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

VARIANT HOLDINGS, LLC AND VARIANT, INC.

### PLAINTIFFS,

v.

CASE NO.:

LIVE OAK LODGING, INC., HERITAGE HOTELS ROCKPORT, LLC D/B/A THE LIGHTHOUSE INN AT ARANSAS BAY, AND HERITAGE HOTELS FREDERICKSBURG, LLC D/B/A INN ON BARONS CREEK

JURY TRIAL DEMANDED

DEFENDANT.

# PLAINTIFFS' ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

Plaintiffs VARIANT HOLDINGS, LLC and VARIANT, INC. file this Complaint against defendants LIVE OAK LODGING, INC., HERITAGE HOTELS ROCKPORT, LLC D/B/A THE LIGHTHOUSE INN AT ARANSAS BAY, AND HERITAGE HOTELS FREDERICKSBURG, LLC D/B/A INN ON BARONS CREEK, as follows:

## PARTIES

1. Plaintiff VARIANT HOLDINGS, LLC has a place of business in Charlestown,

Nevis.

2. Plaintiff VARIANT, INC. presently has a place of business in Marshall, Texas. Hereinafter, VARIANT HOLDINGS, LLC and VARIANT, INC. are collectively referred to as "VARIANT."

3. On information and belief, LIVE OAK LODGING, INC. has a place of business in Marble Falls, Texas.

4. On information and belief, HERITAGE HOTELS FREDERICKSBURG, LLC D/B/A INN ON BARONS CREEK has a place of business in Fredericksburg, Texas.

5. On information and belief, HERITAGE HOTELS ROCKPORT, LLC D/B/A THE LIGHTHOUSE INN AT ARANSAS BAY has a place of business in Rockport, Texas. Hereinafter, LIVE OAK LODGING, INC., HERITAGE HOTELS ROCKPORT, LLC D/B/A THE LIGHTHOUSE INN AT ARANSAS BAY, AND HERITAGE HOTELS FREDERICKSBURG, LLC D/B/A INN ON BARONS CREEK are collectively referred to as "HERITAGE HOTELS."

#### JURISDICTION AND VENUE

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

7. On information and belief, HERITAGE HOTELS is subject to this Court's specific and general personal jurisdiction, pursuant to due process and/or the Texas Long Arm Statute, due at least to its substantial business in this forum, including related to the infringements alleged herein. Further, on information and belief, HERITAGE HOTELS has an interactive website comprising infringing methods and apparatuses which are at least used in and/or accessible in this forum. Further, on information and belief, HERITAGE HOTELS is subject to the Court's general jurisdiction, including from regularly doing or soliciting business, engaging in other persistent courses of conduct, and/or deriving substantial revenue from goods and services provided to persons or entities in Texas.

8. Venue is proper in this district under 28 U.S.C. §§ 1391(b), 1391(c) and 1400(b). Without limitation, on information and belief, HERITAGE HOTELS is subject to personal

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jurisdiction in this district. On information and belief, HERITAGE HOTELS is subject to this Court's specific and general personal jurisdiction in this district, pursuant to due process and/or the Texas Long Arm Statute, due at least to its substantial business in this district, including related to the infringements alleged herein. Further, on information and belief, HERITAGE HOTELS has an interactive website comprising infringing methods and apparatuses which are at least used in and/or accessible in this district. Further, on information and belief, HERITAGE HOTELS is subject to the Court's general jurisdiction in this district, including from regularly doing or soliciting business, engaging in other persistent courses of conduct, and/or deriving substantial revenue from goods and services provided to persons or entities in this district.

## <u>COUNT I</u> <u>INFRINGEMENT OF U.S. PATENT NO. 7,624,044</u>

9. United States Patent No. 7,624,044 (the "'044 Patent"), entitled "System for marketing goods and services utilizing computerized central and remote facilities," duly and legally issued on November 24, 2009.

10. VARIANT HOLDINGS, LLC is the assignee of the '044 Patent. VARIANT, INC. is the exclusive licensee of the '044 Patent. Plaintiffs have standing to bring this lawsuit for infringement of the '044 Patent.

11. The claims of the '044 Patent cover, *inter alia*, apparatuses to market and/or sell goods or services over an electronic network comprising a first computerized central communications facility adapted to be linked to a computerized remote facility and to a plurality of other computerized central communications facilities wherein at least one of said computerized central communications facilities is adapted to provide customer information regarding rentals.

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12. On information and belief, HERITAGE HOTELS has infringed the '044 Patent pursuant to 35 U.S.C. § 271 through actions comprising the making, using, selling and/or offering for sale in the United States of apparatuses to market and/or sell goods or services over an electronic network comprising a first computerized central communications facility adapted to be linked to a computerized remote facility and to a plurality of other computerized central communications facilities wherein at least one of said computerized central communications facilities is adapted to provide customer information regarding rentals, and which are covered by one or more claims of the '044 Patent. On information and belief, such apparatuses comprise its website for renting rooms, namely innonbaronscreek.com and lighthousetexas.com.

13. Moreover, on information and belief, HERITAGE HOTELS has been and now is indirectly infringing by way of intentionally inducing infringement of the '044 patent in this judicial district, and elsewhere in the United States, including by aiding and abetting the making and using of systems associated with hosting bookings.ihotelier.com by TravelClick, Inc., and/or by aiding and abetting the using of systems associated with bookings.ihotelier.com and/or innonbaronscreek.com and lighthousetexas.com by end user customers. Upon information and belief, such induced infringement has occurred at least since this Defendant became aware of the '044 patent, at least through becoming aware of this Complaint. To the extent that facts learned during the pendency of this case show that this is an "exceptional case," VARIANT reserves the right to amend this complaint accordingly, and to request such a finding at time of trial.

14. Upon information and belief, HERITAGE HOTELS' infringement of the '044 Patent since receiving notice of the patent, at a minimum by virtue of this lawsuit, has necessarily been willful and objectively reckless at least due to the fact that the HERITAGE HOTELS' infringement is clear and there is no known good faith basis to assert invalidity.

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15. As a result of HERITAGE HOTELS' infringing conduct, Defendants have damaged VARIANT. Defendants are liable to VARIANT in an amount that adequately compensates VARIANT for their infringement, which, by law, can be no less than a reasonable royalty.

### PRAYER FOR RELIEF

WHEREFORE, VARIANT respectfully requests that this Court enter:

1. A judgment in favor of VARIANT that HERITAGE HOTELS has infringed the '044 Patent;

2. A permanent injunction enjoining HERITAGE HOTELS, and its officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert therewith from infringing the '044 Patent;

3. A judgment and order requiring HERITAGE HOTELS to pay VARIANT its damages, costs, expenses, fees and prejudgment and post-judgment interest for HERITAGE HOTELS' infringement of the '044 Patent as provided under 35 U.S.C. §§ 284 and/or 285; and

4. Any and all other relief to which VARIANT may show itself to be entitled.

#### DEMAND FOR JURY TRIAL

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, VARIANT requests a trial by jury of any issues so triable by right.

December 7, 2012

Respectfully submitted,

By: <u>/s/ John J. Edmonds</u> John J. Edmonds – Lead Counsel Texas Bar No. 789758 Stephen F. Schlather Texas Bar No. 24007993

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ATTORNEYS FOR PLAINTIFFS VARIANT HOLDINGS, LLC AND VARIANT, INC.