

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

S-LINE LLC,

Plaintiff,

v.

B2B SUPPLY and Jerrell P. Squyres,

Defendants.

Civil Action No.: 3:14-cv-02284-M

FIRST AMENDED COMPLAINT FOR  
PATENT INFRINGEMENT

**JURY TRIAL DEMANDED**

**PLAINTIFF S-LINE LLC'S FIRST AMENDED COMPLAINT FOR PATENT  
INFRINGEMENT AGAINST B2B CASUALS, INC. AND JERRELL P. SQUYRES**

Plaintiff S-Line LLC (hereinafter "S-Line"), through its counsel, brings this Amended Complaint against Defendants B2B Casuals, Inc. ("B2B Casuals") d/b/a B2B Supply ("B2B Supply") (collectively "B2B") and Jerrell P. Squyres ("Squyres"), and states and alleges as follows:

**PARTIES**

1. Plaintiff S-Line is a Delaware limited liability company with a principal place of business at 301 VZ County Road 1117, Grand Saline, Texas 75140.

2. S-Line is a wholly owned subsidiary of Heico Holding, Inc. ("Heico"), a Delaware corporation with a principal place of business at 5600 Three First National Plaza, Chicago, Illinois 60602.

3. Defendant B2B Casuals, Inc. is a company with a principal place of business at 8525 State Highway 34 S, Quinlan, Texas 75474, which is within the Northern District of Texas, Dallas Division.

4. B2B Supply is an assumed name of B2B Casuals, Inc.

5. Defendant Squyres is an individual residing at 703 RS County Road 1530, Point, Texas 75472.

6. Upon information and belief, Defendant B2B has offered for sale and/or sold, by way of an executed purchase agreement or similar document, bulkheads for cargo transport vehicles to third party ABF Freight System, Inc. (“ABF Freight”).

7. Upon information and belief, in or around March 2014, B2B entered into an agreement with ABF Freight for the sale of bulkheads (“B2B-ABF Agreement”).

8. Upon information and belief, Squyres negotiated the B2B-ABF Agreement on behalf of B2B with ABF Freight.

9. Upon information and belief, Squyres and B2B caused at least one bulkhead to be assembled and delivered to ABF Freight.

10. Upon information and belief, these bulkheads have been assembled in the State of Texas and delivered to ABF Freight.

### **JURISDICTION AND VENUE**

11. This is an action for patent infringement arising under the patent laws of the United States, Title 35, United States Code.

12. This Court has subject matter jurisdiction over this action under 28 U.S.C. §§ 1331 and 1338(a).

13. Upon information and belief, Squyres and B2B have offered for sale and/or sold infringing bulkhead products to third parties, including at least ABF Freight, and have acquired components necessary to manufacture products that infringe one or more claims of U.S. Patent No. 7,731,462 (hereinafter referred to as the “B2B Infringing Bulkheads”) in Texas.

14. This Court has specific personal jurisdiction over Squyres and B2B pursuant to due process and/or because at least a portion of the infringement alleged herein occurred in this District.

15. For these reasons, personal jurisdiction exists over Squyres and B2B, and venue is proper in this Court under 28 U.S.C. §§ 1391(b), 1391(c), and 1400(b).

16. Upon information and belief, Squyres controls B2B and therefore this Court also has personal jurisdiction over Squyres by virtue of his control over B2B.

### **THE PATENT-IN-SUIT**

17. On June 8, 2010, the United States Patent & Trademark Office (“PTO”) duly and legally issued U.S. Patent No. 7,731,462 (“the ’462 Patent”) entitled “Bulkhead for Dividing a Cargo Container Into Two Compartments.” Squyres and Kelly Lee Miller (“Miller”) of Grand Saline, Texas are listed as inventors on the face of the ’462 Patent. The ’462 Patent issued from United States Patent Application No. 11/776,894 (“the ’894 application”). A true and correct copy of the ’462 Patent is attached at Exhibit A of this Amended Complaint.

18. On May 31, 2007 and June 26, 2007, inventors of record, Squyres and Miller, respectively, executed an assignment document that memorialized the assignment of all of their individual rights in the ’894 application (and any patent granted from that application) to JPS Corporation, a then Texas Corporation having a place of business at 11414 Mathis, Dallas, Texas 75234. The assignment document was recorded in the PTO’s patent assignment database at Reel 019549, Frame 0868. A copy of this assignment document is attached at Exhibit B of this Amended Complaint.

19. Upon information and belief, as of at least October 22, 2008, Squyres identified himself as the “President” of JPS Corporation and “the Shareholder” in JPS Corporation.

20. On October 22, 2008, certain assets of JPS Corporation were purchased by S-Line, including the '894 application. An assignment from JPS Corporation to S-Line, which was executed on behalf of JPS Corporation by Squyres, memorializing the assignment of the '894 application, and any patent issuing therefrom, to S-Line was recorded in the PTO's patent assignment database at Reel 030970, Frame 0791. A copy of the assignment is attached at Exhibit C of this Amended Complaint.

21. S-Line is the assignee of the '462 Patent, and is the owner of all right, title, and interest in the '462 Patent, including the right to sue and recover damages for infringement of the '462 Patent.

22. S-Line sells a commercial product covered by one or more claims of the '462 Patent to customers throughout the United States.

**B2B CASUALS, INC. AND B2B SUPPLY**

23. Upon information and belief, B2B Casuals, Inc. is a screen printing and embroidery business.

24. According to its Certificate of Formation, B2B Casuals, Inc. is a Texas corporation incorporated on October 17, 2006, and Elizabeth Squyres is its sole director. A copy of the Certificate of Formation is attached to the Amended Complaint as Exhibit D.

25. Upon information and belief, Elizabeth Squyres is the wife of Jerrell P. Squyres.

26. Upon information and belief, Elizabeth Squyres owns 100% of the stock in B2B Casuals, Inc.

27. The "About" section of B2B Casuals, Inc.'s Facebook site states that it is "a customer embroidery and screen printing business. [B2B Casuals, Inc.] provide[s] all types of logowear such as caps, shirts, jackets as well as personal gift items. Niche business [sic] is

Horse Race Tracks all across the USA and Canada.” A copy of B2B Casuals, Inc.’s Facebook site is attached to this Amended Complaint as Exhibit E.

28. The “Products” section of B2B Casuals, Inc.’s Facebook site lists the following products that it presumably sells: “custom embroidery, screen printing, signs, banners, canvas pictures, saddle towels, paddock vests, jockey silks, helmet covers, jockey armbands, and other custom products. [L]ogo wear, caps, shirts, jackets, and gifts.” (*See* Ex. E, B2B Casuals, Inc.’s Facebook site, “Products”.)

29. B2B Casuals, Inc. filed an Assumed Name Certificate on August 23, 2010, stating that it will conduct business under the assumed name B2B Supply. A copy of the Assumed Name Certificate is attached to the Amended Complaint as Exhibit F.

30. B2B Supply’s website, which is available at <http://www.b2bsupplyco.com>, states that it “is an innovative company who assists freight lines with custom cargo restraint needs” and identifies Jerrell P. Squyres as the president of the company. A copy of the “About Us” section of the B2B Supply website is attached to the Amended Complaint as Exhibit G.

31. From October 22, 2008 until on or about October 22, 2011, Squyres was an employee of S-Line.

32. As of on or about October 22, 2013, at least some of the non-compete or non-solicitation obligations that Squyres had to S-Line expired.

33. According to its website, B2B Supply “opened its doors on November 1, 2013,” which is less than 10 days after the expiration of at least one of the non-compete agreements with S-Line. (*See* Ex. G, B2B Supply website, “About Us”.)

**B2B AND SQUYRES WERE AWARE OF THE ’462 PATENT BUT HAVE NO OWNERSHIP INTEREST THEREIN**

34. Squyres is listed as a named inventor on the face of the ’462 Patent. (*See* Ex. A.)

35. Squyres assigned all of his rights in the '462 Patent to JPS Corporation.

(See Ex. B.)

36. As the "President" and "the Shareholder" in Corporation, Squyres executed an Asset Purchase Agreement on behalf of JPS Corporation to sell certain assets (including the '894 application and any patent that granted therefrom) to S-Line on October 22, 2008. (See Ex. C.)

37. The '894 application matured into the '462 Patent.

38. Squyres has had knowledge of the '894 application and the later issued '462 Patent since at least May 11, 2007. A declaration filed by Squyres filed with the '894 application is attached to this Amended Complaint at Exhibit H.

39. Squyres, by virtue of his execution of the documents memorializing the assignment of the '894 application and the later issued '462 Patent to S-Line from JPS Corporation, has at all relevant times known that he has no rights to the '462 Patent.

40. By virtue of Squyres' control of and/or affiliation with B2B, B2B is aware of the '462 Patent and that it has no rights in the '462 Patent.

#### **B2B-ABF AGREEMENT**

41. Upon information and belief, in or around March 2014, Squyres and B2B entered into the B2B-ABF Agreement.

42. Upon information and belief, B2B at least offered for sale, by way of an executed purchase agreement or similar document, B2B Infringing Bulkheads to at least ABF Freight.

43. Upon information and belief, B2B at least sold, by way of an executed purchase agreement or similar document, B2B Infringing Bulkheads to at least ABF Freight.

44. Upon information and belief, Squyres negotiated the B2B-ABF Agreement on behalf of B2B with ABF Freight.

45. Upon information and belief, B2B had insufficient funds to acquire the material required to manufacture the quantity of bulkheads to be delivered to ABF pursuant to the B2B-ABF Agreement.

46. Upon information and belief, Squyres and B2B entered into an agreement with Hooten's Hardware LLC ("Hooten's") for the manufacture of the B2B Infringing Bulkheads and delivery of the bulkheads to ABF Freight.

47. Upon information and belief, Squyres negotiated the agreement between B2B and Hooten's for the manufacture and delivery of the B2B Infringing Bulkheads to ABF Freight.

48. Upon information and belief, one aspect of the agreement between Hooten's and B2B required Hooten's to acquire the materials needed to fulfill the quantity of bulkheads to be delivered to ABF pursuant to the B2B-ABF Agreement.

49. Prior to the B2B-ABF Agreement, S-Line sold bulkheads to ABF Freight that were covered by one or more claims of the '462 Patent. ABF Freight is a customer of S-Line.

50. Upon information and belief, the design of the B2B Infringing Bulkheads was identical to the bulkhead design sold by S-Line to ABF Freight in 2011 and 2012 except for a difference in the locking device on the bulkhead. Attached to this Amended Complaint as Exhibit I is an e-mail dated August 27, 2014, from Lance Hooten of Hooten's to Mark Daugherty of Ancra International LLC (hereinafter "Ancra International") confirming that the design of the bulkheads subject to the B2B-ABF Agreement is the same as the design of the bulkheads sold by S-Line to ABF Freight in 2011 and 2012.

51. Ancra International is affiliated with S-Line and is also a subsidiary of Heico. Certain members of Ancra International's management also manage S-Line.

52. The design of the S-Line bulkhead sold in 2011 and 2012 is covered by at least one claim of the '462 Patent.

53. B2B sought to compete with S-Line and did directly compete with S-Line for at least one customer, ABF Freight, for the sale of bulkheads.

54. In a letter dated May 13, 2014 ("the May 13 letter"), Heico, through its in-house counsel, notified Squyres of the belief that he, or a company with whom he is affiliated with or controls, was infringing one or more claims of the '462 Patent. A copy of the May 13 letter is attached hereto as Exhibit J.

55. Heico requested that Squyres provide, *inter alia*, written assurances by May 30, 2014, that he, or any company he owned or was affiliated with, had ceased and will continue to desist from infringing any claim of the '462 Patent, an accounting of the number of infringing products manufactured, used, offered for sale, or sold, and all proceeds therefrom, and an identification of all parties who have been involved in such infringing activities.

56. Squyres did not provide a response to Heico's May 13 letter.

57. ABF Freight, in a letter dated May 20, 2014 ("the May 20 letter"), addressed to Squyres and B2B, requested confirmation by May 27, 2014 that the "bulkheads and decking beam products [, which B2B and/or Hooten's intend to supply,] do not fall within the scope of any patents assigned to Ancra or any related entity, as well as any patents on which you are a named inventor that have been assigned to Ancra or any related entity." A copy of the May 20 letter is attached to the Amended Complaint as Exhibit K. Upon information and belief, after



being notified that the B2B's bulkhead design infringes the '462 Patent, ABF Freight returned the bulkhead it received from Hooten's to B2B.

58. Upon information and belief, B2B is in possession, custody, and/or control of the bulkhead returned by ABF.

59. B2B's and Squyres' response, if any, to the May 20 letter is unknown to S-Line.

**FIRST CLAIM FOR RELIEF**  
**(Direct Infringement by B2B Under 35 U.S.C. § 271(a))**

60. S-Line incorporates by reference each of the preceding allegations of paragraphs 1 – 59 above as though stated herein.

61. B2B's silence to at least the May 13 letter, and specifically to the allegations of infringement of the '462 Patent contained in that letter, creates a strong inference that it is engaging, or has engaged, in conduct that infringes one or more claims of the '462 Patent

62. B2B's offer for sale and sale of the B2B Infringing Bulkheads to ABF Freight on or about March 2014, and B2B's continued offers for sale and sales, are without license or authorization from S-Line and infringe one or more claims of the '462 Patent.

63. On information and belief, B2B has directly infringed, either literally or under the doctrine of equivalents, one or more claims of the '462 Patent within this District and elsewhere within the United States through at least its sale and/or offer to sell the B2B Infringing Bulkheads in violation of 35 U.S.C. §271(a).

64. B2B has caused damage by its acts of direct infringement of the '462 Patent, and B2B will cause additional damage and irreparable harm unless the Court preliminarily and permanently enjoins B2B from continuing such infringing acts and initiating such acts in the future.

65. As a direct and proximate result of B2B's infringement of the '462 Patent, S-Line has been and continues to be damaged in its business and property, including the loss of revenues in an amount to be determined at trial.

66. At all relevant times, B2B had direct knowledge of the '462 Patent and that the B2B Infringing Bulkheads infringe the '462 Patent, and its conduct has been, and continues to be, deliberate and willful, thus entitling S-Line to enhanced damages and attorney's fees.

**SECOND CLAIM FOR RELIEF**  
**(Direct Infringement by Squyres Under 35 U.S.C. § 271(a))**

67. S-Line incorporates by reference each of the preceding allegations of paragraphs 1 – 66 above as though stated herein.

68. Squyres' silence to at least the May 13 letter, and specifically to the allegations of infringement of the '462 Patent contained in that letter, creates a strong inference that he is engaging, or has engaged, in conduct that infringes one or more claims of the '462 Patent.

69. Upon information and belief, Squyres opened B2B Supply less than two weeks after at least some of his non-compete and non-solicitation obligations to S-Line expired.

70. Upon information and belief, the assumed name of B2B Supply was created to allow Squyres to at least design, manufacture, offer to sell, and/or sell the B2B Infringing Bulkheads.

71. Upon information and belief, Squyres used his actual knowledge obtained during his employment at S-Line and of the '462 Patent to at least design, offer to sell, and/or sell the B2B Infringing Bulkheads and directly compete with S-Line.

72. Upon information and belief, Squyres created B2B Supply as a shell under which he set out to use his actual knowledge of the '462 Patent to design, manufacture, offer to sell, and/or sell the B2B Infringing Bulkheads and directly compete with S-Line.

73. Upon information and belief, B2B was undercapitalized for its stated corporate purpose and activities as demonstrated by the fact that Squyres entered into an agreement with Hooten's that required Hooten's to purchase the build materials for, and manufacture, the B2B Infringing Bulkheads.

74. Upon information and belief, Squyres has used B2B as a mere shell, instrumentality, or conduit for his own personal purposes and created B2B to avoid his duties and obligations and to shelter his wrongdoings from judicial oversight.

75. The failure to disregard the B2B corporate form would result in a fraud and injustice to S-Line.

76. Upon information and belief, Squyres disregarded the corporate form and separateness of B2B for his personal interests and personal gain.

77. Upon information and belief, B2B is merely the *alter ego* of Squyres because Squyres exercised dominion of the policy and business practice of B2B and has used the corporate entity of B2B in order to defeat justice and/or evade liability. Upon information and belief, Squyres exercised his dominion of B2B to personally direct B2B's acts constituting infringement of the '462 Patent.

78. Upon information and belief, Squyres himself and/or by exercising dominion, direction, and control over B2B, has at least sold and/or offered for sale the B2B Infringing Bulkheads that infringe one or more claims of the '462 Patent, either literally or under the doctrine of equivalents, in violation of 35 U.S.C. § 271(a).

79. At all relevant times, Squyres had direct knowledge of the '462 Patent and that the B2B Infringing Bulkheads infringe the '462 Patent, and his conduct has been, and continues to be, deliberate and willful, thus entitling S-Line to enhanced damages and attorney's fees.

80. Squyres has caused damage by his acts of direct infringement of the '462 Patent, and Squyres will cause additional damage and irreparable harm unless the Court preliminarily and permanently enjoins Squyres from continuing such infringing acts and initiating such acts in the future.

81. As a direct and proximate result of Squyres' infringement of the '462 Patent, S-Line has been and continues to be damaged in its business and property, including the loss of revenues in an amount to be determined at trial.

**THIRD CLAIM FOR RELIEF**  
**(Squyres Inducing Infringement Under 35 U.S.C. § 271(b))**

82. S-Line incorporates by reference each of the preceding allegations of paragraphs 1 – 81 above as though stated herein.

83. As a named inventor on the face of the '462 Patent, Squyres had actual knowledge of the '462 Patent and the subject matter claimed and disclosed therein prior to inducing the infringement of the '462 Patent.

84. Upon information and belief, Squyres directed B2B to offer for sale and/or sell the B2B Infringing Bulkheads to at least ABF Freight.

85. Squyres was aware that at least the act of offer for selling and/or selling the B2B Infringing Bulkheads to at least ABF Freight would infringe one or more claims of the '462 Patent.

86. On information and belief, Squyres himself, or by exercising dominion, direction and control over B2B, has induced direct infringement of the '462 Patent, either literally or under the doctrine of equivalents, by actively aiding and abetting the infringement of the '462 Patent and has directed and participated in the infringement in violation of 35 U.S.C. § 271(b).

87. Upon information and belief, Squyres opened B2B Supply less than two weeks after at least some of his non-compete and non-solicitation obligations to S-Line expired.

88. Upon information and belief, the assumed name of B2B Supply was created to allow Squyres to at least design, manufacture, offer to sell, and/or sell the B2B Infringing Bulkheads.

89. Upon information and belief, Squyres used his actual knowledge obtained during his employment at S-Line and of the '462 Patent to at least design, offer to sell, and/or sell the B2B Infringing Bulkheads and directly compete with S-Line.

90. As a direct and proximate result of Squyres' infringement of the '462 Patent, S-Line has been and continues to be damaged in its business and property, including the loss of revenues in an amount to be determined at trial.

91. Squyres has caused damage by his acts of inducing infringement of the '462 Patent, and Squyres will cause additional damage and irreparable harm unless the Court preliminarily and permanently enjoins Squyres from continuing such infringing acts and initiating such acts in the future.

#### **PRAYER FOR RELIEF**

WHEREFORE, by reason of the forgoing, S-Line respectfully requests that this Court enter judgment against defendants B2B and Jerrell P. Squyres and that the Court grant S-Line the following relief:

- (a) That United States Patent No. 7,731,462 be adjudged by this Court to be valid and enforceable;
- (b) Judgment that one or more claims of the '462 Patent have been infringed and continue to be infringed, either literally and/or under the doctrine of equivalents, by B2B;

- (c) Judgment that one or more claims of the '462 Patent have been infringed and continue to be infringed, either literally and/or under the doctrine of equivalents, by Squyres;
- (d) Judgment that B2B and Squyres account for, and pay to S-Line, all damages and costs sufficient to compensate S-Line for B2B's and Squyres' infringing activities and other conduct complained of herein;
- (e) That B2B's and Squyres' infringement be found to be willful, and that the Court award treble damages for the period of such willful infringement pursuant to 35 U.S.C. § 284;
- (f) That S-Line be granted pre-judgment and post-judgment interest on the damages caused by B2B's and Squyres' infringing activities and other conduct complained of herein;
- (g) That the Court declare this an exceptional case and award S-Line its reasonable attorney's fees and costs in accordance with 35 U.S.C. § 285;
- (h) That B2B and Squyres and their officers, agents, servants, employees, and those persons in active concert or participation with them be preliminarily and permanently enjoined from an further activity or conduct that infringes one or more claims of the '462 Patent; and
- (i) That S-Line be granted such other and further relief as the Court may deem just and proper under the circumstances.

**JURY DEMAND**

Plaintiff hereby requests a trial by jury pursuant to Rule 38 of the Federal Rules of Civil Procedure.

**Dated: September 4, 2014**

Respectfully submitted,

/s/ Jamie H. McDole

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