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Attorney for Plaintiff
Free- Free (USA), Inc. dba
Felli Housewares

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

FREE-FREE (USA) INC., dba FELLI)	CASE:
HOUSEWARES,)	
Plaintiff,)	COMPLAINT FOR PATENT INFRINGEMENT
vs.)	DEMAND FOR JURY TRIAL
HDS TRADING CORP;)	
Defendant (s))	
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Plaintiff Free-Free (USA), Inc. (“Free”) states the following as its Complaint against Defendant HDS Trading Corp. (“HDS”)

**I.
PARTIES**

1. Plaintiff Free is a California corporation with its principal place of business at 1890 S. Carlos Ave., Ontario California 91761.
2. Free is informed and believes, and thereupon alleges, that defendant HDS is a New York corporation with its principle place of business at 1305 Jersey Ave., North Brunswick, New Jersey 08902.
3. Unless specifically stated otherwise, the acts complained of herein were committed by, on behalf of, and/or for the benefit of HDS.

**II.
NATURE OF THE ACTION**

4. This is an action for patent infringement under the laws of the United States, 35 U.S.C. §§ 1 *et seq.*, including 35 U.S.C. § 271 and for such other relief as the court deems just and proper.
5. Free is informed and believes, and thereupon alleges, that HDS has been and is infringing, contributing to the infringement of, and/or actively inducing others to infringe claims of U.S. Patent No. 8.186.527 B2 (the “527” Patent”).

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III.
JURISDICTION AND VENUE

6. This action arises under the patent laws of the United States, 35 U.S.C. § 1 *et seq.*, including 35 U.S.C. § 271. This Court has subject matter jurisdiction pursuant to 28 U.S. C. § § 1331 and 1338(a).

7. This Court has personal jurisdiction over HDS because HDS has substantial contacts and conducts business in the State of California and in this judicial district, and has been infringing, contributing to the infringement of and/or actively inducing others to infringe claims of the Asserted patents in California and elsewhere.

8. HDS does, have done, substantial business in this Judicial District, including: (i) regularly doing business or soliciting business by virtue of HDS's nationwide sales and offers to sell through interactive and commercial website(s) which direct(s) HDS's services and products to California residents; and (ii) engaging in other persistent courses of conduct, and/or deriving substantial revenue from products and/or services provided to persons in this District and State.

9. Venue is proper in this Court pursuant to 28 U.S.C. §§ 139 (b), 139(c), 139(d) and/or 1400(b) because a substantial part of the events giving rise to Free's claims occurred in the Central District of California and because HDS is subject to personal jurisdiction in the Central District of California.

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IV.

FACTUAL BACKGROUND

A. Free

10. Free Free Industrial Corporation (“FF”) was established in Taipei, Taiwan in 1984 by Mike Liu and Sylvia Chang. Mike and Sylvia had a vision to create the highest quality acrylic resin canisters and storage products for distribution and sale throughout the world.

11. FF Industrial Corporation began manufacturing canisters with their first factory located in Taiwan. It was here that Mike was instrumental in the development of revolutionary techniques still used today in the art of hand blowing acrylic resins. The business expanded along with the growth in the popularity of quality resin products. This growth allowed FF Industrial Corporation to expand the product line into a variety of new consumer and industrial Housewares categories. The founder’s continued commitment to quality has made Free Free Industrial Corporation a leading manufacturer of acrylic storage, serving ware, tabletop, microwave and bath products. FF Industrial is the largest manufacturer of acrylic canisters in the world.

12. In 1994 a U.S. Division of Free Free Industrial Corporation was established in Southern California and operated as Free Free USA, Incorporated (“Free”). The escalating demand from U.S. retailers for Free Free products made this expansion successful from the start.

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13. In 2005 the U.S. Division added a dba “Felli Housewares”. The U.S. division continues to maintain offices, showrooms, and distribution centers that service all North American customers via domestic shipments and/or direct import.

14. Each of FF’s factories is able to produce custom molds and utilizes a variety of resins, from polycarbonate to polystyrene. Its products are marketed to over 60 countries under the “Felli” brand as well as other nationally recognized brands.

15. From the beginning, FF Industrial Corporation’s main focus was always about design and innovation. FF contracts with design centers in Osaka, Japan and Milan, Italy. In addition, they employ 15 full-time designers as well as a “Lifestyles” marketing division that forecasts future trends. FF Industrial is committed to being a leader in innovation, design and quality manufacturing.

16. Since its founding Free has continued to design, develop, market, and license its custom molds, utilizing a variety of resins.

17. Free has made large-scale investments in the exploitation of its technology and since its founding, has spent millions of dollars on research and development of its valuable technology and design. Free relies on the United States patent system to protect the design and technology resulting from its research and development. Free’s continued success depends on its research and development of its resins as well as the protection of intellectual property in its innovative design and technology.

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B. ASSERTED PATENT

18. On May 4, 2009, FF filed for U.S. Patent protection and on May 29, 2012, U.S. Patent 8.186.527 B2, titled “Vacuum Sealing Cap” was duly and legally issued to Free Free Industrial Corporation, as assignee of named inventor Liu; Sheng-Yu and exclusively licensed to Free Free (USA) Inc. all substantial rights, including but not limited to, the right to sue for infringement, the right to indulge infringement by choosing not to sue, and the right to assign the rights it received under the patent, said license is for the life term of the patent herein.

19. The Asserted Patent relates to a container cover, more particularly to a container cover adapted for vacuum sealing cap that is easy and convenient to use.

20. At all relevant times, the Asserted Patents have been owed by Free Free Industrial Corporation and exclusively licensed to Free, subject only to any rights retained by the United States federal government pursuant to 35 U.S. C. §§ 201-211, with the right to sublicense, and the right to prosecute any past, present, or future infringement of the Asserted Patents.

C. HDS Acts of Infringement

21. Free is informed and believes, and thereupon alleges, that HDS has made, used, sold, imported and/or offered for sale, and/or continued to make, use, sell, import and/or offer for sale, products in the United States consisting of or including FF’s vacuum sealing cap for a container design.

22. The aforementioned HDS products are hereinafter referred to collectively as the “Accused Products”. The Accused Products include a vacuum sealing cap for a container includes an outer cap body, an inner cap body movable toward or away from the outer cap body and/or screw, a sealing gasket compressible by the outer cap body to abut sealingly against the mouth of the container.

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2 23. On or about March 7-10, 2015, Free discovered that HDS was selling the Accused Products at
3 the International Home and Housewares show in Chicago. Thereafter, on or about March 26, 2015,
4 Free sent HDS a warning letter informing HDS of their Patent and that HDS was infringing on Free's
5 Patent. HDS responded that they would stop infringing on Free's Patent.

6 24. Thereafter, on or about March 2015, Burlington, a long time customer and large purchaser of
7 Free's Patent products, were no longer placing orders with Free.

8 25. On or about September 2015, Free discovered that Burlington's stores in Los Angeles County
9 were selling the Accused Products in their stores. As a result, HDS broke its promise to stop
10 infringing on Free's Patent and HDS has continued to sale the Accused Products in the stream of
11 commerce.

12 26. Free is informed and believes, and thereupon alleges, that HDS has sold or offered to sell its
13 Accused Products to third parties who incorporated the Accused Products into their own product line
14 for retail sale. Those third parties in turn have made, used, sold, offered for sale, and/or imported
15 and/or continued to make, use, sell, offer for sale, and/or import their own products in the United
16 States. These activities undertaken by the third parties constitute acts of direct infringement of the
17 Asserted Patents. The hermetical sealing of the container opening of the container body are known by
18 HDS to be especially made or especially adapted for use in infringement of the Asserted Patents and
19 the container cannot be hermetically seal manually by any other non-infringement method. HDS has
20 thereby contributed to and continues to contribute to the infringement of the Asserted Patents.

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23 27. Free is informed and believes, and thereupon alleges, that, by its sales and/or offers for sale of
24 the Accused Products to third parties, HDS also has induced and continues to induce acts by third
25 parties that HDS knew or should have known would constitute direct infringement of the Asserted
26

1 Patents. HDS actively induces infringement of the Asserted Patents by designing the Accused
2 Products to be capable of infringement and by promoting and encouraging the use of its products by
3 the third parties in ways that infringe the Asserted Patents.
4

5 28. Free is entitled to recover from HDS the actual damages it sustained as a result of HDS's
6 wrongful acts alleged herein under 35 U.S.C. § 248 in an amount to be proven at trial, together with
7 interest and costs.

8 29. Free is informed and believes, and thereupon alleges, that HDS's infringement of the Asserted
9 Patents as set forth herein has been and is willful, deliberate and in disregard of Free's patent rights,
10 and Free is therefore entitled to increased damages up to three times the amount of actual damages
11 and attorneys' fees, pursuant to 35 U.S.C. §§ 284, 285.

12 30. HDS's infringement of the Asserted Patents will continue to damage Free, causing irreparable
13 harm for which there is no adequate remedy at law, unless it is enjoined by this Court.
14

15 **V.**
16 **CLAIMS FOR RELIEF**
17 **(Patent Infringement of U.S. Patent No. 8.186.527 B2**
18 **Under 35 U.S. C. § 271, et. Seq.)**

19 31. Free incorporates by reference and realleges paragraph 1 through 30 above as though fully
20 restated herein.

21 32. Free is informed and believes, and thereupon alleges, that HDS: (1) has infringed and
22 continues to infringe claims of the 527 Patent, literally and/or under the doctrine of equivalents,
23 by making, using, offering to sell, selling (directly or through intermediaries), and/or importing
24 Accused Products consisting of or including products with the hermetical sealing of the opening
25 of the container body, in this district and elsewhere in the United States, and/or (2) has
26 contributed and continues to contribute to the literal infringement and/or infringement under the

1 doctrine of equivalents of claims of the 527 Patents, and/or has actively induced and continues to
2 actively induce others to infringe claims of the 527 Patent, literally and/or under the doctrine of
3 equivalents, in this district and elsewhere in the United States.
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6 **VI.**
PRAYER FOR RELIEF

7 WHEREFORE, Plaintiff Free asks this Court to enter judgment in its favor against HDS and grant
8 the following relief:

9 **A.** An adjudication that HDS has infringed and continues to infringe the Asserted Patents as
10 alleged above;

11 **B.** An accounting of all damages sustained by Free as a result of HDS's acts of infringement of
12 the Asserted Patents;

13 **C.** An award to Free of actual damages adequate to compensate Free for HDS's acts of patent
14 infringement, together with prejudgment and post judgment interest;

15 **D.** An award to Free of enhanced damages, up to and including trebling of Free's damages
16 pursuant to 35 U.S.C. § 284 for HDS's willful infringement of the Asserted Patents;

17 **E.** An award of Free's costs of suit and reasonable attorneys' fees pursuant to 35 U.S. C. § 285
18 due to the exceptional nature of this case, or as otherwise permitted by law;

19 **F.** A grant of a permanent injunction pursuant to 35 U.S.C. § 283, enjoining HDS, and each of its
20 agents, servants, employees, principals, officers, attorneys, successors, assignees, and all those in
21 active concert or participation with HDS, including related individuals and entities, customers,
22 representatives, retailers, resellers, dealers, and distributors from further acts of (1) infringement,
23 (2) contributory infringement, and (3) active inducement to infringe with respect to the claims of
24 the Asserted Patents;
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G. Any further relief that this Court deems just and proper.

**VII.
JURY DEMAND**

Plaintiff Free request a jury trial on all issues triable to a jury in this matter.

DATED: October 27, 2015

Respectfully Submitted,
THOMAS & ASSOCIATES



By: _____

Bryan J. Thomas
Attorney for Plaintiff
Free-Free (USA) Inc.