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U.S. DISTRICT COURT  
INDIANAPOLIS DIVISION  
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SOUTHERN DISTRICT  
OF INDIANA  
LAURA A. BRISCOE  
CLERK

UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF INDIANA

CARCHECKUP LLC,  
Plaintiff,

v.

CARMD.COM CORPORATION,  
and INNOVA ELECTRONICS  
CORPORATION,

Defendants.

Case No:

COMPLAINT FOR PATENT  
INFRINGEMENT

JURY TRIAL DEMANDED

**1:13-cv-1035 SEB-TAB**

Plaintiff CarCheckup LLC ("CarCheckup") alleges as follows:

**PARTIES**

1. Plaintiff CarCheckup LLC is an Indiana corporation with its primary place of business at 13857 Stone Haven Dr., Carmel, IN 46033. CarCheckup is qualified and duly authorized to conduct business in the State of Indiana. CarCheckup was founded in 2002.

2. Upon information and belief, Defendant CarMD.com Corporation ("CarMD") is a California corporation with its principal place of business at 17352 Von Karman Ave., Irvine, CA 92601.

3. Upon information and belief, CarMD offers for sale and sells its products directly to consumers, including in this business district, via infomercials (including "Save with CarMD"), via its website at [www.carmd.com](http://www.carmd.com), via the Home Shopping Network, and via Amazon.com.

4. Upon information and belief, CarMD products are offered for sale and sold at select retail outlets in this business district, including Pep Boys located at 4500 Lafayette Rd., Indianapolis, IN 46254, and Pep Boys located at 7201 E. Washington St., Indianapolis, IN 46219.

5. Upon information and belief, Defendant Innova Electronics Corporation (“Innova”) is a Nevada corporation with its principal place of business at 17352 Von Karman Ave., Irvine, CA 92601.

6. Upon information and belief, Innova manufactures and distributes CarMD products in the United States.

7. Upon information and belief, CarMD and Innova have the same Chief Executive Officer, Ieon Chen.

8. Upon information and belief, CarMD and Innova use the same fax number, 714-241-3979.

9. Upon information and belief, the CarMD logo, and other marks are, registered trademarks of Innova Electronics Corporation, in the United States and elsewhere.

10. Upon information and belief, Innova maintains web sites at [www.codereader.com](http://www.codereader.com) and [www.innova.com](http://www.innova.com), where it offers its own products for sale and sells to consumers in this business district.

#### **JURISDICTION AND VENUE**

11. This is a civil action arising under the patent laws of the United States, 35 U.S.C. §§ 1 *et seq.* Consequently, this Court has original subject matter jurisdiction over this suit pursuant to 28 U.S.C. §§ 1331 and 1338(a).

12. CarMD is subject to the specific and general personal jurisdiction of this Court because, among other things, it has established continuous and systematic contacts with Indiana and this judicial district; it has committed acts within Indiana and this judicial district giving rise to this action; and it has minimum contacts with the forum such that the exercise of jurisdiction over it would not offend traditional notions of fair play and substantial justice. For instance, CarMD has sold and offered for sale its products within this judicial district, as described herein.

13. Innova is subject to the specific and general personal jurisdiction of this Court because, among other things, it has established continuous and systematic contacts with Indiana and this judicial district; it has committed acts within Indiana and this judicial district giving rise to this action; and it has minimum contacts with the forum such that the exercise of jurisdiction over it would not offend traditional notions of fair play and substantial justice. For instance, upon information and belief, Innova has manufactured and distributed the CarMD products accused of infringement in this action, which as described herein, are sold and offered for sale by CarMD or other retail outlets to consumers in Indiana and in this judicial district. In addition, Innova has sold and offered for sale its own products within this judicial district via its web site, as described herein.

14. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b) and (c) and 1400(b).

#### **JOINDER**

15. Joinder of accused infringers CarMD and Innova as Defendants in this action is proper under 35 U.S.C. § 299. In its Complaint herein, CarCheckup asserts a right to relief against Defendants CarMD and Innova jointly, with respect to acts rising out of the same transactions, occurrences, and series of transactions relating to the same accused products, as described herein. Specifically, and upon information and belief, and as further set forth below, CarMD sells and offers for sale the accused CarMD products, while Innova distributes and manufactures the accused CarMD products. Moreover, questions of fact common to both CarMD and Innova will arise in this action. As such, CarCheckup alleges below that both CarMD and Innova are liable for direct infringement with respect to the same CarMD accused products.

**THE PATENTS-IN-SUIT**

16. On October 19, 2004, United States Patent No. 6,807,469 (“the ‘469 Patent”), entitled “Auto Diagnostic Method and Device,” was duly and legally issued by the United States Patent and Trademark Office. A true and correct copy of the ‘469 Patent is attached as Exhibit A.

17. CarCheckup is the sole owner of and is listed with the U.S. Patent and Trademark Office as the assignee of record of the ‘469 Patent. CarCheckup owns all right, title and interest in, has the sole and exclusive right to enforce, and has standing to sue and recover damages for infringement of the ‘469 patent, including all claims for damages by reason of past, present or future infringement.

18. On August 2, 2005, United States Patent No. 6,925,368 (“the ‘368 Patent”). Entitled “Auto Diagnostic Method and Device,” was duly and legally issued by the United States Patent and Trademark Office. A true and correct copy of the ‘368 Patent is attached as Exhibit B.

19. CarCheckup is the sole owner of and is listed with the U.S. Patent and Trademark Office as the assignee of record of the ‘368 Patent. CarCheckup owns all right, title and interest in, has the sole and exclusive right to enforce, and has standing to sue and recover damages for infringement of the ‘368 patent, including all claims for damages by reason of past, present or future infringement.

**THE ACCUSED PRODUCTS**

20. CarMD began offering for sale and selling its CarMD Handheld Device and Software Solution Kit in 2006.

21. CarMD began offering for sale and selling its CarMD Vehicle Health System product in 2010. The CarMD Vehicle Health System, as sold, includes the CarMD Handheld Device, a USB cable, storage case, batteries, and Quick Start Guide.

22. Upon information and belief, Innova manufactures the CarMD Handheld Device.

23. The CarMD Vehicle Health System is a consumer product designed to provide the average driver with the tools and information to monitor their vehicle's health, catch hidden problems and diagnose dashboard warning lights.

24. The CarMD Vehicle Health System is simple enough for anyone to use to find out what's wrong with his or her vehicle and what repairs will cost in his or her geographic area.

25. The CarMD Handheld Device is ready to use right out of the box, and includes everything needed to monitor a car's health – an easy-to-use handheld device, Mac/PC software, USB cable, two AAA batteries, handy caddy, and lifetime software and firmware updates.

26. Collectively, the CarMD Handheld Device and Software Solution Kit and the CarMD Vehicle Health System will be referred to as the "CarMD Products."

27. The CarMD Products are designed to work on newer model vehicles driven in North America with on-board diagnostic technology. This includes cars, light trucks, minivans and SUVs, both foreign and domestic. It also includes newer hybrid vehicles model year 2010 and newer. All vehicles sold in the United States and Canada since 1996 are required by the government to have an on-board computer and on-board diagnostic technology.

28. The CarMD Handheld Device is designed to plug into a universal 16-pin Data Link Connector found inside the vehicle.

29. The CarMD Handheld Device is designed to retrieve Diagnostic Trouble Codes from the vehicle's computer.

30. The Diagnostic Trouble Codes retrieved by the CarMD Handheld Device can be decoded by a remote database controlled by CarMD.

31. The CarMD Handheld Device has a battery-operated memory.

32. The CarMD Handheld Device is flash updateable via the Internet.

33. The CarMD Handheld Device is designed to connect to a personal computer or MAC via the included USB Cable.

34. Once a CarMD Handheld Device is connected to a personal computer or MAC, the CarMD software included with the CarMD Handheld Device allows the CarMD Handheld Device to communicate with the CarMD.com website.

35. A CarMD Handheld Device connected to a personal computer or MAC can also be used to generate a CarMD report, which explains the meaning of the Diagnostic Trouble Codes retrieved from the vehicle's computer.

36. This CarMD report provides a summary of what the Diagnostic Trouble Codes mean in easy-to-understand language.

37. The CarMD report provides information about most likely fixes and do-it-yourself and repair shop costs.

38. By using the CarMD Handheld Device with the CarMD.com website, a user can find a cure to the problem(s) with his or her vehicle, such as estimated repair costs, including parts and labor.

39. The CarMD Products were specifically designed to be used by people who know nothing about cars.

40. Innova sells and offers for sale the 3030e CanOBD2 Car Reader and 3030f CanOBD2 Diagnostic Tool (collectively "Innova Code Readers") in the United States.

41. The Innova RepairSolutions® is a web-based service created to assist people of all levels to quickly and accurately diagnose and repair today's vehicles.

42. The Innova Code Readers are designed to work on all OBD 2 complaint vehicles. All 1996 and newer vehicles (cars and light trucks) sold in the United States are OBD 2 compliant.

43. The Innova Code Readers can be connected to a vehicle's 16-pin Data Link Connector.

44. When the Innova Code Readers are connected to a vehicle's 16-pin Data Link Connector, they will automatically link to the vehicle's computer.

45. After 4-5 seconds, the Innova Code Readers will retrieve and display any Diagnostic Trouble Codes that are in the vehicle's computer memory.

46. After Diagnostic Trouble Codes have been retrieved from the vehicle, the Innova Code Readers may be connected to a PC using the USB cable provided, to access Innova RepairSolutions®.

47. The Innova Code Readers automatically download and install the software necessary to support communication between the Innova Code Readers and the Innova web site, at [www.innova.com](http://www.innova.com) or [www.codereader.com](http://www.codereader.com).

48. Innova RepairSolutions® allows the user to view, save, and email the diagnostic data retrieved from the vehicle's on-board computer(s) using the Innova Code Readers.

49. Innova RepairSolutions® may be used to generate a report, which explains the meaning of the Diagnostic Trouble Codes retrieved from the vehicle's computer.

50. The Innova RepairSolutions® report provides a summary of what the Diagnostic Trouble Codes mean in easy-to-understand language.

51. The Innova RepairSolutions® report provides information about most likely fixes and do-it-yourself and repair shop costs.

52. By using the Innova Code Readers with the Innova RepairSolutions® report, a user can find a cure to the problem(s) with his or her vehicle, such as estimated repair costs, including parts and labor.

### COUNT I

#### **(Infringement of the '469 Patent against CarMD and Innova ("Defendants"))**

53. CarCheckup realleges and incorporates by reference the allegations stated in paragraphs 1 through 52 of this Complaint.

54. CarMD has infringed and continues to infringe at least claims 1, 7, 17, 18, 19, and 21 of the '469 Patent within the meaning of 35 U.S.C. § 271(a) by making, using, selling, distributing, offering for sale and/or importing the CarMD Products in the United States.

55. Innova has infringed and continues to infringe at least claims 1, 7, 17, 18, 19, and 21 of the '469 Patent within the meaning of 35 U.S.C. § 271(a) by making, using, distributing, and/or importing the CarMD Products in the United States.

56. Innova has infringed and continues to infringe at least claims 1, 17, 18, 19, and 21 of the '469 Patent within the meaning of 35 U.S.C. § 271(a) by making, using, selling, distributing, offering for sale and/or importing the Innova Code Readers and Innova RepairSolutions® in the United States.

57. To the extent required by law, CarCheckup has complied with the provisions of 35 U.S.C. § 287 with respect to the '469 Patent.

58. Upon information and belief, one or more of Defendants have known about the '469 Patent since at least as early as December 2012, and possibly as early as 2006.



59. The acts of direct infringement of the '469 Patent by CarMD and Innova have injured CarCheckup, and CarCheckup is entitled to recover damages adequate to compensate it for such infringement from CarMD and Innova, but in no event less than a reasonable royalty.

60. CarMD and Innova's infringement of the '469 Patent has been willful and deliberate and will continue unless enjoined by the Court. Pursuant to 35 U.S.C. § 284, CarCheckup is entitled to treble damages for this willful and deliberate infringement.

61. CarCheckup has suffered, and will continue to suffer, irreparable injury as a result of CarMD's and Innova's infringement of the '469 Patent. Pursuant to 35 U.S.C. § 283, CarCheckup is entitled to a permanent injunction against further infringement.

## COUNT II

### **(Infringement of the '368 Patent Against CarMD and Innova ("Defendants"))**

62. CarCheckup realleges and incorporates by reference the allegations stated in paragraphs 1 through 61 of this Complaint.

63. CarMD has infringed and continues to infringe at least claims 1, 7, 17, 18, 19, and 21 of the '368 Patent within the meaning of 35 U.S.C. § 271(a) by making, using, selling, distributing, offering for sale and/or importing the CarMD Products in the United States.

64. Innova has infringed and continues to infringe at least claims 1, 7, 17, 18, 19, and 21 of the '368 Patent within the meaning of 35 U.S.C. § 271(a) by making, using, distributing, and/or importing the CarMD Products in the United States.

65. Innova has infringed and continues to infringe at least claims 1, 17, 18, 19, and 21 of the '368 Patent within the meaning of 35 U.S.C. § 271(a) by making, using, selling, distributing, offering for sale and/or importing the Innova Code Readers and Innova RepairSolutions® in the United States.

66. To the extent required by law, CarCheckup has complied with the provisions of 35 U.S.C. § 287 with respect to the '368 Patent.

67. Upon information and belief, one or more of Defendants have known about the '368 patent since at least as early as December 2012.

68. The acts of direct infringement of the '368 Patent by CarMD and Innova have injured CarCheckup, and CarCheckup is entitled to recover damages adequate to compensate it for such infringement from CarMD and Innova, but in no event less than a reasonable royalty.

69. CarMD and Innova's infringement of the '368 Patent has been willful and deliberate and will continue unless enjoined by the Court. Pursuant to 35 U.S.C. § 284, CarCheckup is entitled to treble damages for this willful and deliberate infringement.

70. CarCheckup has suffered, and will continue to suffer, irreparable injury as a result of CarMD's and Innova's infringement of the '368 Patent. Pursuant to 35 U.S.C. § 283, CarCheckup is entitled to a permanent injunction against further infringement.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff CarCheckup respectfully asks this Court to enter judgment against Defendants CarMD and Innova and against each of its respective subsidiaries, successors, parents, affiliates, officers, directors, agents, servants, employees, and all persons in active concert or participation with them, which grants the following relief:

- a. The entry of judgment in favor of CarCheckup and against CarMD and Innova;
- b. A finding that CarMD and Innova's infringement has been willful and deliberate;
- c. An award of damages as to CarMD and Innova adequate to compensate CarCheckup for the infringement that has occurred, but in no event less than a reasonable royalty as permitted by 35 U.S.C. § 284, together with prejudgment interest from the date the infringement began and treble damages;

d. The entry of a permanent injunction against CarMD and Innova, and all others in active concert with them, prohibiting them from continuing to directly infringe the '469 Patent and the '368 Patent;

e. A finding that this case is exceptional and an award to CarCheckup of its reasonable attorneys' fees and costs as provided by 35 U.S.C. § 285; and

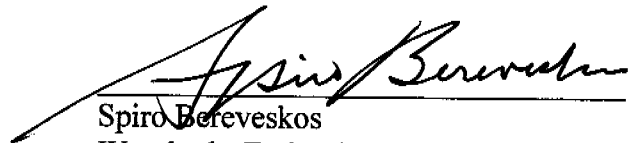
f. Such other relief that CarCheckup is entitled to under law, and any other and further relief that this Court or a jury may deem just and proper.

**JURY DEMAND**

CarCheckup demands a trial by jury on all issues presented in this Complaint.

Dated: June 28, 2013

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