

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

| | | |
|---------------------------------------|---|-----------------------------------|
| POLYGROUP MACAU LIMITED (BVI), |) | |
| |) | |
| Plaintiff, |) | |
| |) | |
| v. |) | Civil Action No. 3:13cv559 |
| |) | |
| WILLIS ELECTRIC CO., LTD., |) | TRIAL BY JURY IS DEMANDED |
| |) | |
| Defendant. |) | |

FIRST AMENDED COMPLAINT

1. This is an action for infringement of United States Patent Nos. 7,980,871 (the “871 Patent”), 8,047,700 (the “700 Patent”), 8,052,442 (the “442 Patent”), and 8,235,737 (the “737 Patent”) (collectively, the “Patents-in-Suit”) arising from Defendant Willis Electric Co., Ltd.’s (“Defendant”) manufacture, use, offer for sale, sale and importation of its infringing Christmas light string systems, which compete directly with the patented SureBright light string system marketed, distributed and sold by Plaintiff Polygroup Macau Limited (BVI) (“Polygroup”).

PARTIES

2. Polygroup is a British Virgin Islands company with offices located at Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands. Polygroup owns by assignment the entire right, title, and interest in and to the ‘871 Patent, the ‘700 Patent, the ‘442 Patent and the ‘737 Patent, including the right to bring this suit for injunctive relief and damages.

3. Upon information and belief, Defendant is a Taipei, Taiwan limited company located at 6F, No. 2, Shun-An Street, Sindian City, Taipei, Taiwan.

JURISDICTION AND VENUE

4. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a), as this action arises under the patent laws of the United States.

5. This Court has personal jurisdiction over Defendant because it has transacted business and committed acts of infringement in this district, and this action arises from that transaction of business and infringement.

6. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391(b), 1391(c) and 1400(b). Defendant has transacted business and committed acts of infringement in this district, and this action arises from that transaction of business and infringement.

7. Specifically, Defendant has established distribution channels with well-known nationwide retailers, including Lowe's Companies, Inc. ("Lowe's"), headquartered at 1000 Lowe's Blvd., Mooresville, North Carolina. Defendant directly offers for sale, sells, and imports its products, including its infringing Christmas light string systems, to Lowe's and other nationwide retailers.

8. Lowe's is one of only three U.S.-based companies to whom Defendant directly sells its products. Defendant's employees travel to the United States on average once or twice a year to visit direct customers, and have visited Lowe's retail stores in Charlotte, North Carolina.

9. With respect to the claims involved in this suit, Defendant has previously stipulated that it is subject to specific personal jurisdiction in North Carolina and that North Carolina is a suitable venue.

FACTUAL BACKGROUND

A. The Christmas Light String System Industry

10. Polygroup markets, distributes and sells light string systems to retailers in the United States, including its patented SureBright light string system.

11. Polygroup has marketed, distributed and sold its patented SureBright light string system in the United States for approximately the last five years.

12. Polygroup's patented SureBright light string system is sold individually, or more commonly, as part of "pre-lit" Christmas trees and other products to retailers across the United States.

13. Defendant manufactures, uses, offers for sale, sells and imports Christmas light string systems to retailers in the United States, including in this judicial district (Defendant's "Infringing Light String Systems"). Defendant's Infringing Light String Systems infringe one or more claims of the Patents-in-Suit.

14. Defendant's Infringing Light String Systems include the 7' Clearwater Cashmere Slim Profile w/500 Clear Never Out Lights; the 7' Clearwater Cashmere Slim w/500 Clear Never Out Lights; the 7' Clearwater Cashmere Slim w/500 Multi Never Out Lights; and the 7.5' 600 LT Hard Needle Pine, which are manufactured, distributed, offered for sale, sold and imported as part of certain pre-lit Christmas trees to retailers in the United States, including to Lowe's, headquartered in this judicial district.

15. Defendant's Infringing Light String Systems compete directly with those marketed, distributed and sold by Polygroup to retailers in the United States.

B. The Patents-in-Suit

16. The '871 Patent, entitled "Light String System," issued on July 19, 2011. (A true and correct copy of the '871 Patent is attached hereto as Exhibit 1.)

17. The '700 Patent, entitled "Light String System," issued on November 1, 2011. (A true and correct copy of the '700 Patent is attached hereto as Exhibit 2.)

18. The '442 Patent, entitled "Light String System," issued on November 8, 2011. (A true and correct copy of the '442 Patent is attached hereto as Exhibit 3.)

19. The '737 Patent, entitled "Light String System," issued on August 7, 2012. (A true and correct copy of the '737 Patent is attached hereto as Exhibit 4.)

20. Defendant has infringed, contributed to and induced infringement of the Patents-in-Suit, and Defendant is infringing and is contributing to and inducing the infringement of the Patents-in-Suit, by making, using, selling, offering to sell and importing into the United States its Infringing Light String Systems.

C. Defendant was previously enjoined from infringing the '700 Patent.

21. In December 2009, Defendant was sued by GP Ltd. ("GP"), a sister company of Polygroup, for infringement of U.S. Patent No. 7,581,870 (the "'870 Patent"). On March 11, 2010, a Consent Final Judgment and Permanent Injunction (the "Permanent Injunction") was entered against Defendant, and Defendant was:

"permanently ENJOINED from manufacturing, using, offering for sale, selling or importing into the United States any Christmas light string system that infringes the '870 Patent, or any issued claim of the pending continuation application (Application No. 12/505,067) of the '870 Patent...."

(A true and correct copy of the Permanent Injunction is attached hereto as Exhibit 5.)

22. Despite that injunction, Defendant again manufactured, used, offered for sale, sold and/or imported into the United States products that infringed the '870 Patent. As a result, GP was forced to bring a motion for contempt of court against Defendant in December 2010.

23. On March 31, 2011, Defendant was found in contempt for having violated the Permanent Injunction. (A true and correct copy of that March 31, 2011 Order is attached hereto as Exhibit 6.)

24. Just seven months later, on November 1, 2011, the "pending continuation application (Application No. 12/505,067)" referenced in the Permanent Injunction issued as the '700 Patent.

25. Given that it was permanently enjoined from infringing any claims that issued from Application No. 12/505,067, Defendant knew or should have known of the claims that issued from Application No. 12/505,067 as the '700 Patent, and Defendant's infringement of such claims is willful and deliberate.

COUNT I
(Infringement of the '871 Patent)

26. Polygroup repeats each allegation of paragraphs 1 through 25 as if fully set forth herein.

27. Defendant has committed and continues to commit acts of infringement with respect to the '871 Patent.

28. Upon information and belief, Defendant was aware of the '871 Patent at or about the time that it issued, and Defendant's infringement of the '871 Patent has been and continues to be willful and deliberate.

29. As a result of Defendant's infringement of the '871 Patent, Polygroup has suffered substantial monetary damages, although a monetary award is inadequate to fully compensate Polygroup for the harm it has suffered.

30. As a result of Defendant's infringement of the '871 Patent, Polygroup has suffered irreparable harm, and will continue to suffer irreparable harm unless that infringement is enjoined by this Court.

COUNT II
(Infringement of the '700 Patent)

31. Polygroup repeats each allegation of paragraphs 1 through 30 as if fully set forth herein.

32. Defendant has committed and continues to commit acts of infringement with respect to the '700 Patent.

33. Defendant's infringement of the '700 Patent has been and continues to be willful and deliberate.

34. As a result of Defendant's infringement of the '700 Patent, Polygroup has suffered substantial monetary damages, although a monetary award is inadequate to fully compensate Polygroup for the harm it has suffered.

35. As a result of Defendant's infringement of the '700 Patent, Polygroup has suffered irreparable harm, and will continue to suffer irreparable harm unless that infringement is enjoined by this Court.

COUNT III
(Infringement of the '442 Patent)

36. Polygroup repeats each allegation of paragraphs 1 through 35 as if fully set forth herein.

37. Defendant has committed and continues to commit acts of infringement with respect to the '442 Patent.

38. Defendant's infringement of the '442 Patent has been and continues to be willful and deliberate.

39. As a result of Defendant's infringement of the '442 Patent, Polygroup has suffered substantial monetary damages, although a monetary award is inadequate to fully compensate Polygroup for the harm it has suffered.

40. As a result of Defendant's infringement of the '442 Patent, Polygroup has suffered irreparable harm, and will continue to suffer irreparable harm unless that infringement is enjoined by this Court.

COUNT IV
(Infringement of the '737 Patent)

41. Polygroup repeats each allegation of paragraphs 1 through 40 as if fully set forth herein.

42. Defendant has committed and continues to commit acts of infringement with respect to the '737 Patent.

43. Defendant's infringement of the '737 Patent has been and continues to be willful and deliberate.

44. As a result of Defendant's infringement of the '737 Patent, Polygroup has suffered substantial monetary damages, although a monetary award is inadequate to fully compensate Polygroup for the harm it has suffered.

45. As a result of Defendant's infringement of the '737 Patent, Polygroup has suffered irreparable harm, and will continue to suffer irreparable harm unless that infringement is enjoined by this Court.

WHEREFORE, Polygroup requests that the Court enter appropriate orders and a judgment:

A. Finding that Defendant has infringed the Patents-in-Suit, and that such infringement has been willful and deliberate;

B. Enjoining Defendant, its officers, directors, employees, agents, licensees, successors, and assigns, and all persons acting in concert with them, from further infringement of the Patents-in-Suit;

C. Finding that Defendant's conduct as alleged herein constitutes an exceptional case under 35 U.S.C. § 285;

D. Awarding Polygroup compensatory damages for Defendant's infringement of the Patents-in-Suit;

E. Trebling the damages assessed pursuant to 35 U.S.C. § 284;

F. Awarding Polygroup its costs and reasonable attorneys' fees; and

G. Awarding Polygroup such further relief as the Court deems just and proper.

In accordance with Rule 38 of the Federal Rules of Civil Procedure, Polygroup respectfully demands a jury trial of all issues triable to a jury in this action.

This the 3rd day of January, 2014.

TROUTMAN SANDERS LLP

By: /s/ D. Kyle Deak

D. Kyle Deak

N.C. State Bar No. 35799

434 Fayetteville Street, Suite 1900

Raleigh, NC 27601

Phone: (919) 835-4133

Fax: (91) 829-8725

Kyle.deak@troutmansanders.com

*Counsel for Plaintiff Polygroup Macau Limited
(BVI)*

Robert A. Angle (VSB No. 37691)

Dabney J. Carr, IV (VSB No. 28679)

TROUTMAN SANDERS LLP

P.O. Box 1122

Richmond, VA 23218

Phone: (804) 697-1200

Fax: (804) 697-1339

robert.angle@troutmansanders.com

dabney.carr@troutmansanders.com

Pro Hac Vice Application to be Filed