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11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA

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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
SANTA ANA

13 OAKLEY, INC., a Washington
14 corporation,

15 Plaintiff,

16 vs.

17 TIFOSI OPTICS INC., a Georgia
18 corporation,

19 Defendant

Case No.: SACV 08-984 AHS (PJWx)

FIRST AMENDED COMPLAINT
FOR PATENT INFRINGEMENT,
FALSE ADVERTISING AND
UNFAIR COMPETITION

DEMAND FOR JURY TRIAL

20 Plaintiff, Oakley, Inc. (hereinafter referred to as "Oakley") complains of
21 Defendant Tifosi Optics, Inc. (hereinafter referred to as "Tifosi") and alleges as
22 follows:

23 **JURISDICTION AND VENUE**

24 1. Jurisdiction over this action is founded upon 28 U.S.C. §§ 1331 and
25 1338. Venue is proper under 28 U.S.C. §§ 1391(a-c) and 28 U.S.C. § 1400(b).
26 The claim arose in this judicial district, and Defendant is doing business in this
27 judicial district.

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THE PARTIES

2. Plaintiff Oakley, Inc. is a corporation organized and existing under the laws of the state of Washington having its principal place of business located at One Icon, Foothill Ranch, California 92610.

3. Oakley is informed and believes, and thereupon alleges, that Defendant Tifosi was and is a limited liability corporation duly organized and existing under the laws of the state of Georgia with its principal place of business located at 1051 Industrial Blvd., Watkinsville, Georgia 30677 and doing business within this judicial district with local retailers and on the internet at www.tifosioptics.com.

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FACTUAL BACKGROUND

4. Oakley is a manufacturer and seller of high performance eyewear and accessories.

5. Oakley is the owner by assignment of U.S. Patent No. 5,387,949 duly and lawfully issued on February 7, 1995, describing and claiming the invention of George Tackles, entitled "Eyeglass Connection Device," which discloses, claims and protects certain technology for an eyeglass connector device for use with interchangeable lenses. A true and correct copy of U.S. Patent No. 5,387,949 is attached hereto as Exhibit 1 and incorporated herein by reference.

6. Defendant Tifosi is presently marketing and selling sunglass models, including but not limited to its *Envy*, *Forza FC*, *Stelvio*, and *Gavia* sunglass models, which embody the subject matter claimed in Oakley's U.S. Patent No. 5,387,949.

7. Oakley is the owner by assignment of U.S. Patent No. 5,638,145 duly and lawfully issued on June 10, 1997, describing and claiming the invention of James H. Jannard and Peter K. Yee, entitled "Vented Eyeglass Lens," which discloses, claims, and protects certain technology for dual lens, vented eyewear. A

1 true and correct copy of U.S. Patent No. 5,638,145 is attached hereto as Exhibit 2
2 and incorporated herein by reference.

3 8. Defendant Tifosi is presently marketing and selling sunglass models,
4 specifically including but not limited to its Envy, Q3, Q2, Stelvio, Strada, and
5 Dolomite sunglass models, which embody the subject matter claimed in Oakley's
6 U.S. Patent No. 5,638,145.

7 9. Defendant received actual notice of Oakley's proprietary rights in its
8 patents-in-suit by way of this lawsuit. Additionally, Oakley sunglasses come in
9 packaging that contains patent notification which constitutes constructive notice to
10 the Defendant of Oakley's rights in at least its U.S. Patent Nos. 5,387,949 and
11 5,638,145. Despite such notice of Oakley's patent rights, Defendant has and
12 continues to sell its infringing models. On information and belief, Defendant's
13 infringement was willful and wanton.

14 10. Oakley is informed and believes and thereupon alleges that the sale of
15 Defendant's infringing sunglasses has resulted in lost sales, reduced the business
16 and profit of Oakley, and has injured the goodwill and reputation associated with
17 Oakley, all to Oakley's damage in an amount not yet fully determined.

18 11. Moreover, the Defendant wrongfully profited from Oakley's invention
19 by selling sunglasses that infringed Oakley's U.S. Patent Nos. 5,387,949 and
20 5,638,145. The exact amount of profits realized by Defendant as a result of its
21 infringing activities are presently unknown to Oakley, as are the exact amount of
22 damages suffered by Oakley as a result of these activities. These profits and
23 damages cannot be accurately ascertained without an accounting.

24 12. Oakley is informed and believes, and thereupon alleges, that
25 Defendant has undertaken an advertising campaign that is false and misleads the
26 public. In particular, Oakley is informed and believes, and thereupon alleges, that
27 Defendant advertises the superiority of the lens properties of its eyeglasses on its
28 website, and elsewhere. Among other things, Defendant advertises that it uses

1 decentered lenses to minimize optical distortion and “[a]toric curves that follow the
 2 natural curvature of the eye are introduced to the frontal surface of the lens to
 3 correct vertical displacement and eliminate peripheral distortion. The result is
 4 phenomenal straight ahead optics with a 20 percent wider field of distortion free
 5 vision as compared to standard eight base lenses.”

6 13. Oakley is informed and believes, and thereupon alleges, that
 7 Defendant’s misrepresents at least the following, in an effort to benefit from this
 8 false advertising: (a) its lenses are actually spherical rather than atoric on the front
 9 surface; (b) its lenses to no minimize optical distortion; (c) its lenses have as much
 10 as at least ¼ diopter of prismatic distortion and/or power; (d) the definition of its
 11 lenses is below average; (e) the lenses to not have “phenomenal straight ahead
 12 optics”; and (f) the lenses to not have “20 percent wider field of distortion free
 13 vision.”

14 14. Oakley is informed and believes, and thereupon alleges, that
 15 Defendant knowingly made these misrepresentations in an effort to compete with
 16 Oakley, which efforts injure the consumer by leading the consumer to believe that
 17 (s)he is purchasing an eyeglass with better optics than are actually included in the
 18 Tifosi eyewear.

19 **FIRST CLAIM FOR RELIEF**
 20 **(Patent Infringement)**

21 15. The allegations of paragraph 1 through 14 are repled and realleged as
 22 though fully set forth herein.

23 16. This is a claim for patent infringement and arises under 35 U.S.C. §§
 24 271 and 281.

25 17. Jurisdiction is founded upon 28 U.S.C. §§ 1331 and 1338.

26 18. Oakley is the owner of U.S. Patent No. 5,387,949 which protects an
 27 eyeglass connector device for use with interchangeable lenses, as set forth above,
 28

1 and embodied by such Oakley eyewear as *Zeros, Half Jacket, and Flak Jacket*. By
2 statute, the patent is presumed to be valid and enforceable under 35 U.S.C. § 282.

3 19. Defendant, through its agents, suppliers, employees and servants,
4 manufactured, imported, used, offered for sale and sold sunglasses that fall within
5 the scope and claims contained in U.S. Patent No. 5,387,949. As such, Defendant
6 has and does directly infringe U.S. Patent No. 5,387,949, without any rights or
7 license under that patent. On information and believe, Oakley also alleges that
8 Defendant indirectly infringes U.S. Patent No. 5,387,949 by either aiding and
9 abetting the infringing use of sunglasses or contributing to infringement by others,
10 without substantial non-infringing use.

11 20. Oakley is informed and believes and thereupon alleges that Defendant
12 willfully infringed upon Oakley's exclusive rights under the patent, with full notice
13 and knowledge thereof. Defendant is presently selling its infringing sunglasses,
14 has failed to cease the sales, and will continue to do so unless restrained there from
15 by this court, all to the great loss and injury of Oakley.

16 21. Oakley is informed and believes and thereupon alleges that Defendant
17 has derived, received, and will continue to derive and receive from these acts of
18 infringement, gains, profits and advantages in an amount not presently known to
19 Oakley. By reason of these acts of infringement, Oakley has been and will
20 continue to be greatly damaged.

21 22. Defendant will continue to infringe U.S. Patent No. 5,387,949 to the
22 great and irreparable injury of Oakley, for which Oakley has no adequate remedy
23 at law unless said Defendants are enjoined by this court.

24 **SECOND CLAIM FOR RELIEF**

25 **(Patent Infringement)**

26 23. The allegations of paragraph 1 through 14 are replied and realleged as
27 though fully set forth herein.

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1 24. This is a claim for patent infringement and arises under 35 U.S.C. §§
2 271 and 281.

3 25. Jurisdiction is founded upon 28 U.S.C. §§ 1331 and 1338.

4 26. Oakley is the owner of U.S. Patent No. 5,638,145 which claims
5 technology for dual lens, vented eyewear, as set forth above, and such as embodied
6 by Oakley's *Water Jacket* sunglasses. By statute, the patent is presumed to be
7 valid and enforceable under 35 U.S.C. § 282.

8 27. Defendant, through its agents, suppliers, employees and servants,
9 manufactured, imported, used, offered for sale and sold sunglasses which fall
10 within the scope and claims contained in U.S. Patent No. 5,638,145. As such,
11 Defendant has and does directly infringe U.S. Patent No. 5,638,145, without any
12 rights or license under that patent. On information and believe, Oakley also alleges
13 that Defendant indirectly infringes U.S. Patent No. 5,638,145 by either aiding and
14 abetting the infringing use of sunglasses or contributing to infringement by others,
15 without substantial non-infringing use.

16 28. Oakley is informed and believes and thereupon alleges that Defendant
17 willfully infringed upon Oakley's exclusive rights under the patent, with full notice
18 and knowledge thereof. Defendant is presently selling such infringing sunglasses,
19 has failed to cease the sales, and will continue to do so unless restrained there from
20 by this court, all to the great loss and injury of Oakley.

21 29. Oakley is informed and believes and thereupon alleges that Defendant
22 has derived, received, and will continue to derive and receive from these acts of
23 infringement, gains, profits and advantages in an amount not presently known to
24 Oakley. By reason of these acts of infringement, Oakley has been and will
25 continue to be greatly damaged.

26 30. Defendant will continue to infringe U.S. Patent No. 5,638,145 to the
27 great and irreparable injury of Oakley, for which Oakley has no adequate remedy
28 at law unless said Defendants are enjoined by this court.

THIRD CLAIM FOR RELIEF

(False Advertising under Cal. Bus. & Prof. Code §17500 et seq.)

31. The allegations of paragraph 1 through 14 are repled and realleged as though fully set forth herein.

32. This is an action of false advertising under California Business & Professions Code section 17500 et seq.

33. Jurisdiction over this cause of action is proper under 28 U.S.C. § 1337 and 28 U.S.C. § 1367.

34. As set forth more fully above, Defendant advertises on its website, and elsewhere, that its products utilize decentered lenses to minimize optical distortion. Defendants also advertise that their lenses utilize “atoric curves,” which “correct vertical displacement and eliminate peripheral distortion” in the straight ahead view.

35. Oakley is informed and believes, and therefore alleges, that these representations are in fact false and misrepresent information to the consuming public, to their damage and detriment.

36. In particular, Oakley is informed and believes, and thereupon alleges, that Defendant’s lenses are not “atoric,” but actually spherical, and that the lenses do not correct vertical displacement or eliminate peripheral distortion, but are actually comprised of as much as at least ¼ diopter of prismatic distortion and/or power and have poor definition.

37. Defendant’s representations would suggest to the consuming public that their lenses are qualitatively superior to other “standard eight base lenses,” such as Oakley’s that incorporate patented XYZ® technology to correct horizontal and vertical distortion.

38. Oakley is informed and believes, and thereupon alleges, that the actions of Defendant were done willfully, knowingly, and maliciously with the

1 intent to deceive the public and undermine Oakley, and others, to the injury of the
2 public and Oakley.

3 39. Defendant's acts are a violation of California Business and
4 Professions Code §17500 et seq., and will continue to the injury of the public and
5 Oakley unless enjoined by this Court.

6 40. Defendant has also wrongfully benefitted from its false advertising,
7 and Oakley requests that Defendant be required to account for its violation and
8 rescind any wrongful benefit to Oakley as compensation.

9 **FOURTH CLAIM FOR RELIEF**

10 **(Unfair Competition Under Cal. Bus & Prof. Code § 17200 et seq.)**

11 41. The allegations of paragraphs 1 through 14 and 31 through 40 are
12 repled and realleged as though fully set forth herein.

13 42. This claim is for unfair competition under California Business and
14 Profession Code § 17200.

15 43. This court has supplemental jurisdiction under 28 U.S.C. § 1337 and
16 28 U.S.C. § 1367.

17 44. California Business and Professions Code §§ 17200 *et seq.*
18 (“§17200”) prohibits acts of “unfair competition,” including any unlawful, unfair,
19 or fraudulent business act or practice.

20 45. Tifosi's conduct, as described above, constitutes unlawful, unfair and
21 fraudulent business acts or practices within the meaning of § 17200.

22 46. Plaintiff seeks an injunction preventing Defendant from continuing to
23 engage in the unfair business practices alleged herein, as well as an order requiring
24 Tifosi to make restitution to Plaintiff for all money or other property derived from
25 these unlawful and unfair business practices.

26 47. Plaintiff therefore respectfully request judgment as hereinafter set
27 forth.

28

1 WHEREFORE, Plaintiff Oakley, Inc. prays as follows:

2 1. That Defendant Tifosi be adjudicated to have infringed U.S. Patent
3 No. 5,387,949 and that this patent is valid, enforceable and is owned by Oakley;

4 2. That Defendant Tifosi be adjudicated to have infringed U.S. Patent
5 No. 5,638,145 and that this patent is valid, enforceable and is owned by Oakley;

6 3. That Defendant Tifosi, its agents, suppliers, distributors, retailers,
7 servants, employees, managers, and officers, and all those persons in active concert
8 or participation with them, be forthwith preliminarily and thereafter permanently
9 enjoined from making, using, offering for sale or selling any sunglass which
10 infringes U.S. Patent Nos. 5,387,949 or 5,638,145;

11 4. That Defendant Tifosi, its agents, suppliers, distributors, retailers,
12 servants, employees, managers, and officers, and all those persons in active concert
13 or participation with them, be forthwith preliminarily and thereafter permanently
14 enjoined from falsely advertising as to the properties and quality of the lenses of its
15 eyewear;

16 5. That Defendant Tifosi be directed to file with this court and serve
17 upon Oakley within 30 days after the service of the injunction, a report in writing
18 under oath, setting forth in detail the manner and form in which Defendant has
19 compiled with the injunction;

20 6. That Defendant Tifosi be required to account to Oakley for any and all
21 lost profits suffered by Oakley and in no event less than a reasonable royalty by
22 reason of Defendant's infringement of U.S. Patent Nos. 5,387,949, and 5,638,145;

23 7. That patent infringement damages be awarded in an amount up to
24 three times the amount of damages found or assessed to compensate Oakley for the
25 willful, deliberate and intentional acts of infringement by Defendant, pursuant to
26 35 U.S.C. § 284;

27 8. For an order requiring Defendant to deliver up and destroy all
28 infringing sunglasses;

1 9. That an award of reasonable costs, expenses and attorneys' fees be
2 awarded against Defendants pursuant to 35 U.S.C. § 285; and

3 10. That Oakley have such other and further relief as circumstances of
4 this case may require and that this court may deem just and proper.

5 DATED: 9/30/08

WEEKS, KAUFMAN, NELSON & JOHNSON

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7 _____
8 GREGORY K. NELSON

Attorney for Plaintiff, Oakley, Inc.

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10 **JURY DEMAND**

11 Plaintiff Oakley, Inc. hereby requests a trial by jury in this matter.

12 DATED: 9/30/08

WEEKS, KAUFMAN, NELSON & JOHNSON

13 
14 _____
15 GREGORY K. NELSON

Attorney for Plaintiff, Oakley, Inc.

PROOF OF SERVICE

I, the undersigned, hereby certify and declare under penalty of perjury that the following statements are true and correct:

1. I am over the age of 18 years and am not a party to the within cause.

2. My business address is 462 Stevens Avenue, Suite 310, Solana Beach, CA 92075.

3. On September 29, 2008 I served the attached document entitled FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT, FALSE ADVERTISING AND UNFAIR COMPETITION as follows:

☒ (by mail) I caused such envelope, with postage thereon fully prepaid, to be placed in the United States mail at Solana Beach, California.

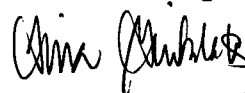
☐ (by personal delivery) I personally delivered a copy of the attached document to the address listed below.

☐ (by Federal Express) I am readily familiar with the practice of Weeks, Kaufman & Johnson for collection and processing of correspondence for overnight delivery and know that the document described herein will be deposited in a box or other facility regularly maintained by Federal Express for overnight delivery.

☐ (by facsimile) The above-referenced document was transmitted by facsimile transmission and the transmission was reported as complete and without error.

Benjamin K. Thompson
Fish & Richardson
1180 Peachtree Street, 21st Floor
Atlanta, GA 30309

Executed September 29, 2008 at Solana Beach, California.



Tina Giubilato