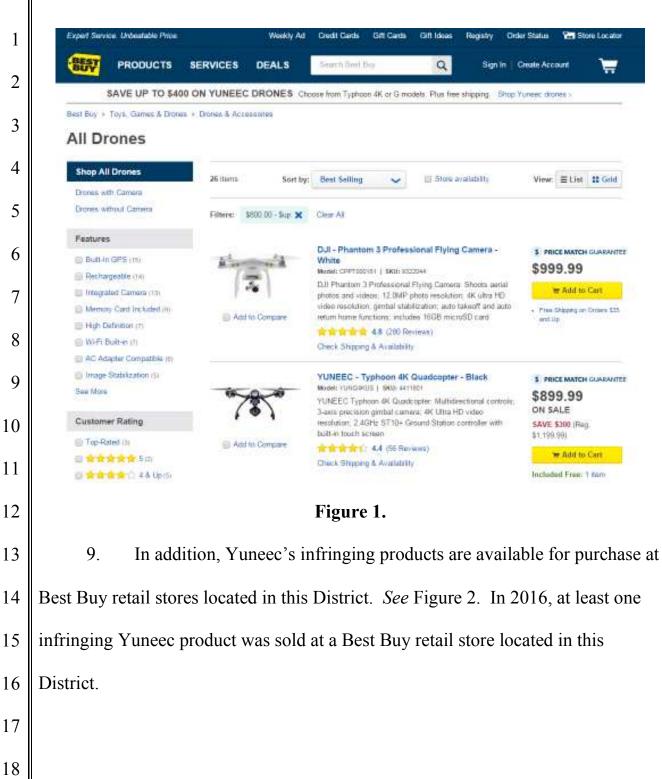
1	JAMES C. YOON, State Bar No. 177155			
2	jyoon@wsgr.com RYAN R. SMITH, State Bar No. 229323			
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5	Palo Alto, California 94304-1050 Telephone: (650) 493-9300			
6	Fax: (650) 565-5100			
7	Attorneys for Plaintiffs SZ DJI Technology Co., Ltd. and DJI Europe B.V.			
8	•			
9	UNITED STATES DISTRICT COURT			
10	CENTRAL DISTRICT OF CALIFORNIA			
11	SZ DJI Technology Co., Ltd. and DJI Europe B.V.,) CASE NO. 5:16-cv-595		
12	Plaintiffs,) COMPLAINT FOR PATENT) INFRINGEMENT		
13	V.			
14	Yuneec International Co. Ltd. and Yuneec USA Inc.,) JURY TRIAL DEMANDED)		
15	Defendants.			
16				
17				
18	Pursuant to Section 1338 of Title 2	8 of the United States Code, Plaintiffs SZ		
19	DJI Technology Co., Ltd. and DJI Europe B.V. (collectively "Plaintiffs" or "DJI")			
20	allege for their Complaint against Defend	ants Yuneec International Co. Ltd. and		
21	Yuneec USA Inc. (collectively "Defendar	nts" or "Yuneec"), on personal knowledge		
	COMPLAINT FOR PATENT INFRINGEMENT			

COMPLAINT FOR PATENT

Infringement

JURISDICTION AND VENUE

- 6. The Court may exercise personal jurisdiction over Yuneec because Yuneec has continuous and systematic contacts with the State of California and, on information and belief, does business in this District.
- 7. On information and belief, Yuneec conducts business in this District by importing, marketing, offering for sale, and selling its infringing products in this District.
- 8. For example, Yuneec has partnered with U.S. electronics retailer Best Buy since at least October 15, 2015. *See* http://www.yuneec.com/node/158 (last visited Mar. 31, 2016). Yuneec's partnership with Best Buy includes the sale of its infringing products online. *See* Figure 1. Yuneec's products are available for purchase by accessing Best Buy's website in this District and are advertised alongside DJI's products.



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Plan Shipping on Orders \$35

5 PRICE MATCH GUARANTEE

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Figure 2.

- 10. On information and belief, Yuneec USA is a division of Yuneec International. *See* http://www.yuneec.com/support_office (last visited Mar. 31, 2016). On its website, Yuneec describes Yuneec USA as "responsible for all aspects of Yuneec International's business in the Americas." *See* http://www.yuneec.com/careers (last visited Mar. 31, 2016).
- On information and belief, Yuneec USA maintains an office in this
 District at 5555 Ontario Mills Parkway, Ontario, California 91764.
- 12. Because Yuneec has availed itself of the privileges of conducting activities in this District, it is subject to personal jurisdiction in this District.

1	13. Venue is p
2	§§ 1391(b), (c), (d), and
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5	District.
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7	14. DJI brings
8	of Yuneec's infringement
9	(collectively "the Pater
10	
11	15. DJI is an i
12	vehicle ("UAV") techn
13	and photography system
14	include the DJI Inspire
15	(Figure 4), which bring
16	one products that provi
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proper in this judicial district pursuant to 28 U.S.C. d/or 1400(b) because, among other things, Defendants are sdiction in this District, have committed acts of patent strict, and continue to commit acts of infringement in this

FACTUAL BACKGROUND

s this action to seek injunctive relief and damages arising out ent of DJI's U.S. Patent Nos. 9,164,506 and 9,280,038 nts-in-Suit").

DJI

innovator at the forefront of commercial unmanned aerial ology. DJI develops and manufactures aerial videography ms for commercial and recreational use. DJI's UAVs 1 Pro (Figure 3) and the recently released DJI Phantom 4 g together DJI's patented technology in easy to use, all-inide consumers with access to high quality aerial imaging.

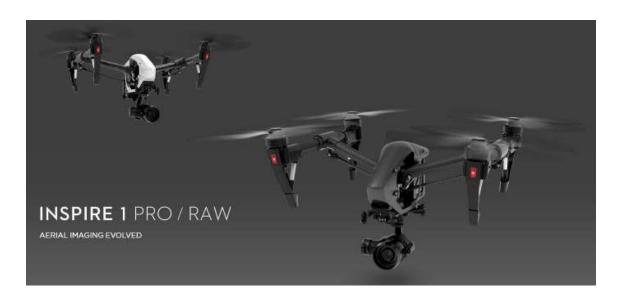


Figure 3.



Figure 4.

16. DJI's operations are global, currently spanning North America,
Europe, and Asia. DJI's commercial UAVs are versatile; they are used each and
every day for things such as aerial photography and cinematography, scientific
research, geological surveying, and much more. DJI has developed highly

COMPLAINT FOR PATENT INFRINGEMENT

sophisticated software applications and interfaces that allow consumers to fully control the flight system and onboard camera.

- 17. Since its founding, DJI has invested millions of dollars in research to develop industry leading technology fundamental to the very concept of UAVs. To date, DJI's research investment has resulted in at least 30 issued United States patents and over 50 pending United States patent applications. DJI employs over seven hundred engineers that develop cutting-edge and ground-breaking solutions to the many challenging issues facing commercial UAVs in an emerging industry. In order to provide out-of-the-box, ready-to-fly products for both amateur and professional consumers, DJI's UAVs are manufactured and pre-assembled with precision and careful calibration.
- 18. DJI's extensive research and development efforts have resulted in more than just the design and development of revolutionary UAVs like the DJI Inspire 1 and DJI Phantom series; they have also led to DJI's development of supporting applications, such as those used for filming, advertising, construction, firefighting, farming, and many others. For instance, as the Wall Street Journal reported in late November 2015, DJI has developed applications to help farmers more efficiently spray their crops in plots of land that are difficult for airplanes to reach.
- 19. DJI has developed a series of pre-programed flight patterns that help capture high quality, targeted aerial images. In one such flight program, called

"ActiveTrack," users can instruct the Phantom 4 to recognize a chosen subject and follow the subject automatically to keep the subject constantly in frame. *See*Figures 5 and 6.

VISUAL TRACKING

Active track makes tracking a moving subject as Heffertless as a Rev traps. Trust on Moving Pot st ortic amound your subject as they move or refining your subject as they move or refining your subject on screen. No band or beacon required.

Figure 5.



ACTIVETRACK

Using ActiveTrack, the Phantom 4 will recognize your subject, follow them naturally, and keep them in the frame. No GPS bracelet, tracker or beacon required.

Figure 6.

20. To further enhance image capturing capabilities by maximizing camera viewing angles, the DJI Inspire 1 has an advanced camera support, referred to as a "gimbal," that allows the camera to rotate 360-degrees across three different axes. *See* Figures 7 and 8. As DJI's website describes, "[t]he 3-axis gimbal constantly draws on data fed by the intelligent flight controller, so it knows the aircraft's flight parameters and computes the proper motion correction every millisecond."



Figure 7.



Figure 8.

21. For handheld photography and cinematography, the advanced gimbal included with the Inspire 1 can be detached and reattached to a separate handheld camera support called the DJI Osmo. *See* Figure 9. This flexible design allows a consumer to maximize the usability and versatility of the advanced gimbal system.

COMPLAINT FOR PATENT INFRINGEMENT



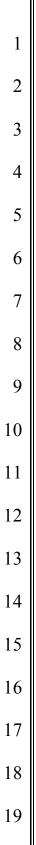
Figure 9.

22. Presently, DJI's products are available for sale online and in retail stores, including Amazon.com, Best Buy, Walmart, eBay, the Apple Store, and hobby shops.

Yuneec

- 23. On information and belief, Yuneec is a company founded by Tian Yu and headquartered in Jiangsu, China.
- 24. On information and belief, Yuneec was founded in 1999 as a manufacturer of single rotor, fixed-wing aircraft. Yuneec advertises in the "About Yuneec" section of its webpage that it "pioneered *manned* electric flight." Upon

1	information and belief, relative to DJI, Yuneec is a recent entrant to the UAV	
2	market.	
3	25. On information and belief, Yuneec has made, used, offered to sell,	
4	and sold UAVs since at least as early as 2014, including the Yuneec Typhoon G,	
5	Yuneec Typhoon Q500, Typhoon Q500+, and Typhoon Q500 4K (collectively the	
6	"Typhoons").	
7	26. The Typhoons contain a variety of electrical components used to	
8	control various aspects of the operation of the UAVs and sensors for navigational,	
9	surveillance, or remote sensing purposes. These UAVs are assembled with pre-	
10	configured electrical components.	
11	27. On information and belief, the Typhoons are configured to receive	
12	target information from the user by remote control to automatically track the target	
13	and to maintain a position relative to the target.	
14	28. For example, users can instruct the Typhoons "to keep the pilot	
15	holding the ST10+ in focus and in frame," using a feature called "Watch Me." See	
16	Figures 10-13. This feature is important for the Typhoons.	
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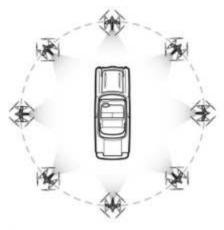


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Figure 10.





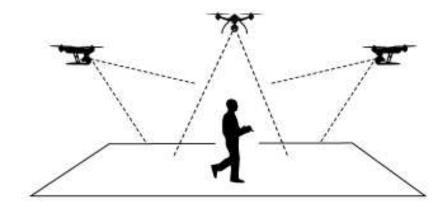
When Watch Me is enabled, the 4K camera and Typhoon aircraft automatically adjust to keep the pilot holding the ST10+ in focus and in frame no matter which way the drone is maneuvered.

Figure 11.



Figure 12.

29. As the Typhoons' instruction manuals explain, in the "Watch Me" function, "the pilot will always be kept in the frame;" the Typhoons will adjust the UAV's position and/or the camera's lens to keep the pilot in the frame. *See* Figure 13.





In Watch Me function, the pilot will always be kept in the frame wherever he moves.

Figure 13.

30. The Typhoons are also equipped with a gimbal camera capable of being attached to either the UAV or to a Yuneec handheld device called the "SteadyGrip." The Typhoon Q500+, the Typhoon Q500 4K, and the Typhoon G all include both a UAV and a Steady Grip. *See* Figures 14-16.

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TYPHOON TESO



Figure 14.





Figure 15.



Figure 16.

- 31. On information and belief, Yuneec demonstrates its UAV products together with its handheld SteadyGrip device (which also retails as the Typhoon ActionCam) at trade shows and dealer expos.
- 32. The ability of the gimbal camera to releasably connect to the UAV and/or to the SteadyGrip is an important feature for Yuneec. It is a feature that Yuneec highlights in its advertising material. See Figure 17. Yuneec expressly advertises that "[t]he SteadyGrip handheld device ensures ground shots are as smooth as those taken from the air."



Figure 17.

33. At the Consumer Electronics Show ("CES") in Las Vegas, Nevada in January 2016, Yuneec demonstrated the Typhoon H, a six-rotor UAV with a built-in collision avoidance system. *See* Figure 18.



Figure 18.

34. On information and belief, the Typhoon H is equipped with a gimbal camera capable of being attached either to the UAV or to a handheld device like the SteadyGrip.

COMPLAINT FOR PATENT INFRINGEMENT

- 35. On information and belief, Yuneec plans to market the Typhoon H as a competitor to DJI's Inspire 1 UAV. Upon information and belief, the Typhoon H will retail for under \$2,000.
- In a January 2016 article from PR Newswire, Yuneec International 36. CEO Tian Yu has emphasized the importance of price competition, stating that "[w]e've engineered the Typhoon H to redefine what customers should expect to pay for a drone with such an array of professional features. At this price point, no other drone comes close to the Typhoon H in terms capability and value."

The Commercial UAV Market

- 37. The commercial UAV industry is young and fast-growing. According to one market report, "the total Commercial UAV Market was valued at \$15.22 Million in 2014, and is expected to reach \$1.27 Billion by 2020, at an estimated CAGR (Compound Annual Growth Rate) of 109.31% between 2014 and 2020."
- 38. Customers in the UAV market include, for example, photographers, cinematographers, hobbyists, geological surveyors, first responders, energy equipment inspectors, and technology enthusiasts. Popular sales channels include direct consumer sales, consumer electronics retail, and online retail sales.
- 39. According to an April 2015 Economist article, DJI is one of the leading players and "a pioneer in the nascent market." The Wall Street Journal calls DJI the company that "kick started the global craze" for UAVs. CKGSB

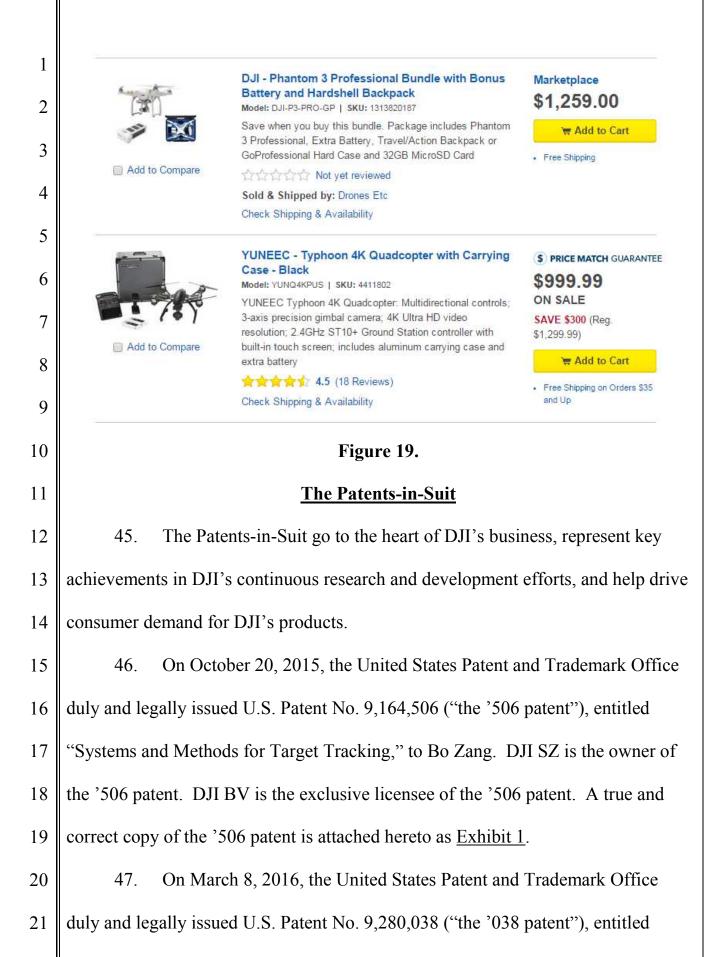
Knowledge noted in late 2015 that "DJI was the first drone maker to put together a turnkey package that doesn't require any special knowledge to use."

- 40. DJI senior product manager and inventor, Paul Pan, told Forbes

 Magazine: "It just comes down to innovation and being able to create something
 that is not available or what a competitor doesn't have."
- 41. An industry analyst from the research and advisory firm "Drone Analyst" commented in late January 2016 that the "only other vendor capable of competing with [DJI] based on feature and price is Yuneec."

Competition Between DJI and Yuneec

- 42. DJI and Yuneec are direct competitors in the UAV market. Since Yuneec ventured into the commercial UAV market in 2014, sources within the industry, including a writer for Engadget, have labeled Yuneec "a direct rival to DJI." *See* http://www.engadget.com/2015/08/16/yuneec-4k-typhoon-drone/ (last visited Mar. 31, 2016).
- 43. When Yuneec demonstrated its Typhoon H product at CES in Las Vegas, Nevada in January 2016, a writer for the Verge called the Typhoon H "the biggest challenge yet to DJI's supremacy." An article from Cinema5D labeled the Typhoon H "a serious contender to DJI's Prosumer lineup." One photography focused website went so far as to call Yuneec's Typhoon H a "DJI Killer."
- 44. DJI and Yuneec products are often displayed and advertised alongside each other, competing for limited consumer exposure and attention. *See* Figure 19.



"Interchangeable Mounting Platform," to Paul Pan, Xifeng Zhao, and Tao Zhao.

DJI SZ is the owner of the '038 patent. DJI BV is the exclusive licensee of the '038 patent. A true and correct copy of the '038 patent is attached hereto as Exhibit 2.

- 48. On information and belief, Yuneec either had actual knowledge of the Patents-in-Suit and/or their respective applications prior to this action, or willfully blinded itself to the existence of the Patents-in-Suit. In any event, Yuneec had actual knowledge of the Patents-in-Suit no later than the filing of the original Complaint in this action.
- 49. On information and belief, Yuneec monitors DJI's patent portfolio by, for example, monitoring any press releases, articles, and websites regarding DJI's patent portfolio. On information and belief, Yuneec came across an article entitled "New Trademarks and a Patent Suggest that DJI has Big Plans for the Phantom 4," dated February 14, 2016. *See* http://myfirstdrone.com/news/ground-breaking-phantom-4-features-revealed-dji-patent/ (last visited Mar. 31, 2016). This article discusses DJI's U.S. Patent Application Publication No. 2016/0031559, which is a continuation of the '506 patent.
- 50. On information and belief, Yuneec willfully blinded itself to the Patents-in-Suit to the extent it lacked affirmative knowledge of the Patents-in-Suit prior to the article identified in the preceding paragraph and/or failed to investigate DJI, the company that "kick started the global craze" for UAVs.

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51. On information and belief, Yuneec has, on at least one occasion, altered the design of its products to avoid the infringement of DJI's patents. For example, DJI's U.S. Patent No. 9,016,617, filed November 27, 2013, discloses a magnetometer positioned on the landing stand of a UAV. On information and belief, as of at least January 23, 2015, the UAV sold as part of the Yuneec Q500 product had a magnetometer positioned on its landing stand. *See* https://www.youtube.com/watch?v=PxlLwVgjVnk (last visited Mar. 31, 2016). On information and belief, after the '617 patent was published, Yuneec moved the magnetometer away from the landing stand of the Q500 product sold in the United States.

52. On information and belief, Yuneec has known about the Patents-in-Suit and/or their respective claims since before the filing of this lawsuit. Despite having full knowledge of these claims, Yuneec continues its infringing conduct to this day.

FIRST CAUSE OF ACTION

(Infringement of U.S. Patent No. 9,164,506)

- 53. DJI repeats and realleges the allegations of paragraphs 1 through 52 in their entirety.
- 54. Yuneec has infringed, either literally and/or under the doctrine of equivalents, one or more claims of the '506 patent and continues to infringe in this District, by making, using, selling, offering for sale, and/or importing into the

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United States products including, but not limited to, the Yuneec Typhoon G product package, the Yuneec Typhoon Q500 product package, the Yuneec Typhoon Q500 4K product package, and the Yuneec Typhoon H product package, without the permission of DJI. Yuneec is thus liable for direct infringement of the '506 patent pursuant to 35 U.S.C. § 271(a). A representative claim chart detailing Yuneec's infringement of at least claims 1 and 6 of the '506 patent is attached as Exhibit 3.

On information and belief, Yuneec had knowledge of the '506 patent 55. prior to, or at least as of, the filing of this Complaint and had knowledge that the products and systems identified herein infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '506 patent. Yuneec has induced and encouraged the direct infringement of the '506 patent by Yuneec's customers, resellers, retailers, and end users by intentionally directing them and encouraging them to make, use, sell, and/or offer to sell within the United States and/or to import into the United States one or more devices that embody the patented invention and that incorporate the accused products and systems identified above. On information and belief, Yuneec provides user guides, video tutorials, and customer support to instruct its customers on how to use the infringing technology. Yuneec is therefore liable for indirect infringement of the '506 patent pursuant to 35 U.S.C. § 271(b).

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56. On information and belief, Yuneec had knowledge of the '506 patent prior to, or at least as of, the filing of this Complaint and had knowledge that the products and systems identified infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '506 patent. Yuneec has and continues to contributorily infringe, and will continue to contributorily infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '506 patent. Yuneec has contributorily infringed the '506 patent by offering to sell, selling, and/or importing into the United States a component constituting a material part of the invention disclosed in the '506 patent, knowing the same to be made or adapted specially for use in the infringement of the '506 patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use. Yuneec is therefore liable for indirect infringement of the '506 patent pursuant to 35 U.S.C. § 271(c).

- 57. Unless enjoined by this Court, Yuneec will continue to infringe the '506 patent, and DJI will continue to suffer irreparable harm for which there is no adequate remedy at law. Accordingly, DJI is entitled to preliminary and permanent injunctive relief against such infringement pursuant to 35 U.S.C. § 283.
- 58. As a result of Yuneec's infringement of the '506 patent, DJI has been and continues to be irreparably injured in its business and property rights, and is entitled to recover damages for such injuries pursuant to 35 U.S.C. § 284 in an amount to be determined at trial.

SECOND CAUSE OF ACTION

(Infringement of U.S. Patent No. 9,280,038)

- 59. DJI repeats and realleges the allegations of paragraphs 1 through 58 in their entirety.
- 60. Yuneec has infringed, either literally and/or under the doctrine of equivalents, one or more claims of the '038 patent and continues to infringe in this District, by making, using, selling, offering for sale, and/or importing into the United States products including, but not limited to, the Yuneec Typhoon G product package, the Yuneec Typhoon Q500 product package, the Yuneec Typhoon Q500 4K product package, the Yuneec Typhoon H product package, and the Typhoon ActionCam, without the permission of DJI. Yuneec is thus liable for direct infringement of the '038 patent pursuant to 35 U.S.C. § 271(a). A representative claim chart detailing Yuneec's infringement of at least claims 1, 4, and 12 of the '038 patent is attached as Exhibit 4.
- 61. On information and belief, Yuneec had knowledge of the '038 patent prior to, or at least as of, the filing of this Complaint and had knowledge that the products and systems identified infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '038 patent. Yuneec has induced and encouraged the direct infringement of the '038 patent by Yuneec's customers, resellers, retailers, and end users by intentionally directing them and encouraging them to make, use, sell, and/or offer to sell within the United States and/or to

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import into the United States one or more devices that embody the patented invention and that incorporate the accused products and systems identified above. On information and belief, Yuneec provides user guides, video tutorials, and customer support to instruct its customers on how to use the infringing technology. Yuneec is therefore liable for indirect infringement of the '038 patent pursuant to 35 U.S.C. § 271(b).

- On information and belief, Yuneec had knowledge of the '038 patent 62. prior to, or at least as of, the filing of this Complaint and had knowledge that the products and systems identified infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '038 patent. Yuneec has and continues to contributorily infringe, and will continue to contributorily infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '038 patent. Yuneec has contributorily infringed the '038 patent by offering to sell, selling, and/or importing into the United States a component constituting a material part of the invention disclosed in the '038 patent, knowing the same to be made or adapted specially for use in the infringement of the '038 patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use. Yuneec is therefore liable for indirect infringement of the '038 patent pursuant to 35 U.S.C. § 271(c).
- 63. Unless enjoined by this Court, Yuneec will continue to infringe the '038 patent and DJI will continue to suffer irreparable harm for which there is no

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adequate remedy at law. Accordingly, DJI is entitled to preliminary and permanent injunctive relief against such infringement pursuant to 35 U.S.C. § 283.

64. As a result of Yuneec's infringement of the '038 patent, DJI has been and continues to be irreparably injured in its business and property rights, and is entitled to recover damages for such injuries pursuant to 35 U.S.C. § 284 in an amount to be determined at trial.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs request entry of judgment in their favor and against Defendants as follows:

- a. That Defendants are liable for infringement, contributing to the infringement, and/or inducing the infringement of one or more claims of the Patents-in-Suit, as alleged herein;
- b. That Defendants and their parents, subsidiaries, affiliates, successors, predecessors, assigns, and the officers, directors, agents, servants, and employees of each of the foregoing, customers and/or licensees and those persons acting in concert or participation with any of them, are enjoined and restrained from continued infringement, including but not limited to using, making, importing, offering for sale and/or selling products that infringe, and from contributorily and/or inducing the infringement of the Patents-in-Suit prior to their expiration, including any extensions;

1	c. An Order directing Defenda	nts to file with this Court and serve upon	
2	Plaintiffs' counsel within 30 days after the entry of the Order of Injunction a report		
3	setting forth the manner and form in which Defendants have complied with the		
4	injunction;		
5	d. An award of damages adequ	d. An award of damages adequate to compensate Plaintiffs for the	
6	infringement that has occurred, in accordance with 35 U.S.C. § 284, in lost profits,		
7	price erosion and/or reasonable royalty, including prejudgment and post-judgment		
8	interest at the highest rates allowed by law;		
9	e. An accounting and/or supplemental damages for all damages		
10	occurring after any discovery cutoff and through the Court's decision regarding the		
11	imposition of a permanent injunction;		
12	f. An award of attorneys' fees	based on this being an exceptional case	
13	pursuant to 35 U.S.C. § 285, including prejudgment interest on such fees;		
14	g. Costs and expenses in this action;		
15	h. Such other and further relies	f, in law and in equity, as this Court may	
16	deem just and appropriate.		
17		LSON SONSINI GOODRICH & ROSATI fessional Corporation	
18			
19	By:	/s/ James C. Yoon	
20		James C. Yoon orneys for Plaintiffs DJI SZ Technology	
21		Ltd. and DJI Europe B.V.	
	COMPLAINT FOR PATENT INFRINGEMENT	-30-	

DEMAND FOR JURY TRIAL Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, plaintiffs DJI SZ Technology Co., Ltd. and DJI Europe B.V. demand a trial by jury of this action. Dated: April 1, 2016 WILSON SONSINI GOODRICH & ROSATI **Professional Corporation** By: /s/ James C. Yoon James C. Yoon Attorneys for Plaintiffs DJI SZ Technology Co., Ltd. and DJI Europe B.V.

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