 of the '099 Patent. Arrma's contributions include, without limitation, making, offering to sell, and/or selling within the United States, and/or importing into the United States, the Arrma Nero Accused Products, which include the suspension system components, knowing each suspension system component to be especially made or especially adapted for use in an infringement of at least claim 1 of the '099 Patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use.

50. Arrma's infringement of the '099 Patent has been and continues to be willful and deliberate.

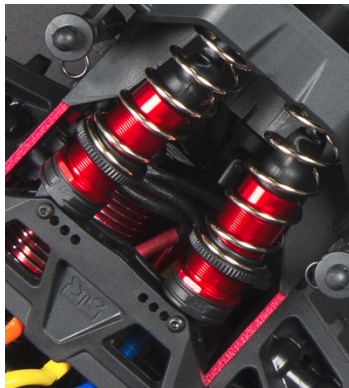
#### **D. Infringement of the '886 Patent**

51. The allegations of each foregoing paragraph are incorporated by reference as if fully set forth herein.

52. The '886 Patent claims an “ornamental design for a vehicle mounted coil spring and shock assembly, as shown and described,” for example, in Figure 5, reproduced below:



53. The Arrma Nero Accused Products comprise a vehicle-mounted coil spring and shock assembly, as shown in the example below:



54. The vehicle-mounted coil spring and shock assembly in the Arrma Nero Accused Products embodies the patented design claimed by the '886 Patent or a colorable imitation thereof.

55. In the eye of an ordinary observer, giving such attention as a purchaser usually gives, the design of the vehicle-mounted coil spring and shock assembly in the Arrma Nero Accused Products is substantially the same as the design claimed by the '886 Patent. The resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other.

56. The Arrma Nero Accused Products are covered by the '886 Patent.

57. Arrma has directly infringed and continues to infringe the '886 Patent in violation of 35 U.S.C. § 271(a) by, directly or through intermediaries and without Traxxas' authority, making, using, selling, or offering to sell the Arrma Nero Accused Products in the United States, or importing the Arrma Nero Accused Products into the United States.

58. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Arrma has been and now is actively inducing infringement of the '886 Patent in violation of 35 U.S.C. § 271(b). Users of the Arrma Nero Accused Products directly infringe the '886 Patent when they use the Arrma Nero Accused Products in the ordinary, customary, and intended way. Arrma's inducements include, without limitation and with specific intent to encourage the infringement, knowingly inducing consumers to use the Arrma Nero Accused Products within the United States in the ordinary, customary, and intended way by, directly or through intermediaries, supplying the Arrma Nero Accused Products to consumers within the United States and instructing such consumers (for example in instruction manuals that Arrma provides online or with the Arrma Nero Accused Products) how to use the Arrma Nero Accused Products in the ordinary, customary, and intended way, which Arrma knows or should know infringes the '886 Patent.

59. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Arrma has been and now is actively contributing to infringement of the '886 Patent in violation of 35 U.S.C. § 271(c). Arrma installs, configures, and sells the Arrma Nero Accused Products with distinct components, including but not limited to the vehicle-mounted coil spring and shock assembly, that are especially made or especially adapted to practice the invention claimed in the '886 Patent. The vehicle-mounted coil spring and shock assembly within the

Arrma Nero Accused Products constitutes a material part of the claimed invention recited in the '886 Patent and not a staple article or commodity of commerce because it is specifically configured according to the '886 Patent. Arrma's contributions include, without limitation, making, offering to sell, and/or selling within the United States, and/or importing into the United States, the Arrma Nero Accused Products, which include the vehicle-mounted coil spring and shock assembly, knowing the vehicle-mounted coil spring and shock assembly to be especially made or especially adapted for use in an infringement of the '886 Patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use.

60. Arrma's infringement of the '886 Patent has been and continues to be willful and deliberate.

## **VI. CLAIMS—HOBBICO**

61. Based on the above-described products, Traxxas asserts the following causes of action against Hobbico.

### **A. Infringement of the '951 Patent**

62. The allegations of each foregoing paragraph are incorporated by reference as if fully set forth herein.

63. Hobbico has directly infringed and continues to infringe at least claim 27 of the '951 Patent in violation of 35 U.S.C. § 271(a) by, directly or through intermediaries (including but not limited to its subsidiary Arrma) and without Traxxas' authority, making, using, selling, or offering to sell the Arrma Nero Accused Products in the United States, or importing the Arrma Nero Accused Products into the United States.

64. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Hobbico has been and now is actively inducing infringement of at least claim 27 of

the '951 Patent in violation of 35 U.S.C. § 271(b). Users of the Arrma Nero Accused Products directly infringe at least claim 27 of the '951 Patent when they use the Arrma Nero Accused Products in the ordinary, customary, and intended way. Hobbico's inducements include, without limitation and with specific intent to encourage the infringement, knowingly inducing consumers to use the Arrma Nero Accused Products within the United States in the ordinary, customary, and intended way by, directly or through intermediaries (including but not limited to its subsidiary Arrma), supplying the Arrma Nero Accused Products to consumers within the United States and instructing such consumers (for example in instruction manuals that Hobbico provides online or with the Arrma Nero Accused Products) how to use the Arrma Nero Accused Products in the ordinary, customary, and intended way, which Hobbico knows or should know infringes at least claim 27 of the '951 Patent.

65. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Hobbico has been and now is actively contributing to infringement of at least claim 27 of the '951 Patent in violation of 35 U.S.C. § 271(c). Hobbico installs, configures, and sells the Arrma Nero Accused Products with distinct components, including but not limited to a steering servo protection system, that are especially made or especially adapted to practice the invention claimed in at least claim 27 of the '951 Patent. The steering servo protection system within the Arrma Nero Accused Products constitutes a material part of the claimed invention recited in at least claim 27 of the '951 Patent and not a staple article or commodity of commerce because it is specifically configured according to at least claim 27 of the '951 Patent. Hobbico's contributions include, without limitation, making, offering to sell, and/or selling within the United States, and/or importing into the United States, the Arrma Nero Accused Products, which include a steering servo protection system, knowing the steering servo protection system to be

especially made or especially adapted for use in an infringement of at least claim 27 of the '951 Patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use.

66. Hobbico's infringement of the '951 Patent has been and continues to be willful and deliberate.

**B. Infringement of the '541 Patent**

67. The allegations of each foregoing paragraph are incorporated by reference as if fully set forth herein.

68. Hobbico has directly infringed and continues to infringe at least claim 1 of the '541 Patent in violation of 35 U.S.C. § 271(a) by, directly or through intermediaries (including but not limited to its subsidiary Arrma) and without Traxxas' authority, making, using, selling, or offering to sell the Arrma Accused Products in the United States, or importing the Arrma Accused Products into the United States.

69. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Hobbico has been and now is actively inducing infringement of at least claim 1 of the '541 Patent in violation of 35 U.S.C. § 271(b). Users of the Arrma Accused Products directly infringe at least claim 1 of the '541 Patent when they use the Arrma Accused Products in the ordinary, customary, and intended way. Hobbico's inducements include, without limitation and with specific intent to encourage the infringement, knowingly inducing consumers to use the Arrma Accused Products within the United States in the ordinary, customary, and intended way by, directly or through intermediaries (including but not limited to its subsidiary Arrma), supplying the Arrma Accused Products to consumers within the United States and instructing such consumers (for example in instruction manuals that Hobbico provides online or with the

Arrma Accused Products) how to use the Arrma Accused Products in the ordinary, customary, and intended way, which Hobbico knows or should know infringes at least claim 1 of the '541 Patent.

70. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Hobbico has been and now is actively contributing to infringement of at least claim 1 of the '541 Patent in violation of 35 U.S.C. § 271(c). Hobbico installs, configures, and sells the Arrma Accused Products with distinct components, including but not limited to a Radio Box Set (Part No. AR320169, Part No. AR320248, or substantially similar), that are especially made or especially adapted to practice the invention claimed in at least claim 1 of the '541 Patent. The Radio Box Set within the Arrma Accused Products constitutes a material part of the claimed invention recited in at least claim 1 of the '541 Patent and not a staple article or commodity of commerce because it is specifically configured according to at least claim 1 of the '541 Patent. Hobbico's contributions include, without limitation, making, offering to sell, and/or selling within the United States, and/or importing into the United States, the Arrma Accused Products, which include the Radio Box Set, knowing the Radio Box Set to be especially made or especially adapted for use in an infringement of at least claim 1 of the '541 Patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use.

71. Hobbico's infringement of the '541 Patent has been and continues to be willful and deliberate.

**C. Infringement of the '099 Patent**

72. The allegations of each foregoing paragraph are incorporated by reference as if fully set forth herein.

73. Hobbico has directly infringed and continues to infringe at least claim 1 of the '099 Patent in violation of 35 U.S.C. § 271(a) by, directly or through intermediaries (including but not limited to its subsidiary Arrma) and without Traxxas' authority, making, using, selling, or offering to sell the Arrma Nero Accused Products in the United States, or importing the Arrma Nero Accused Products into the United States.

74. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Hobbico has been and now is actively inducing infringement of at least claim 1 of the '099 Patent in violation of 35 U.S.C. § 271(b). Users of the Arrma Nero Accused Products directly infringe at least claim 1 of the '099 Patent when they use the Arrma Nero Accused Products in the ordinary, customary, and intended way. Hobbico's inducements include, without limitation and with specific intent to encourage the infringement, knowingly inducing consumers to use the Arrma Nero Accused Products within the United States in the ordinary, customary, and intended way by, directly or through intermediaries (including but not limited to its subsidiary Arrma), supplying the Arrma Nero Accused Products to consumers within the United States and instructing such consumers (for example in instruction manuals that Hobbico provides online or with the Arrma Nero Accused Products) how to use the Arrma Nero Accused Products in the ordinary, customary, and intended way, which Hobbico knows or should know infringes at least claim 1 of the '099 Patent.

75. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Hobbico has been and now is actively contributing to infringement of at least claim 1 of the '099 Patent in violation of 35 U.S.C. § 271(c). Hobbico installs, configures, and sells the Arrma Nero Accused Products with distinct components, including but not limited to suspension system components such as shocks, suspension arms, and rockers, that are especially made or

especially adapted to practice the invention claimed in at least claim 1 of the '099 Patent. Each suspension system component within the Arrma Nero Accused Products constitutes a material part of the claimed invention recited in at least claim 1 of the '099 Patent and not a staple article or commodity of commerce because it is specifically configured according to at least claim 1 of the '099 Patent. Hobbico's contributions include, without limitation, making, offering to sell, and/or selling within the United States, and/or importing into the United States, the Arrma Nero Accused Products, which include the suspension system components, knowing each suspension system component to be especially made or especially adapted for use in an infringement of at least claim 1 of the '099 Patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use.

76. Hobbico's infringement of the '099 Patent has been and continues to be willful and deliberate.

**D. Infringement of the '886 Patent**

77. The allegations of each foregoing paragraph are incorporated by reference as if fully set forth herein.

78. Hobbico has directly infringed and continues to infringe the '886 Patent in violation of 35 U.S.C. § 271(a) by, directly or through intermediaries (including but not limited to its subsidiary Arrma) and without Traxxas' authority, making, using, selling, or offering to sell the Arrma Nero Accused Products in the United States, or importing the Arrma Nero Accused Products into the United States.

79. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Hobbico has been and now is actively inducing infringement of the '886 Patent in violation of 35 U.S.C. § 271(b). Users of the Arrma Nero Accused Products directly infringe the

'886 Patent when they use the Arrma Nero Accused Products in the ordinary, customary, and intended way. Hobbico's inducements include, without limitation and with specific intent to encourage the infringement, knowingly inducing consumers to use the Arrma Nero Accused Products within the United States in the ordinary, customary, and intended way by, directly or through intermediaries (including but not limited to its subsidiary Arrma), supplying the Arrma Nero Accused Products to consumers within the United States and instructing such consumers (for example in instruction manuals that Hobbico provides online or with the Arrma Nero Accused Products) how to use the Arrma Nero Accused Products in the ordinary, customary, and intended way, which Hobbico knows or should know infringes the '886 Patent.

80. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Hobbico has been and now is actively contributing to infringement of the '886 Patent in violation of 35 U.S.C. § 271(c). Hobbico installs, configures, and sells the Arrma Nero Accused Products with distinct components, including but not limited to the vehicle-mounted coil spring and shock assembly, that are especially made or especially adapted to practice the invention claimed in the '886 Patent. The vehicle-mounted coil spring and shock assembly within the Arrma Nero Accused Products constitutes a material part of the claimed invention recited in the '886 Patent and not a staple article or commodity of commerce because it is specifically configured according to the '886 Patent. Hobbico's contributions include, without limitation, making, offering to sell, and/or selling within the United States, and/or importing into the United States, the Arrma Nero Accused Products, which include the vehicle-mounted coil spring and shock assembly, knowing the vehicle-mounted coil spring and shock assembly to be especially made or especially adapted for use in an infringement of the '886 Patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use.

81. Hobbico's infringement of the '886 Patent has been and continues to be willful and deliberate.

**E. Infringement of the '763 Patent**

82. The allegations of each foregoing paragraph are incorporated by reference as if fully set forth herein.

83. The Dromida Vista Accused Products are covered by at least claim 1 of the '763 Patent.

84. Hobbico has directly infringed and continues to infringe at least claim 1 of the '763 Patent in violation of 35 U.S.C. § 271(a) by, directly or through intermediaries and without Traxxas' authority, making, using, selling, or offering to sell the Dromida Vista Accused Products in the United States, or importing the Dromida Vista Accused Products into the United States.

85. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Hobbico has been and now is actively inducing infringement of at least claim 1 of the '763 Patent in violation of 35 U.S.C. § 271(b). Users of the Dromida Vista Accused Products directly infringe at least claim 1 of the '763 Patent when they use the Dromida Vista Accused Products in the ordinary, customary, and intended way. Hobbico's inducements include, without limitation and with specific intent to encourage the infringement, knowingly inducing consumers to use the Dromida Vista Accused Products within the United States in the ordinary, customary, and intended way by, directly or through intermediaries, supplying the Dromida Vista Accused Products to consumers within the United States and instructing such consumers (for example in instruction manuals that Hobbico provides online or with the Dromida Vista Accused Products)

how to use the Dromida Vista Accused Products in the ordinary, customary, and intended way, which Hobbico knows or should know infringes at least claim 1 of the '763 Patent.

86. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Hobbico has been and now is actively contributing to infringement of at least claim 1 of the '763 Patent in violation of 35 U.S.C. § 271(c). Hobbico installs, configures, and sells the Dromida Vista Accused Products with distinct components, including but not limited to LED Arm Covers (Part Nos. DIDE1183, DIDE1184, DIDE1185, and DIDE1186) and E-Boards (Part Nos. DIDM1110, DIDM1111, DIDM1112, DIDM1113, DIDM1214, and DIDM1215), that are especially made or especially adapted to practice the invention claimed in at least claim 1 of the '763 Patent. The LED Arm Covers and E-Boards within the Dromida Vista Accused Products each constitute a material part of the claimed invention recited in at least claim 1 of the '763 Patent and not a staple article or commodity of commerce because they are specifically configured according to at least claim 1 of the '763 Patent. Hobbico's contributions include, without limitation, making, offering to sell, and/or selling within the United States, and/or importing into the United States, the Dromida Vista Accused Products, which include LED Arm Covers and E-Boards, knowing the LED Arm Covers and E-Boards to be especially made or especially adapted for use in an infringement of at least claim 1 of the '763 Patent, and not staple articles or commodities of commerce suitable for substantial noninfringing use.

87. Hobbico's infringement of the '763 Patent has been and continues to be willful and deliberate.

#### **F. Infringement of the '539 Patent**

88. The allegations of each foregoing paragraph are incorporated by reference as if fully set forth herein.

89. The Dromida Accused Products are covered by at least claim 27 of the '539 Patent.

90. Hobbico has directly infringed and continues to infringe at least claim 27 of the '539 Patent in violation of 35 U.S.C. § 271(a) by, directly or through intermediaries and without Traxxas' authority, making, using, selling, or offering to sell the Dromida Accused Products in the United States, or importing the Dromida Accused Products into the United States.

91. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Hobbico has been and now is actively inducing infringement of at least claim 27 of the '539 Patent in violation of 35 U.S.C. § 271(b). Users of the Dromida Accused Products directly infringe at least claim 27 of the '539 Patent when they use the Dromida Accused Products in the ordinary, customary, and intended way. Hobbico's inducements include, without limitation and with specific intent to encourage the infringement, knowingly inducing consumers to use the Dromida Accused Products within the United States in the ordinary, customary, and intended way by, directly or through intermediaries, supplying the Dromida Accused Products to consumers within the United States and instructing such consumers (for example in instruction manuals that Hobbico provides online or with the Dromida Accused Products) how to use the Dromida Accused Products in the ordinary, customary, and intended way, which Hobbico knows or should know infringes at least claim 27 of the '539 Patent.

92. Further and in the alternative, at least since the filing and service of Traxxas' Complaint, Hobbico has been and now is actively contributing to infringement of at least claim 27 of the '539 Patent in violation of 35 U.S.C. § 271(c). Hobbico installs, configures, and sells the Dromida Accused Products with distinct components, including but not limited to LED Arm Covers (Part Nos. DIDE1183, DIDE1184, DIDE1185, and DIDE1186) and E-Boards (Part Nos.

DIDM1110, DIDM1111, DIDM1112, DIDM1113, DIDM1214, and DIDM1215), that are especially made or especially adapted to practice the invention claimed in at least claim 27 of the '539 Patent. The LED Arm Covers and E-Boards within the Dromida Accused Products each constitute a material part of the claimed invention recited in at least claim 27 of the '539 Patent and not a staple article or commodity of commerce because they are specifically configured according to at least claim 27 of the '539 Patent. Hobbico's contributions include, without limitation, making, offering to sell, and/or selling within the United States, and/or importing into the United States, the Dromida Accused Products, which include LED Arm Covers and E-Boards, knowing the LED Arm Covers and E-Boards to be especially made or especially adapted for use in an infringement of at least claim 27 of the '539 Patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use.

93. Hobbico's infringement of the '539 Patent has been and continues to be willful and deliberate.

## **VII. VICARIOUS LIABILITY**

94. The allegations of each foregoing paragraph are incorporated by reference as if fully set forth herein.

95. In addition to liability for its own independent conduct, each Defendant is also liable for the conduct of its subsidiaries, affiliates, and related entities under the doctrines of alter ego and single business enterprise, and under applicable state and federal statutes and regulations.

## **VIII. NOTICE AND MARKING**

96. The allegations of each foregoing paragraph are incorporated by reference as if fully set forth herein.

97. At all times, each and every patentee of the Asserted Patents, and each and every person making, offering for sale, or selling within the United States, or importing into the United States, any patented article for or under any of them, has complied with the marking requirements set forth in 35 U.S.C. § 287.

98. At least by filing and serving its Original, First Amended, and Second Amended Complaints for Patent Infringement, Traxxas has given each Defendant written notice of its infringement.

### **IX. DAMAGES**

99. The allegations of each foregoing paragraph are incorporated by reference as if fully set forth herein.

100. For the above-described infringement, Traxxas has been injured and seeks damages to adequately compensate it for each Defendant's infringement of the Asserted Patents. Such damages, to be proved at trial, should be no less than the amount of a reasonable royalty under 35 U.S.C. § 284, together with Traxxas' costs and expenses, pre-judgment and post-judgment interest, and supplemental damages for any continuing post-verdict or post-judgment infringement, with an accounting as needed.

101. Each Defendant's infringement of the Asserted Patents has been and continues to be willful, such that Traxxas seeks treble damages under 35 U.S.C. § 284.

102. Each Defendant's willful infringement of the Asserted Patents renders this case exceptional under 35 U.S.C. § 285, such that Traxxas seeks all reasonable attorneys' fees and costs incurred in this litigation pursuant to 35 U.S.C. § 284, together with pre-judgment and post-judgment interest thereon.

## **X. PRAYER FOR RELIEF**

Traxxas respectfully requests the following relief:

- a. A judgment in favor of Traxxas that each Defendant has infringed each of the Asserted Patents, whether literally or under the doctrine of equivalents, as described herein;
- b. A permanent injunction enjoining each Defendant, its officers, directors, agents, subsidiaries, employees, successors, and assigns, and all persons acting in privity, concert, or participation with it, from making, using, selling, or offering for sale in the United States, or importing into the United States, any and all products and services embodying the inventions claimed in the Asserted Patents;
- c. A judgment and order requiring each Defendant to pay Traxxas its damages, costs, expenses, and pre-judgment and post-judgment interest for the Defendant's infringement of the Asserted Patents as provided under 35 U.S.C. § 284, including supplemental damages for any continuing post-verdict or post-judgment infringement with an accounting as needed;
- d. A judgment and order requiring each Defendant to pay Traxxas enhanced damages for willful infringement as provided under 35 U.S.C. § 284;
- e. A judgment and order finding this case exceptional and requiring each Defendant to pay Traxxas its reasonable attorneys' fees and costs incurred in this litigation pursuant to 35 U.S.C. § 284, together with pre-judgment and post-judgment interest thereon; and
- f. Such other and further relief as the Court deems just and proper.

## **X. JURY DEMAND**

Pursuant to Federal Rule of Civil Procedure 38(b), Traxxas requests a jury trial of all issues triable of right by a jury.

Dated: May 11, 2017

Respectfully Submitted,

By: /s/ William E. Davis, III  
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**CERTIFICATE OF SERVICE**

The undersigned certifies that the foregoing document and all attachments thereto are being filed electronically in compliance with Local Rule CV-5(a). As such, this document is being served this May 11, 2017, on all counsel of record, each of whom is deemed to have consented to electronic service. L.R. CV-5(a)(3)(A).

/s/ William E. Davis, III  
William E. Davis, III