

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

YONDR, INC.	§	
	§	
Plaintiff,	§	
	§	
vs.	§	Civil Action No. 1:24-cv-01326
	§	
BE SMARTER, LLC AND	§	
JAMES GUERRA,	§	
	§	
Defendants.	§	

Defendant Be Smarter’s First Amended Counterclaims

Defendant/Counterclaim-Plaintiff Be Smarter, LLC (“Be Smarter”) alleges the following counterclaims against Plaintiff/Counterclaim-Defendant Yondr, Inc. (“Yondr”) pursuant to Federal Rules of Civil Procedure 13 and 15(a)(1).

Nature of the Action

1. Yondr filed this patent infringement action on October 31, 2024 (Dkt. 1), with full knowledge that its asserted patents and trademark are invalid and unenforceable. Indeed, just two days before-hand, Be Smarter provided Yondr with an exemplary invalidity chart explaining in detail how all elements of the only asserted independent claim of the ‘788 Patent are taught by two prior art references. A true and correct copy of Be Smarter’s invalidity letter is attached to these Amended Counterclaims as Exhibit A.

2. Moreover, Yondr is aware of its own misrepresentations to the Trademark Office in order to induce the Trademark Office to register the asserted ‘045 Mark. In short, when the Trademark Office examining attorney asked Yondr whether its claimed

product configuration trade dress was the subject of any patents or pending patent applications in order to assess whether the claimed product configuration trade dress was functional because functional designs are not eligible for trade dress protection, Yondr knowingly misled the examining attorney by not disclosing its '788 Patent and its pending '437 Patent Application.

3. In addition, Yondr has repeatedly and continuously used its meritless allegations to mislead and discourage Be Smarter's customers, even after receiving Be Smarter's October 29 letter explaining invalidity. The product at issue in this case is a pouch for preventing cell phone use at inappropriate times, such as in school. Yondr apparently believes this is a growing market as educators decide the distractions posed by unlimited cellphone access in school outweighs any potential benefits. Yondr seeks to exploit this market by selling its cell phone pouch on an annual subscription basis to schools throughout the United States of America. As can be seen from Yondr's images of its own product, this is nothing more than a soft pouch with a locking lid:



(Complaint, Dkt. 1 at 24.) That is, Yondr is using its invalid patents and unenforceable trade dress to extract annual payments from cash-strapped public schools for a simple

pouch.

4. Unsurprisingly, Yondr is not pleased to be faced with a competitive product. Be Smarter also sells a cell-phone pouch, known as CellockED, to schools albeit with a number of differences. For example, Be Smarter's pouch not only houses cell phones in a locked pouch, but its pouch is made of polyester fiber infused with metallic copper and nickel that blocks cell phone signals thereby preventing disturbing rings or notifications even when locked away. Neither Yondr's patents nor its product include this feature. Also, Be Smarter sells its pouch for a reasonable one-time payment rather than an annual subscription renewal fee. That is, unlike Yondr, Be Smarter is not trying to extract an annual, recurring fee from public schools for such a simple device.

5. As a result, Yondr filed this suit, and Be Smarter answered, denying that it is infringing any valid patents or trademarks. (Dkt. 18.) Be Smarter also filed counterclaims which it now amends and reasserts. (*Id.*) First, Be Smarter seeks declaratory judgment of invalidity of U.S. Patent Nos. 9, 819, 788 ("the '788 Patent") and 12,133,078 ("the '078 Patent") (collectively the "Asserted Patents") pursuant to the Patent Laws of the United States, 35 U.S.C. § 1, *et seq.*, damages, and such other relief as the Court deems just and proper.

6. Next, Be Smarter seeks declaratory judgment of invalidity or unenforceability of Federal Trademark Registration Number 6,995,045 ("the '045 Mark") pursuant to the Trademark Laws of the United States, 15 U.S.C. § 1064 and 15 U.S.C. § 1119. Accordingly, Be Smarter requests the Court enter an order cancelling the '045 Mark and award Be Smarter damages, and such other relief as the Court deems just and

proper.

7. Third, Be Smarter asks the Court to declare the '045 Mark is unenforceable and cancel the '045 Mark based on the functionality of the claimed product-configuration trade dress.

8. Finally, Be Smarter seeks damages for Yondr's bad faith accusations and efforts to mislead and discourage customers based on patents and trade dress that it knows are invalid and unenforceable.

9. Yondr's false accusations have placed a cloud over Be Smarter and its cell-phone pouch business. Be Smarter believes Yondr's allegations lack merit and thus respectfully asks this Court to declare the legal rights of Be Smarter so that Be Smarter is afforded relief from the uncertainty and delay regarding its rights caused by Yondr's allegations.

Parties

10. Be Smarter is a limited liability company organized and existing under the laws of Texas with its principal place of business at 605 E. University Ave. Ste. 101, Georgetown, Texas.

11. Yondr, Inc. is a corporation organized and existing under the laws of the state of Delaware, with its principal place of business at 12503 Venice Boulevard, Los Angeles, California.

Jurisdiction and Venue

12. This action arises under the Patent Laws of the United States, Title 35 of the United States Code (35 U.S.C. § 1 *et seq.*), the Trademark Laws of the United States, Title

15 of the United States Code (15 U.S.C. §§ 1064, 1119, and 1121(a)), the Federal Declaratory Judgment act (28 U.S.C. §§ 2201 and 2202), and Texas common law.

13. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331 (federal question), 28 U.S.C. § 1338(a) (actions arising under an Act of Congress relating to patents or trademarks), 15 U.S.C. § 1121(a) (action arising under an Act of Congress related to trademarks), and 28 U.S.C. § 1367(a) (supplemental jurisdiction over other claims so related to claims in the action within the Court's original jurisdiction that they form part of the same case or controversy).

14. This Court has personal jurisdiction over Yondr because it submitted itself to the jurisdiction of this Court by filing its Complaint (Dkt. 1).

15. Venue is proper over Yondr because it has conceded to venue in this District by way of its Complaint (Dkt. 1).

The Asserted Patents

16. The '788 Patent lists Graham Dugoni as inventor, is entitled "System and Apparatus for Selectively Limiting User Control of an Electronic Device," and issued on or about November 14, 2017. The application for the '788 Patent was filed on or about April 21, 2015.

17. On information and belief, the '788 Patent is assigned to Yondr.

18. The '078 Patent lists Graham Dugoni as inventor, is entitled "System and Apparatus for Selectively Limiting User Control of an Electronic Device," and issued on or about October 29, 2024. The application for the '078 Patent was filed on or about March 14, 2024.

19. On information and belief, the '078 Patent is assigned to Yondr.

The '045 Mark

20. The '045 Mark lists Yondr as the owner, is of the international class 009, and has a registration date of March 7, 2023. The application for the '045 Mark was filed on or about December 13, 2021.

21. On information and belief, the '045 Mark is owned by Yondr.

Presence of an Actual Controversy

22. The presence of an actual controversy between the parties is at least in part shown by the filing of the Complaint by Yondr.

23. In its Complaint, Yondr alleges that Be Smarter's CellockED product infringes the Asserted Patents and the '045 Mark. (Dkt. 1.)

24. Thus, there is a substantial controversy of sufficient immediacy and relativity between Be Smarter and Yondr to warrant issuance of a declaratory judgment.

25. Be Smarter believes the infringement allegations as to the Asserted Patents lack merit and the Asserted Patents are invalid. Similarly, Be Smarter believes the infringement allegations as to the '045 Mark lack merit and that the '045 Mark is invalid or unenforceable. Therefore, Be Smarter seeks relief declaring the legal rights of Be Smarter - namely, that Be Smarter does not infringe any valid and enforceable claim of the Asserted Patents, that each asserted claim of the Asserted Patents is invalid, that Be Smarter does not infringe the '045 Mark, and that the '045 Mark is invalid or unenforceable. Without such declaration, Yondr's infringement allegations will continue to negatively impact Be Smarter's business at least with respect to its CellockED product.

In general, Be Smarter's CellockED product is a significant component of Be Smarter's overall business, success, and market reputation. Accordingly, there is a substantial controversy of sufficient immediacy and reality between Be Smarter and Yondr to warrant issue of a declaratory judgment.

26. Be Smarter denies that it infringes any valid and enforceable claim of the Asserted Patents and further denies that any claim of the Asserted Patents is valid. Additionally, Be Smarter denies that it infringes the '045 Mark and further denies that the '045 Mark is valid or enforceable.

Count I
Declaratory Judgment of Invalidity of U.S. Patent No. 9,819,788

27. The allegations set forth in Paragraphs 1 through 26 of Be Smarter's Counterclaims are incorporated by reference as if fully set forth herein.

28. As a result of the acts described in the foregoing Paragraphs, there exists an actual and justiciable controversy between Be Smarter and Yondr regarding the validity of the '788 Patent.

29. The claims of the '788 Patent are invalid for failure to meet the conditions for patentability or otherwise comply with the requirements of 35 U.S.C. § 101 *et seq.*, including but not limited to §§ 101, 102, 103, and 112.

30. For example, the asserted claims of the '788 Patent are invalid as anticipated or obvious in view of the prior art, including but not limited to U.S. Patent Application No. 13/011,356 to Stewart and U.S. Patent No. 9,928,387 to Simpson.

31. Contrary to 35 U.S.C. § 101, the claims of the '788 Patent do not claim patentable subject matter. *See Alice Corp. v. CLS Bank Int'l*, 573 U.S. 208 (2014). For

example, the Patent Office issued the '788, at least in part, based on the claimed novelty of not being able to access a mobile electronic device until a predetermined condition is satisfied. Such an abstract idea lacks any inventive concept and, thus, is not patentable under 35 U.S.C. § 101.

32. The '788 Patent fails to inform with reasonable certainty those skilled in the art of the scope of the invention contrary to 35 U.S.C. § 112. For example, claims 1 and 2 of the '788 Patent refer to unlocking the case when "the predetermined condition" is satisfied. ('788 Patent, Col. 10, lines 54-55 and 66-67.) There, however, is no antecedent basis for "the predetermined condition," rendering these claims indefinite under 35 U.S.C. § 112.

33. Therefore, a judicial declaration of invalidity is necessary and appropriate to resolve this controversy and prevent Yondr from continuing to allege validity of the '788 Patent.

Count II
Declaratory Judgment of Invalidity of U.S. Patent No. 12,133,078

34. The allegations set forth in Paragraphs 1 through 26 of Be Smarter's Counterclaims are incorporated by reference as if fully set forth herein.

35. As a result of the acts described in the foregoing Paragraphs, there exists an actual and justiciable controversy between Be Smarter and Yondr regarding the validity of the '078 Patent.

36. The claims of the '078 Patent are invalid for failure to meet the conditions for patentability or otherwise comply with the requirements of 35 U.S.C. § 101 *et seq.*, including but not limited to §§ 101, 102, 103, and 112.

37. For example, the asserted claims of the '078 Patent are invalid as anticipated or obvious in view of the prior art, including but not limited to U.S. Patent Application No. 13/011356 to Stewart and U.S. Patent No. 9,928,387 to Simpson.

38. Contrary to 35 U.S.C. § 101, the claims of the '078 Patent do not claim patentable subject matter. *See Alice Corp. v. CLS Bank Int'l*, 573 U.S. 208 (2014). For example, the Patent Office issued the '078, at least in part, based on the claimed novelty of not being able to access a mobile electronic device until a predetermined condition is satisfied. Such an abstract idea lacks any inventive concept and, thus, is not patentable under 35 U.S.C. § 101.

39. Therefore, a judicial declaration of invalidity is necessary and appropriate to resolve this controversy and prevent Yondr from continuing to allege validity of the '078 Patent.

Count III
Declaratory Judgment of Invalidity or Unenforceability
of Registered Trademark No. 6,995,045

40. The allegations set forth in Paragraphs 1 through 26 of Be Smarter's Counterclaims are incorporated by reference as if fully set forth herein.

41. As a result of the acts described in the foregoing Paragraphs, there exists an actual and justiciable controversy between Be Smarter and Yondr regarding the validity and enforceability of the '045 Mark.

42. The '045 Mark is invalid or unenforceable due to inequitable conduct before the United States Trademark Office in the preparation and prosecution of the '045 Mark.

43. The Yondr Applicants filed the application leading to registration of the

'045 Mark on or about December 13, 2021. Yondr's trade dress application purported to cover the product configuration of its Yondr cell-phone pouch.

44. On or about October 6, 2022, the Trademark Office's examining attorney specifically asked Yondr whether the applied-for product configuration trade dress was the subject of any issued or applied for patents: "Applicant must provide the following information and documentation regarding the applied-for three-dimensional configuration mark: (1) A written statement as to whether the applied-for mark, or any feature(s) thereof, is or has been the subject of a design or utility patent or patent application,...." The trademark examiner posed this important, *i.e.*, material, question because a party cannot acquire trade dress rights over a functional product configuration. *See* 15 U.S.C. §§1052(e)(5), 1091(c), 1115(b)(8); TMEP § 1202.02(a)(iii)(A).

45. A true and correct copy of the Trademark Office's October 6, 2022, Office Action is attached to these Amended Counterclaims as Exhibit B.

46. U.S. Patent No. 9,819,788 issued on or about November 14, 2017. Yondr claims its "Yondr System" (as defined in Paragraph 2 of the Complaint (Dkt. 1)) embodies at least one claim of the '788 Patent.

47. The Yondr Applicants filed U.S. Patent Application No. 16,813,437 on or about March 9, 2020. On or about October 29, 2024, United States Patent No. 12, 133,074 issued from U.S. Patent Application No. 16,813,437.

48. That is, at the time the Trademark Office examining attorney posed his or her question, Yondr had obtained the '788 patent and applied for what is now the '074 patent.

49. Yondr claims its “Yondr System” (as defined in Paragraph 2 of its Complaint) embodies at least one claim of the ‘788 Patent. Yondr alleges that “Yondr’s patented system comprises (and the Asserted Patents disclose) a case sized to receive a mobile device which has a locking mechanism to secure the device and render it unable to be accessed by the user until a predetermined condition is met (the “Yondr System”). (Dkt. 1 at 2.) Yondr also states in its Complaint “The Yondr Registered Product Configuration Mark covers the Yondr Pouch.” (Dkt. 1 at 24.) In its letters to Be Smarter Customers accusing Be Smarter of infringing intellectual property rights, Yondr asserts, “the distinctive design of Yondr’s pouches is covered by Yondr’s federally Registered Trademark No. 6,996,045. See Exhibits D and E.

50. Nevertheless, in response to the Trademark Office examining attorney’s question, Yondr and its attorneys (referred to as the “Yondr Applicants”) failed to disclose Yondr’s ‘788 Patent or its ‘437 Patent Application.

51. On or about November 11, 2022, the Yondr Applicants affirmatively stated to the Trademark Office examining attorney: “Examiner requested further information. In response, 1) the applied-for trademark design has not been claimed in any US or foreign patent filings; ...”

52. A true and correct copy of Yondr’s Response to Office Action dated November 11, 2022, is attached to these Amended Counterclaims as Exhibit C.

53. The Yondr Applicants failed to inform the Trademark Office examining attorney who was examining the application that led to registration of the ‘045 Mark that their purported trade dress was the subject of a patent or patent application in response

to the specific question posed by the examining attorney despite knowing Yondr's U.S. Patent No. 9,819,788 had issued and U.S. Patent Application No. 16,813,437 was pending at that time.

54. The Yondr Applicants knowingly and intentionally failed to disclose this material information because they knew Yondr's issued and pending utility patents demonstrated the functionality of their claimed product configuration trade dress. The Yondr Applicants knew such functionality would cause the Trademark Office to reject their effort to register such functional product configuration trade dress. That is, Yondr is well aware that a product design cannot be covered by both a utility patent, demonstrating there is some novel invention or functionality, and product configuration trade dress, as such functionality precludes trade dress protection. Therefore, the Yondr Applicants knowingly misled the Trademark Office in their effort to register the '045 Mark.

55. The Yondr Applicants failed to disclose specific uses of the trademark in violation of 15 U.S.C. § 1064, and other applicable statutes, regulations, rules, or procedures.

56. In light of the Yondr Applicants failing to disclose their '788 Patent and '437 Patent Application demonstrating the functionality of the claimed product configuration trade dress, the Trademark Office reasonably relied on the Yondr Applicants' false representations that they had no applicable patents or patent applications and registered the product configuration trade dress covered by the '045 Mark.

57. Yondr is now asserting its '045 Mark against Be Smarter in this action and seeking damages for Defendants' alleged infringement. Yondr also is citing its '045 Mark in correspondence and conversations with Be Smarter's actual and potential customers in order to mislead and discourage those customers from doing business with Be Smarter. See Exhibits D, E, and F attached to these Amended Counterclaims. Yondr's bad faith actions have caused at least one customer to cancel its orders from Be Smarter thereby damaging Be Smarter.

58. In summary, Yondr's representation to the Trademark Office examining attorney that it had no applicable patents or patent applications was a false representation of a material fact. Yondr knew its representation was false. Yondr made this knowing false representation in order to deceive the Trademark Office and induce the Trademark Office to wrongfully register its claimed trade dress. The Trademark Office reasonably relied on Yondr's false representation as evidenced by the Trademark Office registering the '045 Mark. Be Smarter is being damaged by this false statement by virtue of Yondr asserting its '045 Mark against Be Smarter in this action and using its '045 Mark to mislead and discourage Be Smarter's actual and potential customers.

59. The Yondr Applicants purposely engaged in a pattern and practice of deception and otherwise improper conduct in connection with their prosecution of the '045 Mark which renders the '045 Mark unenforceable.

60. A judicial declaration of invalidity and unenforceability is necessary and appropriate to resolve this controversy and prevent Yondr from continuing to allege validity of and enforce the '045 Mark.

Count IV
Cancellation of the '045 Mark

61. The allegations set forth in Paragraphs 1 through 26 of Be Smarter's Counterclaims are incorporated by reference as if fully set forth herein.

62. The Yondr Applicants filed the application leading to registration of the '045 Mark on or about December 13, 2021. Yondr's trade dress application purported to cover the product configuration of its Yondr cell-phone pouch.

63. On or about October 6, 2022, the Trademark Office's examining attorney specifically asked Yondr whether the applied-for product configuration trade dress was the subject of any issued or applied for patents: "Applicant must provide the following information and documentation regarding the applied-for three-dimensional configuration mark: (1) A written statement as to whether the applied-for mark, or any feature(s) thereof, is or has been the subject of a design or utility patent or patent application,...." The trademark examiner posed this question because a party cannot acquire trade dress rights over a functional product configuration. *See* 15 U.S.C. §§1052(e)(5), 1091(c), 1115(b)(8); TMEP § 1202.02(a)(iii)(A).

64. Yondr claims that its '045 Mark "covers the Yondr Pouch." (Dkt. 1 at 45.)

65. Yondr also claims that its Yondr Pouch is covered by its Asserted Patents. (Dkt. 1 at 2; Exhibits D and E to these Amended Counterclaims.)

66. For example, the '788 Patent describes an embodiment of the claimed inventions as follows: "In an embodiment, the apparatus may be a case sized to receive a mobile electronic device, the case having a locking means to at least partially secure an opening thereof." ('788 Patent, Abstract.) "When engaged, the locking means may be

physically impenetrable by the user of the mobile electronic device and may further be configured to engage and disengage in the presence of one or more pre-determined conditions.” (*Id.*)

67. In other words, the ‘788 Patent claims that any cell-phone pouch with a lock that disengages upon satisfying a pre-determined condition practices the claimed invention. Such an invention, if validly patentable, would cover the product-configuration trade dress also purportedly covered by the ‘045 Mark, thereby demonstrating the functionality of Yondr’s claimed product-configuration trade dress.

68. In other words, Yondr is asserting trademark rights in a product configuration that it also claims is functional, making such product-configuration ineligible for trademark protection.

69. Yondr also obtained the ‘045 Mark via inequitable conduct and fraud before the United States Trademark Office in the preparation and prosecution of the ‘045 Mark as described in Count III of these Amended Counterclaims, which is incorporated by reference into this Count IV.

70. Therefore, this Court should cancel the ‘045 Mark as it improperly covers a functional product-configuration and was fraudulently obtained, pursuant to 15 U.S.C. §§ 1052(e)(5), 1064, 1115(b)(1) and (8), and 1119.

Count V
Tortious Interference with Business Relations and Prospective Business Relations

71. The allegations set forth in Paragraphs 1 through 26 of Be Smarter’s Counterclaims are incorporated by reference as if fully set forth herein.

72. As of September 2024, Be Smarter had reached agreements to sell its accused CellockED to a number of customers including the Denver Public Schools and the Taylor, Texas Independent School District. Be Smarter reasonably expected to make considerable sales of its CellockED products to the Denver Public Schools and the Taylor, Texas, Independent School District. Be Smarter also had ongoing business relationships with Tulsa Public Schools, Taos Public Schools, and the Raymondville Texas Independent School District, among others. Be Smarter reasonably expected to make considerable sales of its CellockED products to these and other school districts across the country.

73. As of September 2024, Yondr was aware of Be Smarter's contract with Denver Public Schools. Yondr was aware of Be Smarter's business relationship with Denver Public Schools. As of September 2024, Yondr was aware of Be Smarter's contract with the Taylor, Texas Independent School District. Yondr was aware of Be Smarter's business relationships with the Taylor, Texas Independent School District. Yondr also was aware of Be Smarter's business relationships with Tulsa Public Schools, Taos Public Schools, and the Raymondville, Texas Independent School District.

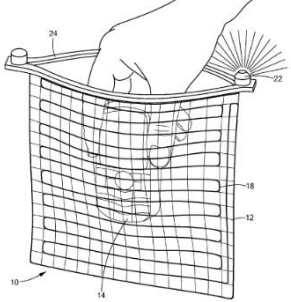
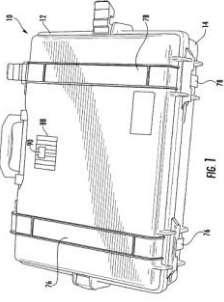
74. Yondr alleges in its Complaint in this case that Be Smarter has "partnered" with its customers. (Dkt. 1 at ¶ 45.) Yonder alleges in its Complaint in this case that Be Smarter is profiting from its "partnerships" with its customers. (*Id.*) Therefore, Yondr cannot deny knowing of or being aware of at least some of Be Smarter's customers for its accused CellockED product. Yondr cannot deny being aware of Be Smarter's business relationships with school districts across the country.

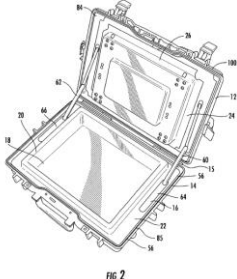
75. On information and belief, on or about September 30, 2024, Yondr sent letters to Be Smarter’s Customers accusing Be Smarter and its customers of infringing the ‘788 Patent and the ‘045 Mark and threatening Be Smarter’s customers with infringement litigation if they did not terminate their arrangements with Be Smarter.

76. A true and correct copy of Yondr’s letter to the Taylor, Texas Independent School District dated September 30, 2024, is attached to these Amended Counterclaims as Exhibit D.

77. A true and correct copy of Yondr’s letter to the Denver Public Schools dated September 30, 2024, is attached to these Amended Counterclaims as Exhibit E.

78. On or about October 29, 2024, Be Smarter wrote to Yondr explaining that its ‘788 Patent is invalid as anticipated or obvious in view of the prior art, including but not limited to U.S. Patent Application No. 13/011356 to Stewart and U.S. Patent No. 9,928,387 to Simpson. In its October 29 letter, Be Smarter provided an exemplary invalidity chart explaining in detail how all elements of the only asserted independent claim of the ‘788 Patent are taught by two prior art references:

‘788 Patent, Claim 3	Stewart 2012/0187003	Simpson 9,928,387
3. A system for selectively limiting a user's control of such user's own electronic device, comprising:	[preamble]	[preamble]
a case sized to receive the user's mobile electronic device having a front and a rear panel each having first and second longitudinally opposed side edges and laterally opposed lower edges, the first, second, and lower edges being secured	 <p style="text-align: center;">FIG. 3</p>	 <p style="text-align: center;">FIG. 1</p>

<p>together to define an opening for receiving a mobile electronic device,</p>	<p>Claim 15 – A security device: a pouch for housing a product therein.</p>	 <p>FIG 2</p>
<p>the case operative to become locked so that the user is unable to access his own mobile electronic device contained therein until a predetermined condition is met;</p>	<p>Claim 8 – The security device of claim 1, further comprising a locking mechanism...</p>	<p>Abstract - The present invention is a self contained, portable security case or container. The case is secure in its locked condition by locks which are preferably operated by an electronic key. The electronic <i>key can be programmed to open the case or container dependent upon various different conditions, for example, location, time</i>, identification of operator, etc. In addition...</p>
<p>a locking means for at least partially securing the opening; and means for unlocking the case.</p>	<p>Claim 5 – The security device of claim 2, further comprising an unlocking mechanism...</p>	<p>Abstract - The present invention is a self contained, portable security case or container. The case is secure in its locked condition by locks which are preferably operated by an electronic key. The electronic <i>key can be programmed to open the case or container dependent upon various different conditions, for example, location, time</i>, identification of operator, etc. In addition...</p>

(Exhibit A, at 2-3.)

79. Yondr did not respond to or otherwise rebut Be Smarter’s October 29 letter.

80. In addition, as set forth in Count III of these Amended Counterclaims which is incorporated by reference into this Count V, Yondr is aware that it made false representations to the Trademark Office in its effort to register the ‘045 Mark because its product configuration cannot be both novel and functional enough to warrant patent

protection and, at the same time, protectable as non-functional trade dress.

81. Be Smarter advised Yondr that its claimed trade dress mark was invalid and unenforceable in its October 29 letter. (Exhibit A at 3-4.)

82. After receiving Be Smarter's October 29, 2024, letter, Yondr continued to correspond with Be Smarter's Customers, accusing such customers and Be Smarter of infringing its intellectual property rights. For example, on or about December 5, 2024, counsel for Yondr wrote to the Taylor, Texas Independent School District continuing to assert that Be Smarter's sales of its CellockED product infringes Yondr's intellectual property.

83. A true and correct copy of Yondr's email to Taylor, Texas Independent School District dated December 5, 2024, is attached to these Amended Counterclaims as Exhibit F.

84. On or about January 27-28, Be Smarter and Yondr attended the Texas Association of School Administrators (TASA) Midwinter Conference in Austin, Texas. At that conference, Yondr continued to falsely claim Be Smarter is infringing valid and enforceable intellectual property rights.

85. Yondr knowingly and intentionally continues to threaten Be Smarter's Customers with full knowledge that its patents are invalid and its '045 Mark was fraudulently obtained for at least the reasons described in Be Smarter's October 29 as well as the facts set forth in Count III of these Amended Counterclaims.

86. Yondr is acting in bad faith by knowingly and intentionally trying to interfere with Be Smarter's contractual and business relationships with its customers.

87. Yondr's objective bad faith is shown by the invalidity analysis set forth in Be Smarter's October 29 letter to Yondr as well as Be Smarter's false statements to the Trademark Office outlined in Count III of these Amended Counterclaims.

88. Yondr's subjective bad faith is shown by its intentional actions, *i.e.*, its ongoing efforts to mislead and discourage Be Smarter's customers, even though Yondr knows that its patents are invalid and it obtained its '045 Mark via false representations to the Trademark Office.

89. As a direct result of Yondr's knowing and intentional tortious interference with Be Smarter's contractual and business relationships with its customers, Denver Public Schools terminated its contract with Be Smarter.

90. Yondr cannot reasonably expect to succeed on the merits of its patent and trademark infringement claims in this action in light of its patents' invalidity and its trademark's unenforceability due to inequitable conduct.

91. Be Smarter has lost actual sales and suffered actual damage as the proximate result of Yondr's tortious interference with the foregoing contracts and business relationships.

Prayer for Relief

WHEREFORE, Be Smarter prays that the Court enter judgment in favor of Be Smarter against Plaintiff on these Counterclaims, granting the following relief pursuant to 28 U.S.C. 2201 and 2202, 35 U.S.C. 285, and any other applicable law, rule, or inherent power of the Court:

- a. dismissal of all of Yondr's claims against Be Smarter in this action with prejudice;
- b. a declaration that all asserted claims of the '788 Patent are invalid;
- c. a declaration that all asserted claims of the '078 Patent are invalid;
- d. a declaration that the '045 Mark is invalid or unenforceable;
- e. cancellation of the '045 Mark;
- f. all lost profits and other damages resulting from Yondr's tortious interference with Be Smarter's business relationships;
- g. exemplary or punitive damages for Yondr's intentional tortious actions;
- h. reasonable attorneys' fees;
- i. court costs; and
- j. all other relief the Court deems fair and equitable.

[continued on next page]

Jury Demand

Counterclaim-Plaintiff Be Smarter requests a trial by jury on all matters and issues properly tried to a jury pursuant to Federal Rules of Civil Procedure 38 and 39 and other applicable federal and state law.

Dated: January 31, 2025

Respectfully submitted,

By: /s/ Arthur Gollwitzer III
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Certificate of Service

I, Arthur Gollwitzer III, an attorney of record in this matter, hereby certify that on January 31, 2025, I electronically filed the following document:

Defendant Be Smarter's First Amended Counterclaims

with the Clerk of the United States District Court for the Western District of Texas, Austin Division, using the CM/ECF system, which will send notification and a copy of this filing to the following counsel of record:

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By: /s/ Arthur Gollwitzer III
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