

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

UMF CORPORATION and)	
SWEPORTS LIMITED,)	
)	
Plaintiffs,)	
)	
v.)	Case No. 13-cv-02975
)	
NORWEX USA, INC. and)	
NORWEX ENVIRO PRODUCTS, INC.,)	
)	
Defendants.)	

COMPLAINT

Plaintiffs UMF Corporation (“UMF”) and Sweports Limited (“Sweports”), through undersigned counsel, complain against Defendants Norwex USA, Inc. (“Norwex USA”) and Norwex Enviro Products, Inc. (“Norwex Enviro” and, together with Norwex USA, “Norwex”) as follows:

The Nature of the Claims

1. Pursuant to a written license agreement between UMF and Sweports, UMF is the exclusive licensee of certain intellectual property rights, including rights in the 455 Patent, in connection with any and all woven and knitted textile products combining antimicrobial technologies or chemistry with micro-dernier fibers. A copy of the exclusive license agreement between Sweports and UMF (the “Exclusive License Agreement”) is attached as **Exhibit 1**.
2. Norwex has infringed and continues to infringe the 455 Patent through its advertising, marketing, sales and distribution of products incorporating the invention encompassed in the 455 Patent.
3. Through this complaint, Plaintiffs seek to recover damages from Norwex arising from Norwex’s infringement of the 455 Patent.

4. Additionally, through this action, Plaintiffs seek injunctive relief to enjoin Norwex's infringement of the 455 Patent.

The Parties

5. Plaintiff UMF is an Illinois corporation with its principal place of business in Skokie, Illinois.

6. Plaintiff Sweports is a Delaware corporation with its principal place of business in Skokie, Illinois. Sweports is the assignee of United States Pat. No. 6,258,455 B1 entitled "Antimicrobial Ultra-Microfiber Cloth" issued July 10, 2001 (the "455 Patent"). A copy of the 455 Patent is attached as **Exhibit 2**.

7. Defendant Norwex USA is a Texas corporation with its principal place of business in Dallas County, Texas.

8. Defendant Norwex Enviro is a Canadian corporation with its principal place of business in Dauphin, Manitoba, Canada.

Jurisdiction and Venue

9. The claims presented in this complaint arise under the patent laws of the United States, and subject matter jurisdiction is proper in this Court under 28 U.S.C. §§1331 and 1338, as this action is predicated on a federal question involving a patent issued by the United States Patent and Trademark Office.

10. Norwex directly and regularly solicits and conducts business within the Northern District of Illinois. Norwex derives revenue from business transacted within this judicial district arising out of the marketing, distribution and sale of products infringing the 455 Patent.

11. Norwex markets a variety of cleaning products incorporating the invention encompassed by the 455 Patent on its website. Through the Norwex website, Norwex connects customers interested in purchasing products infringing the 455 Patent with sales representatives

located within the Northern District of Illinois, through whom the customers can purchase products infringing UMF's exclusive rights associated with the 455 Patent.

12. At all times material to Plaintiffs' disputes with Norwex, and pursuant to the terms of the Exclusive License Agreement, UMF has sold and distributed woven and knitted textile produces combining antimicrobial technologies and chemistry with micro-denier fibers developed under the PerfectClean® brand within the Northern District of Illinois.

13. Norwex sells the products infringing UMF's rights associated with the 455 Patent through Norwex's website and through sales representatives located in the Northern District of Illinois who Norwex identifies to customers upon inquiry.

14. A list of ten individuals held out to the public by Norwex as Norwex sales representatives who market and sell the Norwex products infringing UMF's rights under the Exclusive License Agreement associated with the 455 Patent within the Northern District of Illinois is attached as **Exhibit 3**. The Norwex sales representatives named in Exhibit 3 were identified upon inquiry to the Norwex website for Norwex sales representatives in the vicinity of United States Zip Code 60654 as of April 19, 2013.

15. Norwex sales representatives sell products infringing UMF's exclusive rights under the Exclusive License Agreement associated with the 455 Patent through sales events conducted at private homes (the "Parties") within this judicial district and have sold the products infringing UMF's rights under the Exclusive License Agreement associated with the 455 Patent at Parties conducted within this judicial district.

16. Venue is proper in the Northern District of Illinois pursuant to 28 U.S.C. §§ 1391(b)(2) and 1400(b).

COUNT I – INFRINGEMENT OF THE 455 PATENT

17. Plaintiff UMF is in the business of developing and marketing high-performance textiles for the commercial cleaning and infection-control markets.

18. Plaintiff Sweports is the owner of the 455 Patent.

19. On October 24, 2000, Sweports entered into the Exclusive License Agreement with UMF. Pursuant to the Exclusive License Agreement, UMF is the exclusive licensee of the 455 Patent in connection with any and all woven and knitted textile products combining antimicrobial technologies or chemistry with micro-denier fibers.

20. Pursuant to the terms of the Exclusive License Agreement, UMF sells and distributes antimicrobial cleaning products incorporating the invention claimed in the 455 Patent under the PerfectClean® trade name throughout the United States.

21. Pursuant to the Exclusive License Agreement, Plaintiff Sweports collects royalties on the sale of the antimicrobial cleaning products incorporating the 455 Patent sold and distributed by UMF under the PerfectClean® trade name.

22. Norwex advertises, sells, and distributes a variety of microfiber cloth products infused with an antimicrobial agent (referred to collectively as the “Infringing Products”).

23. At all relevant times, Norwex has advertised, marketed, distributed, and sold products under the trade name “Antibac Enviro Cloth” through its website and through parties conducted by Norwex sales representatives. Norwex’s 2012 product catalog (the “2012 Catalog”), a document distributed by Norwex sales representatives within the Northern District of Illinois, states that the so-called “antibac” microfiber cloth is infused with silver as an antibacterial agent. A copy of the 2012 Catalog is attached as **Exhibit 4**.

24. A wide variety of Infringing Products are identified in the 2012 Catalog, including the “enviro cloth,” the “dusting mitt,” the “envirotowel,” the “travel pack,” the “wet

mop pad,” the “tea towel set,” the “bathroom scrub mitt,” the “sport towel,” the “kids cloth,” the “small wet mop,” the “baby hooded towel set,” and the “kids towel.”

25. In the marketing materials published by Norwex, including the 2012 Catalog, Norwex expressly claims that intertwined in the microfibers of its Infringing Products are silver ions that kill the bacteria, mold, and fungi that the cloth picks up when used to wipe hard surfaces.

26. Consequently, the Infringing Products advertised, marketed, distributed and sold by Norwex incorporate the invention claimed in the 455 Patent.

27. Norwex is not a licensee of the 455 Patent.

28. During the period encompassing the six years prior to the filing of this complaint, Norwex has sold, advertised, marketed, and distributed the Infringing Products in this judicial district, as well as elsewhere in the United States, unlawfully and willfully without license or the consent of Sweports or UMF.

29. At all times material to this action, UMF has advertised, marketed, distributed, and sold products incorporating the invention claimed in the 455 Patent extensively and enjoyed commercial success through its efforts and investment.

30. Sweports has received royalties from UMF pursuant to the terms of the Exclusive License Agreement in connection with UMF’s sales of products incorporating the invention claimed in the 455 Patent.

31. UMF has complied with the statutory requirement of providing notice of the 455 Patent to Norwex.

32. Upon receipt of UMF's initial correspondence concerning Norwex's infringement in November 2011, Norwex responded by asserting that it required time to evaluate UMF's claim of infringement.

33. Norwex subsequently filed suit against Sweports and UMF in the United States District Court for the Northern District of Texas seeking a declaratory judgment to the effect that: (a) the Infringing Products do not infringe the 455 Patent; (b) the 455 Patent is invalid; and (c) the 455 Patent is unenforceable due to inequitable conduct. That action was subsequently transferred to the Northern District of Illinois in response to a motion to transfer venue filed by Sweports and UMF. Norwex dismissed that action after an involuntary bankruptcy filed against Sweports resulted in Norwex's action being stayed.

34. Norwex has declined UMF's requests that it cease and desist from the advertisement, marketing, distribution and sale of the Infringing Products.

35. Norwex continues to advertise, market, distribute, and sell the Infringing Products through its website, distributors and Norwex sales representatives located in the Northern District of Illinois and throughout the United States.

36. Under these circumstances, it is clear that Norwex will continue its infringement unless enjoined by this Court.

37. UMF has suffered great damage as a consequence of Norwex's infringement.

38. Sweports has also been damaged as a consequence of Norwex's infringement.

39. Norwex's advertising, marketing, distribution, and sales of the Infringing Products will cause irreparable harm to UMF and Sweports, including through the consumer confusion that will continue to result from customers who will confuse the Infringing Products

with UMF's high-quality products that lawfully incorporate the invention claimed in the 455 Patent.

40. Norwex's ongoing infringement of the 455 Patent, even after receiving UMF's cease and desist correspondence in November 2011 and subsequent demands has been knowing, deliberate, intentional, and willful.

WHEREFORE, Plaintiffs UMF and Sweports ask that judgment be entered in their favor and against Defendants Norwex Enviro and Norwex USA as follows:

- (1) that Norwex Enviro and Norwex USA be preliminarily and permanently enjoined from the advertising, marketing, distribution, and sale of products incorporating the invention claimed in the 455 Patent;
- (2) that Norwex Enviro and Norwex USA provide an accounting of all sales of products incorporating the 455 Patent;
- (3) that UMF and Sweports be awarded damages arising from Norwex Enviro's and Norwex USA's advertising, marketing, distribution, and sale of infringing products, as well as prejudgment and post-judgment interest on those damages;
- (4) that UMF and Sweports be awarded enhanced damages as a consequence of Norwex Enviro's and Norwex USA's intentional and willful infringement; and
- (5) that UMF and Sweports be awarded its attorney's fees and costs as well as such other relief as this Court deems just.

Plaintiffs demand a jury.

Dated: April 19, 2013

Respectfully submitted,

/s/ David B. Goodman

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