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and Accessories Marketing, Inc.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

SEALANT SYSTEMS
INTERNATIONAL, INC. AND
ACCESSORIES MARKETING, INC.

Plaintiffs,

v.

TEK GLOBAL S.R.L. AND TEK
CORPORATION

Defendants.

CASE NO. CV 11-0774-PSG

**SECOND AMENDED COMPLAINT
FOR:**

**(1) DECLARATORY RELIEF; AND
(2) PATENT INFRINGEMENT**

DEMAND FOR JURY TRIAL

(CONSOLIDATED WITH CASE NO.
CV 11-1649)

Plaintiffs Sealant Systems International, Inc. ("SSI") and Accessories Marketing, Inc. ("AMI") (collectively, SSI and AMI may be referred to as "Plaintiffs") state and allege for their Second Amended Complaint against Defendants TEK Global S.R.L. ("TEK Global") and TEK Corporation ("TEK Corp.") (collectively, TEK Global and TEK Corp. may be referred to as "Defendants" or "TEK") as follows:

NATURE OF ACTION

1. This action arises under the Declaratory Judgment Act, 28 U.S.C. §§ 2201, *et seq.*, and the Patent Act of the United States, 35 U.S.C. §§ 1, *et seq.*

2. Counts I and II of this Second Amended Complaint are for a Declaratory

1 Judgment declaring that U.S. Patent No. 7,789,110 (the "'110 Patent"), entitled "Kit
2 for Inflating and Repairing Inflatable Articles, in Particular Tyres," is not infringed by
3 Plaintiffs and is invalid under United States Patent Act, 35 U.S.C. § 1, *et seq.* (the
4 "Declaratory Judgment claim").

5 3. Count III of this Second Amended Complaint is for infringement of U.S.
6 Patent No. 6,789,581 (the "'581 Patent"), entitled "Apparatus for Sealing, Inflating,
7 and Repairing Tires" ("Patent Infringement Claim"), by TEK.

8 **PARTIES**

9 4. At all times mentioned herein, Plaintiffs AMI and SSI are engaged in the
10 manufacturing and sale of onboard tire repair systems. SSI and AMI are California
11 corporations with their principal place of business in Grover Beach, California.

12 5. At all times mentioned herein, on information and belief Defendant TEK
13 Global is an Italian limited liability company having an office and place of business
14 at Via Icaro No. 11, Pesaro (PU) Italy. On further information and belief, TEK
15 Global designs, develops, manufactures, markets and sells automotive tire repair kits
16 world-wide, including the United States. On further information and belief, TEK
17 Global's kits include an air compressor and a container of sealant that allow the user
18 to repair tires by injecting sealant into the tire using air from the air compressor.

19 6. At all time mentioned herein, on information and belief, Defendant TEK
20 Corp. is a Michigan corporation having its principal place of business at 450 Robbins
21 Dr., Troy, Michigan 48083. On further information and belief, TEK Corp. markets
22 and sells in the United States automotive tire repair kits designed and/or made by
23 TEK Global.

24 **JURISDICTION AND VENUE**

25 7. This Court has subject matter jurisdiction over the Declaratory Judgment
26 claim under at least 28 U.S.C. §§ 1331, 1338(a), 2201, and 2202. There is an actual
27 case and controversy within this Court's jurisdiction regarding non-infringement and
28 invalidity of the '110 Patent.

1 8. This Court has original and exclusive subject matter jurisdiction over the
2 infringement claim under 28 U.S.C. §§ 1331 and 1338(a). There is an actual case and
3 controversy within this Court's jurisdiction regarding infringement of the '581 Patent.

4 9. This Court has personal jurisdiction over Defendants, because, among
5 other things, (a) TEK Global sent various communications to SSI at its California
6 headquarters alleging infringement of the '110 Patent, (b) on information and belief,
7 Defendants frequently sell product to American Honda Motor Co. Inc., a California
8 corporation, and (c) on information and belief, Defendants have transacted and are
9 transacting business in the Northern District of California that includes, but is not
10 limited to, the use and sale of products and systems that practice the subject matter
11 claimed in the '581 Patent.

12 10. Venue over the Declaratory Judgment claim is proper in this district
13 pursuant to 28 U.S.C. § 1391(d). Venue over the Infringement claim is proper in this
14 district pursuant to 28 U.S.C. §§ 1391(b-c) and 1400(b) because a substantial part of
15 the events or omissions giving rise to the claims occurred in this District where
16 Defendants have done business and committed infringing acts and continue to do
17 business and commit infringing acts.

18 11. At all times mentioned herein, Defendants allege that TEK Global owns
19 the '110 Patent and allege that TEK Corp. is the exclusive licensee of the '110 Patent
20 for North America. A true and correct copy of the '110 Patent is attached hereto as
21 **Exhibit A.**

22 12. On November 2, 2009, TEK Global sent SSI a letter to its California
23 headquarters claiming that SSI's automatic tire repair system infringed several of
24 TEK Global's United States Published Patent Applications, including the Patent
25 Application which corresponds to the '110 Patent, No. 2008/0029181. A true and
26 correct copy of this letter is attached hereto as **Exhibit B.**

27 13. The letter attached two US Patent Application Publications and claimed
28 that once the patent applications were granted, TEK Global would be entitled to

1 compensation from SSI.

2 14. On November 22, 2010, TEK Global sent SSI another letter to its
3 California headquarters notifying SSI that it had filed suit against SSI for patent
4 infringement, and attached the complaint. A true and correct copy of this letter is
5 attached hereto as **Exhibit C**.

6 15. In fact, on November 10, 2010, TEK Global filed suit against SSI in the
7 United States District Court Southern District of New York, case number 10 CIV
8 8757 (AKH) ("TEK Global's Patent Infringement Action"). SSI successfully moved
9 to transfer TEK Global's Patent Infringement Action to this Court, and that action was
10 consolidated with the instant action by order entered May 18, 2011. *See* Docket
11 Entry No. 8.

12 16. On September 19, 2011, Defendants filed their First Amended
13 Complaint for Patent Infringement in this Court, case number 11-cv-1649-PSG
14 ("Defendants' Patent Infringement Action"). *See* Docket Entry No. 22.

15 17. Under these circumstances, there is a substantial controversy between
16 Defendants and SSI. In light of Defendants' Patent Infringement Action, this
17 controversy is of sufficient immediacy and reality to justify the issuance of a
18 declaratory judgment regarding the parties' respective rights as they relate to the
19 alleged infringement and validity of the claims of the '110 Patent.

20 18. At all times mentioned herein, AMI owns the '581 Patent.
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CAUSES OF ACTION

COUNT ONE

DECLARATORY JUDGMENT OF NON-INFRINGEMENT

19. SSI repeats and realleges the allegations of paragraphs 1 through 16 above, and incorporates those allegations herein by this reference.

20. SSI's product does not infringe, either directly, indirectly, by contribution, or by inducement, or in any other way, any claim of the '110 Patent, either literally or under the doctrine of equivalents, willfully or otherwise.

21. Based on Defendants' filing of their Patent Infringement Action and TEK Global's correspondence asserting that it is entitled to compensation from SSI based on the allegation that '110 Patent covers SSI's automatic tire repair system, there is a justiciable controversy between the parties regarding the non-infringement of the '110 Patent by SSI, and SSI is entitled to a declaratory judgment that will finally resolve this issue.

22. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, SSI requests a declaration by the Court that it does not infringe either directly, indirectly, by contribution, or by inducement, or in any other way, any claim of the '110 Patent, either literally or under the doctrine of equivalents, willfully or otherwise.

COUNT TWO

DECLARATORY JUDGMENT OF INVALIDITY

23. SSI repeats and realleges the allegations of paragraphs 1 through 20 above, and incorporates those allegations herein by this reference.

24. On information and belief, the claims of the '110 Patent are invalid for failure to comply with one or more of the conditions for patentability set forth in the United States Patent Act, 35 U.S.C. § 100 *et seq.*

25. Based on Defendants' filing of their Patent Infringement Action, there is a justiciable controversy between the parties regarding the invalidity of the '110

1 Patent, and SSI is entitled to a declaratory judgment that will finally resolve this
2 issue.

3 26. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et*
4 *seq.* and 35 U.S.C. § 100 *et seq.*, SSI requests a declaration by the Court that the
5 claims of the '110 Patent are invalid.

6 COUNT THREE

7 INFRINGEMENT OF THE '581 PATENT

8 27. AMI repeats and realizes the allegations of paragraphs 1 through 24
9 above, and incorporates those allegations herein by this reference.

10 28. The '581 Patent entitled "Apparatus for Sealing, Inflating, and Repairing
11 Tires" was duly and legally issued on September 14, 2004. A true and correct copy
12 of the '581 Patent is attached hereto as **Exhibit D** and is incorporated herein by this
13 reference. By a series of assignments, AMI is now the assignee of the entire right,
14 title and interest in and to the '581 Patent, including all rights to enforce the '581
15 Patent and to recover for infringement. The '581 Patent is valid and in force.

16 29. Defendants, by the acts complained of herein, and by making, using,
17 selling, offering for sale, and/or importing into the United States instrumentalities
18 embodying the invention, have in the past, do now, and continue to infringe the '581
19 Patent directly, contributorily and/or by inducement, literally and/or under the
20 doctrine of equivalents, in violation of 35 U.S.C. § 271.

21 30. By reason of the acts of Defendants alleged herein, AMI has suffered
22 damage in an amount to be proved at trial.

23 31. Defendants threaten to continue to engage in the acts complained of
24 herein and, unless restrained and enjoined, will continue to do so, all to AMI's
25 irreparable injury. It would be difficult to ascertain the amount of compensation that
26 would afford AMI adequate relief for such future and continuing acts, and a
27 multiplicity of judicial proceedings would be required. AMI does not have an
28 adequate remedy at law to compensate it for the injuries threatened.

32. Defendants' infringement has been willful and with full knowledge of the '581 Patent, making this an exceptional case pursuant to 35 U.S.C. § 284. For example, on information and belief, TEK has had knowledge of the '581 patent since at least December 2, 2009, the date that a United States patent examiner cited as a reference the '581 Patent during the prosecution of Defendants' then-pending patent application, which later became the '110 Patent.

JURY DEMAND

33. Plaintiffs demand that all claims and causes of action raised in this Complaint against Defendants be tried to a jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for the following relief:

1. A declaratory judgment that SSI does not infringe and has not infringed, literally or by equivalents, directly or by inducement or contributory infringement, any claim of the '110 Patent;

2. A declaratory judgment that the claims of the '110 Patent are invalid;

3. A judgment finding this case exceptional under 35 U.S.C. § 285 and awarding SSI its costs and reasonable attorneys' fees incurred defending TEK's claims of infringement;

4. An order finding that the '581 Patent is valid and enforceable;

5. An order finding that Defendant has infringed the '581 Patent directly, contributorily and/or by inducement, in violation of 35 U.S.C. § 271;

6. An order temporarily, preliminarily and permanently enjoining Defendant, its officers, directors, agents, servants, affiliates, employees, subsidiaries, divisions, branches, parents, attorneys, representatives, privies, and all others acting in concert or participation with any of them, from infringing the '581 Patent directly, contributorily and/or by inducement, in violation of 35 U.S.C. § 271;

7. An order directing Defendant to file with the Court, and serve upon AMI's counsel, within thirty (30) days after entry of the order of injunction, a report

1 setting forth the manner and form in which it has complied with the injunction;

2 8. An order awarding AMI general and/or specific damages adequate to
3 compensate AMI for Defendant's infringement, including a reasonable royalty and/or
4 lost profits, in amounts to be fixed by the Court in accordance with proof, including
5 enhanced and/or exemplary damages, as appropriate, as well as all of Defendant's
6 profits or gains of any kind from its acts of patent infringement;

7 9. An order awarding AMI pre-judgment interest and post-judgment
8 interest at the maximum rate allowed by law;

9 10. An order requiring an accounting of the damages to which AMI is found
10 to be entitled;

11 11. An order finding that TEK's acts of infringement were willful and
12 declaring this case to be exceptional pursuant to 35 U.S.C. § 285 and awarding AMI
13 enhanced damages, its attorneys' fees, costs and expenses incurred by Plaintiffs in
14 connection with this action; and

15 12. An order awarding Plaintiffs such other and further relief as the Court
16 deems just and proper.

17
18 DATED: October 6, 2011

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