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5 *Attorneys for Plaintiff*  
6 HANGZHOU CHIC INTELLIGENT  
TECHNOLOGY CO., LTD.

7 IN THE UNITED STATES DISTRICT COURT  
8 FOR THE NORTHERN DISTRICT OF CALIFORNIA  
9

10 HANGZHOU CHIC INTELLIGENT  
11 TECHNOLOGY CO., LTD.,

12 Plaintiff,

13 v.

14 SWAGWAY, LLC,

15 Defendant.  
16

CASE NO.

**COMPLAINT FOR PATENT  
INFRINGEMENT**

**DEMAND FOR JURY TRIAL**

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18 Plaintiff Hangzhou Chic Intelligent Technology Co. Ltd. (“Chic”) states the following as its  
19 complaint against Defendant Swagway, LLC (“Swagway”):

20 **NATURE OF THE ACTION**

21 1. This is an action for patent infringement arising under the Patent Laws of the United  
22 States, 35 U.S.C. § 1 *et seq.*, seeking damages and injunctive and other relief under 35 U.S.C. § 281,  
23 *et seq.* In particular, this is an action for patent infringement against Swagway for infringing U.S.  
24 Patent No. 9,376,155 (“the ’155 patent”) and United States Design Patent No. D737,723 (“the ’723  
25 patent”). A true and accurate copy of the ’155 patent is attached as Exhibit A. A true and accurate  
26 copy of the ’723 patent is attached as Exhibit B.  
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1 **THE PARTIES**

2 2. Plaintiff Chic is a company organized and existing under the laws of the People’s  
3 Republic of China with a principal place of business located at 2/F, No. 2 Building, Liangzhu  
4 University, Science and Technology Park, No. 1 Jingyi Road, Liangzhu, Hangzhou, 311112,  
5 People’s Republic of China.

6 3. Chic is a high-tech company that designs, manufactures, and sells several products  
7 including at least the Chic Smart S1 hoverboard. Chic has been assigned multiple patents in the  
8 United States and other jurisdictions for its hoverboard technologies and designs.

9 4. Upon information and belief, Swagway is an Indiana domestic limited liability  
10 company with its principal place of business at 3431 William Richardson Dr., Suite F, South Bend,  
11 IN 46628. Defendant Swagway may be served with process through its registered agent: Sung L.  
12 Hyun, 11335 E 400 N, Grovertown, IN 46531.

13 **JURISDICTION AND VENUE**

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

17 6. This Court has personal jurisdiction over Swagway at least because Swagway has  
18 committed one or more of the infringing acts complained herein in California and in this district. On  
19 information and belief, Swagway places infringing products in the stream of commerce with the  
20 knowledge, understanding, and expectation that such products will be sold and/or used in California  
21 and in this district. Plaintiffs are informed and believe, and on that basis allege, that Swagway  
22 derives substantial revenue from the sale of infringing products in this judicial district, expects its  
23 actions to have consequences in this judicial district, and derives substantial revenue from its acts in  
24 interstate and international commerce. Thus, a substantial part of the events giving rise to Chic’s  
25 claims occurred and continues to occur in this judicial district.

26 7. Venue is proper in this district under 28 U.S.C. §§ 1391 and 1400(b). On information  
27 and belief, Swagway is deemed to reside in this district and has substantial, systematic, and  
28 continuous contacts with this judicial district. On information and belief, Swagway has committed

1 acts of infringement in this district and/or has purposefully transacted business involving the accused  
2 products in this district including by, among other things, selling, offering to sell, and/or importing  
3 products in this district either directly or through intermediaries.

#### 4 **FACTUAL BACKGROUND**

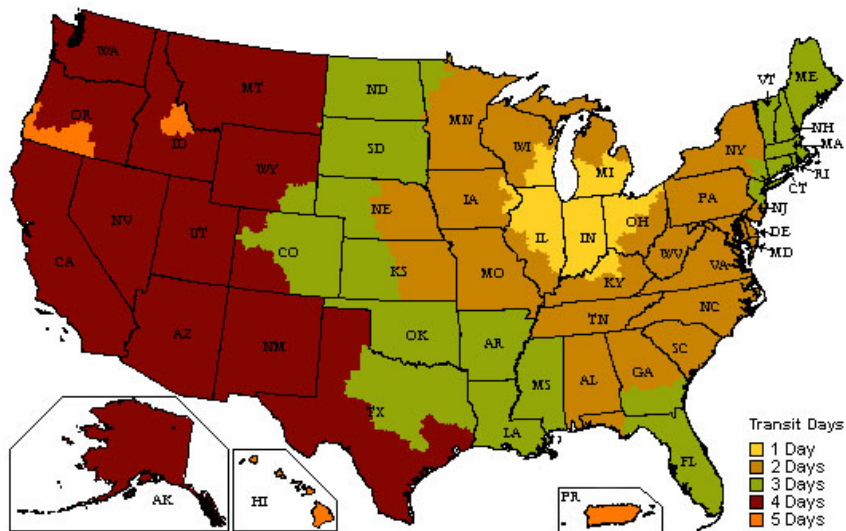
5 8. The '155 patent, titled "Electric Balance Vehicle," was duly and legally issued by the  
6 U.S. Patent and Trademark Office on June 28, 2016. Chic has all right, title, and interest in the '155  
7 patent as well as the right to sue for, collect, and receive damages for past, present and future  
8 infringements of the '155 patent. Chic has owned the '155 patent at all times during Swagway's  
9 infringement of the '155 patent.

10 9. The '723 patent, titled "Self-Balancing Vehicle," was duly and legally issued by the  
11 U.S. Patent and Trademark Office on September 1, 2015. Chic has all right, title, and interest in the  
12 '723 patent as well as the right so sue for, collect, and receive damages for past, present and future  
13 infringements of the '723 Patent. Chic has owned the '723 patent at all times during Swagway's  
14 infringement of the '723 patent.

15 10. On information and belief, Swagway makes, offers to sell, sells, and/or imports two-  
16 wheel, self-balancing vehicles, including products referred to as its "Hands Free Smart Boards."  
17 These include at least the Swagway "Swagway X1," "T1," and "T3" Smart Boards. Swagway makes  
18 such products available throughout the United States, including this district, at least through  
19 Swagway's websites at [www.swagway.com](http://www.swagway.com) and [www.swagtron.com](http://www.swagtron.com).

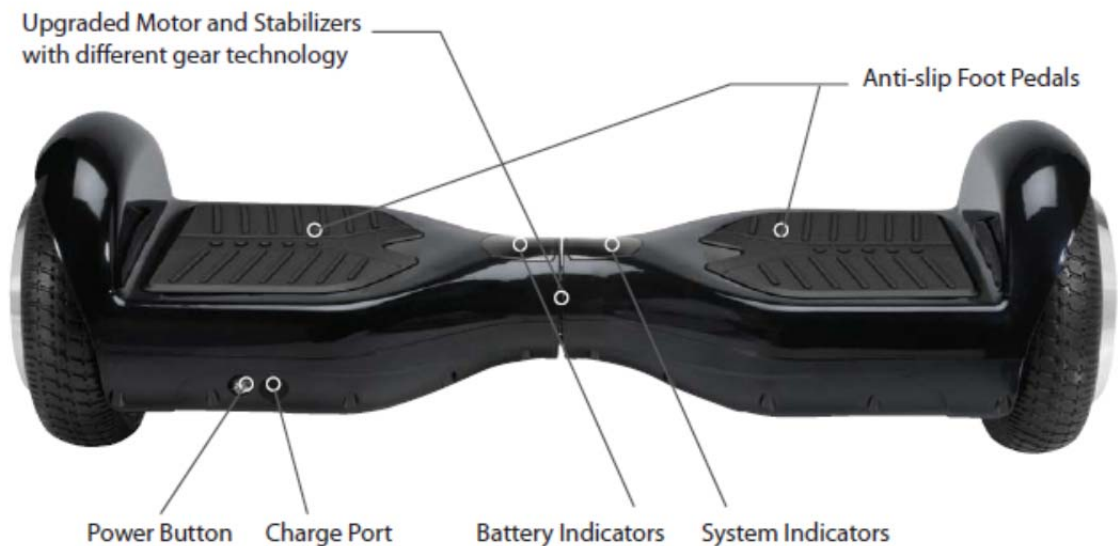
20 11. On information and belief, Swagway further ships and causes to be shipped the  
21 Swagtron Two-wheel, self-balancing vehicles from locations in Asia and from the "Swagway  
22 Warehouse" to locations throughout the United States, including this district. For example, the below  
23 image from Swagway's website (<https://swagtron.com/contact-us/>) shows where Swagway ships its  
24 products and shows "shipping times from the Swagway Warehouse to [that] location."  
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12. Swagway’s Swagtron T1 User Manual provides the following Diagram of the Swagtron T1 product, which shows that the product has a first and second top cover and a first and second bottom cover disposed symmetrically and rotatable relative to each other:

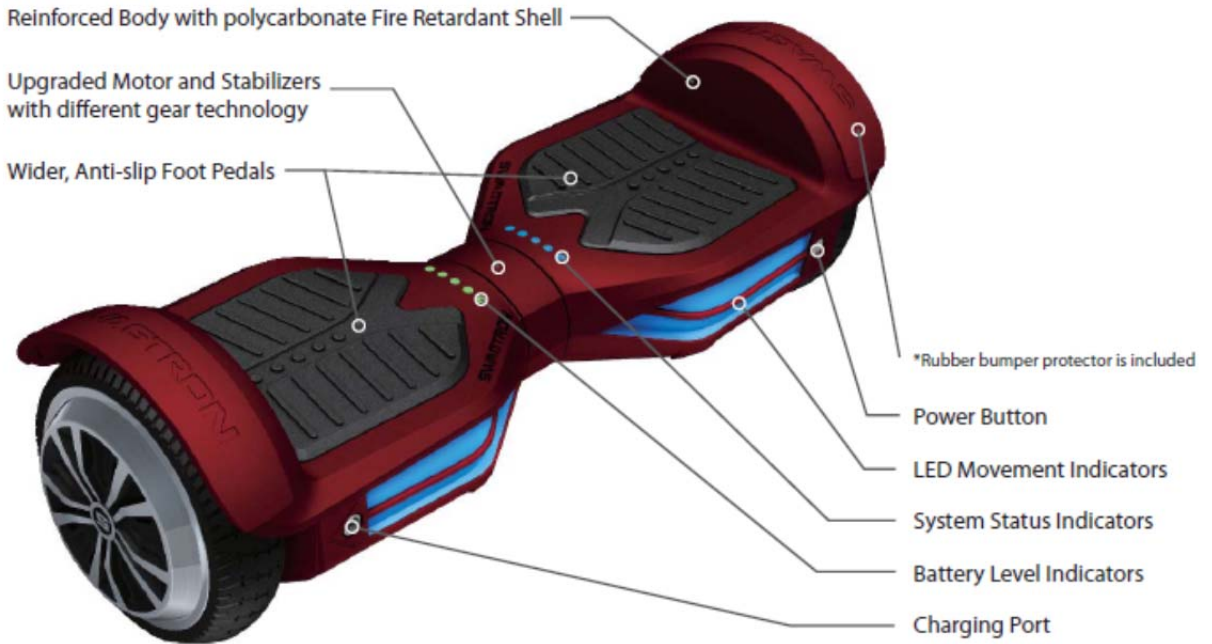
**2.1 SWAGTRON® T1 DIAGRAM**



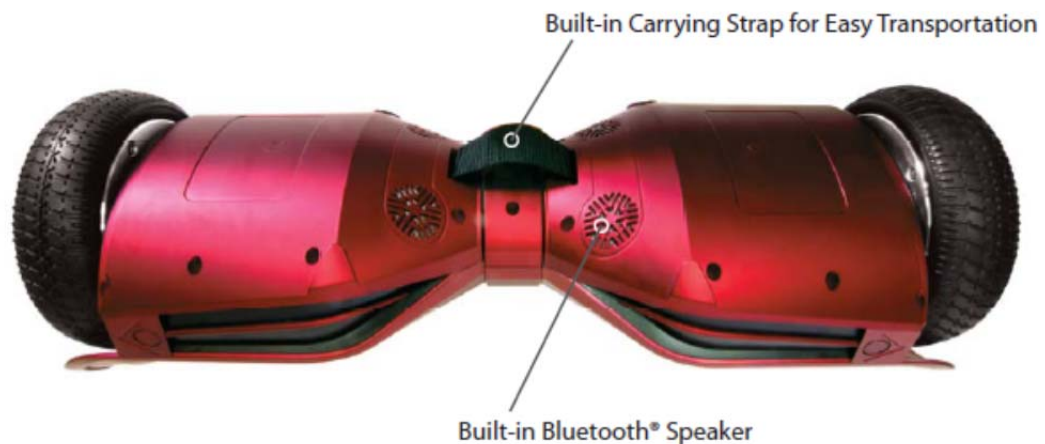
(T1 User Manual at 12.)

1 13. Similarly, Swagway's Swagtron T3 User Manual provides the following diagrams of  
2 its Swagtron T3 product, which show that the product has a first and second top cover and a first and  
3 second bottom cover disposed symmetrically and rotatable relative to each other:

4 **2.1 SWAGTRON® T3 DIAGRAM**

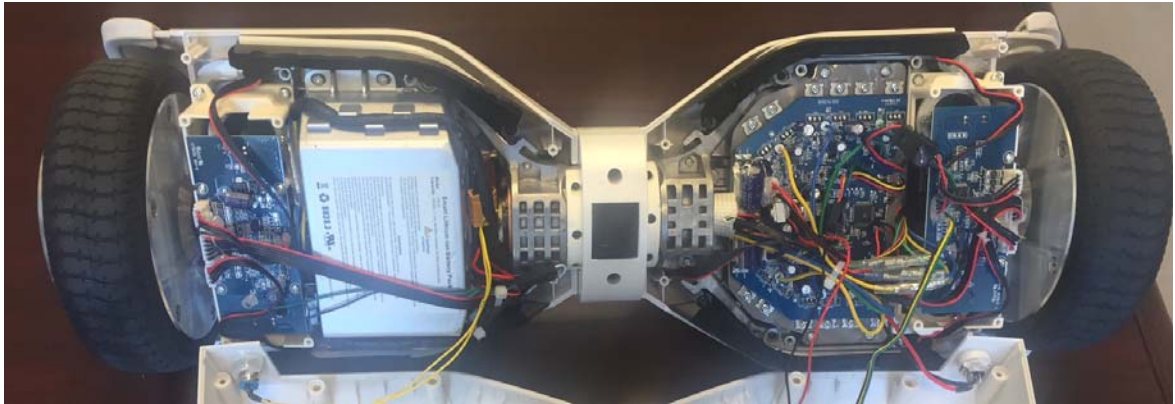


(T3 User Manual at 12.)

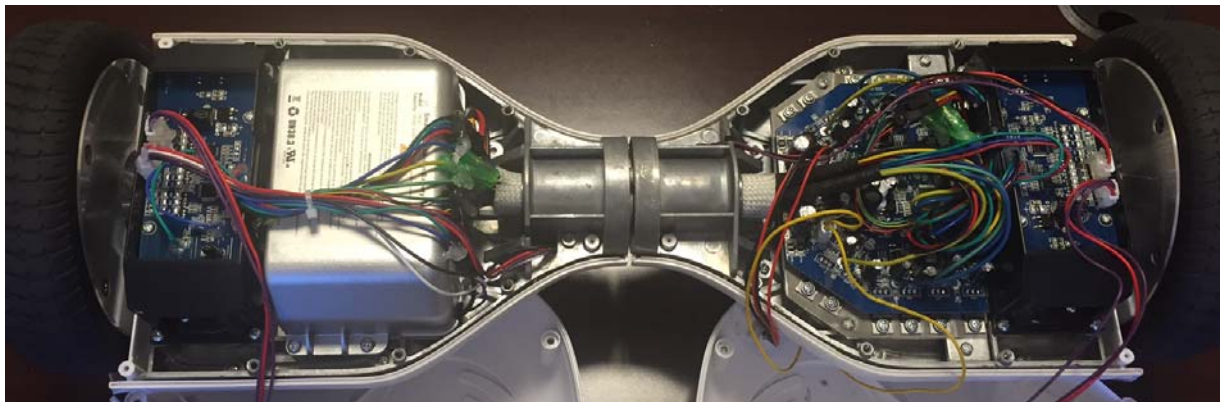


(T3 User Manual at 13.)

1           14.     The following image of a dismantled Swagtron T1 shows that the product includes a  
2 first and second inner cover fixed between the top cover and bottom cover disposed symmetrically  
3 and rotatable relative to each other:

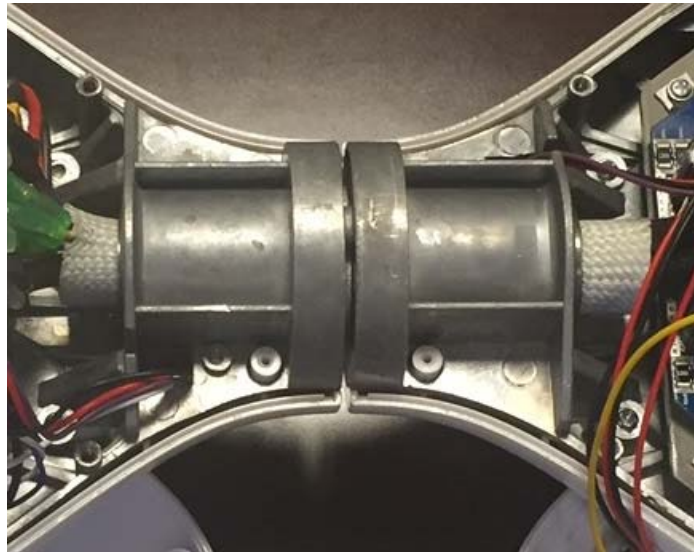


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12           15.     Similarly, the following image of a dismantled Swagtron T3 shows that the product  
13 includes a first and second inner cover fixed between the top cover and bottom cover disposed  
14 symmetrically and rotatable relative to each other:



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23           16.     The following image of a dismantled Swagtron T1 shows that the product includes a  
24 rotating mechanism fixed between the first inner cover and the second inner cover.

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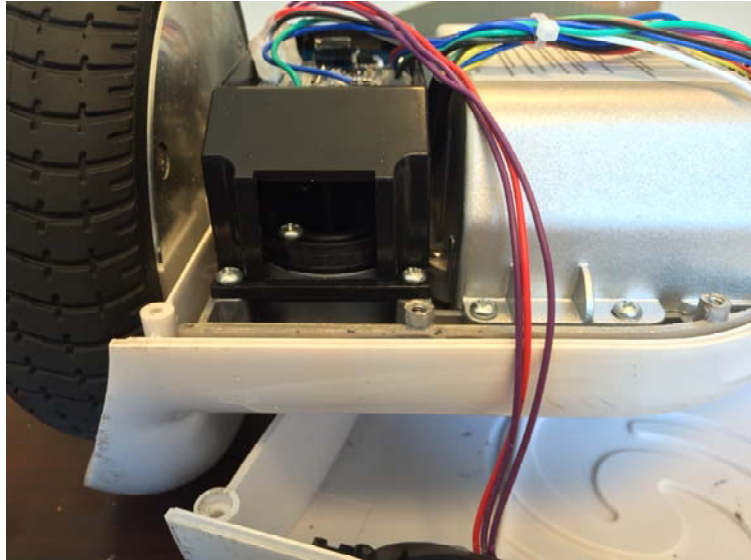
17. Similarly, the following image of a dismantled Swagtron T3 shows that the product includes a rotating mechanism fixed between the first inner cover and the second inner cover.



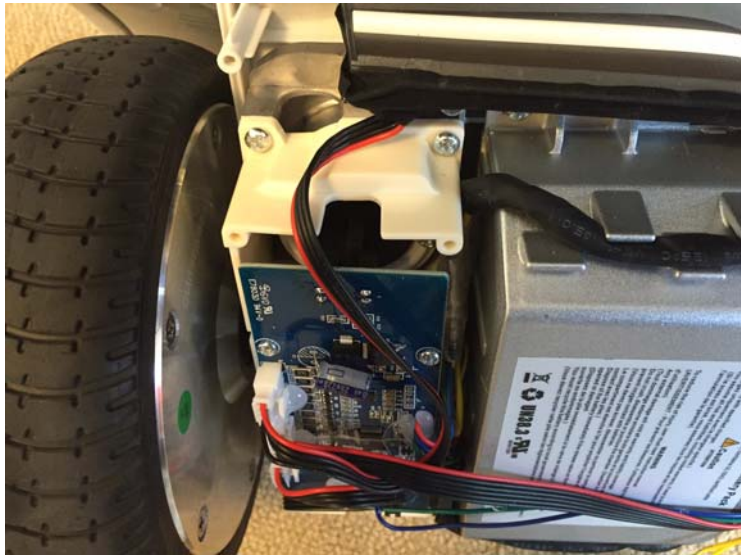
18. As shown in the images above, both the Swagtron T1 and T3 include two wheels. On information and belief, the two wheels include hub motors fixed in the two wheels.

19. The user manual for the Swagtron T1 states that the product “has 4 sensors below the pedals.” (T1 User Manual at 15.) The following image of a dismantled Swagtron T1 shows that the sensors are disposed between the bottom cover and the inner cover:

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20. The user manual for the Swagtron T3 states that the product “has 4 sensors below the pedals.” (T1 User Manual at 18.) The following image of a dismantled Swagtron T3 shows that the sensors are disposed between the bottom cover and the inner cover.



21. The following image of a dismantled Swagtron T1 shows that the product includes a power supply fixed between the first bottom cover and the first inner cover:



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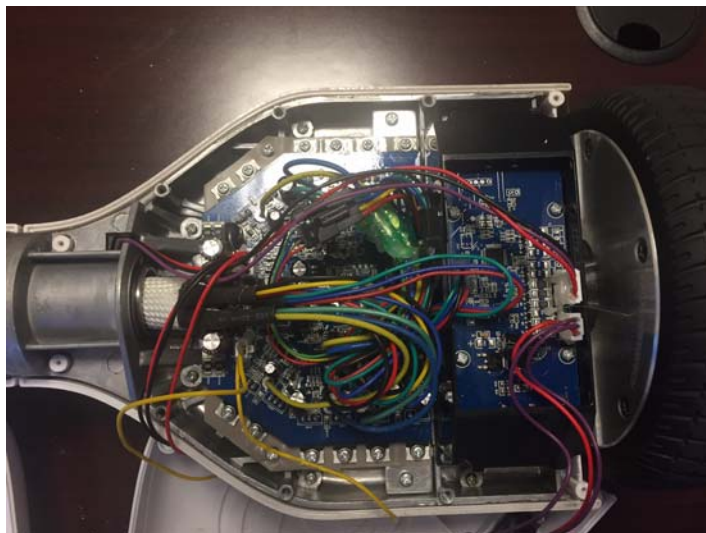


22. Similarly, the following image of a dismantled Swagtron T3 shows that the product includes a power supply fixed between the first bottom cover and the first inner cover:

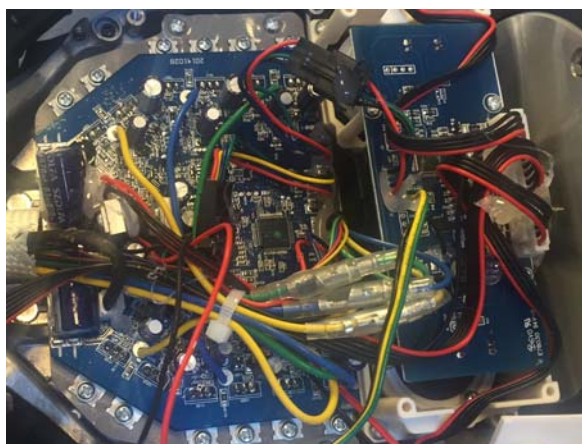


23. The below image of a dismantled Swagtron T1 shows that the product includes a controller fixed between the second bottom cover and the second inner cover. On information and belief, the controller is electrically connected with the plurality of sensors, the power supply, and the

1 hub motors, and the controller controls the hub motors to drive the corresponding wheels to rotate  
2 according to sensing signals transmitted by the sensors.

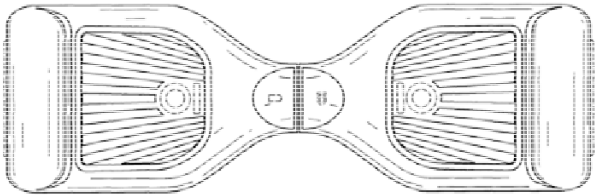


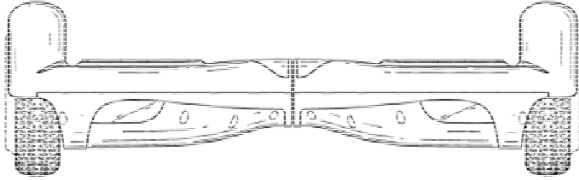




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13 24. The below image of a dismantled Swagtron T3 shows that the product includes a  
14 controller fixed between the second bottom cover and the second inner cover. On information and  
15 belief, the controller is electrically connected with the plurality of sensors, the power supply, and the  
16 hub motors, and the controller controls the hub motors to drive the corresponding wheels to rotate  
17 according to sensing signals transmitted by the sensors.

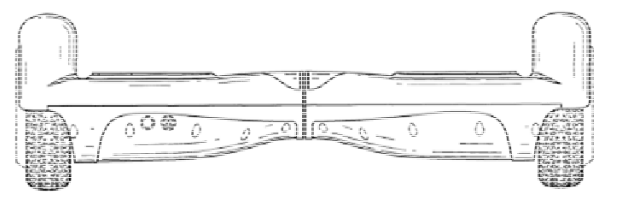


26 25. In the eye of an ordinary observer familiar with the relevant prior art, giving such  
27 attention as a purchaser usually gives, the claimed design of the '723 patent and Swagway's self-  
28 balancing vehicle products, including, for example, the Swagway "Swagway X1" and "Swagtron

T1,” are substantially the same, such that the ordinary observer would be deceived into believing that the design of Swagway’s products is the same as the design claimed in the ’723 patent. The figures below illustrate Swagway’s infringement by comparing figures from the ’723 patent with images of exemplary Swagway infringing products.

Chic’s ’723 Patent	Exemplary Accused Products
 <p data-bbox="237 846 472 877">’723 Patent, Fig. 1</p>	 <p data-bbox="873 846 1206 877">Swagway “Swagway X1”</p>  <p data-bbox="873 1129 1206 1161">Swagway “Swagtron T1”</p>
 <p data-bbox="237 1413 472 1444">’723 Patent, Fig. 3</p>	 <p data-bbox="873 1402 1206 1434">Swagway “Swagway X1”</p>  <p data-bbox="873 1717 1206 1749">Swagway “Swagtron T1”</p>

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'723 Patent, Fig. 4



Swagway "Swagway X1"



Swagway "Swagtron T1"

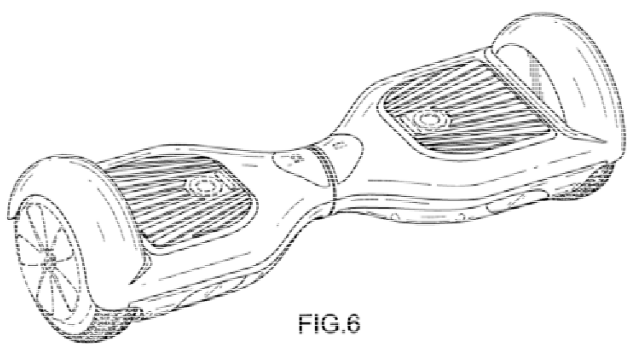


FIG.6

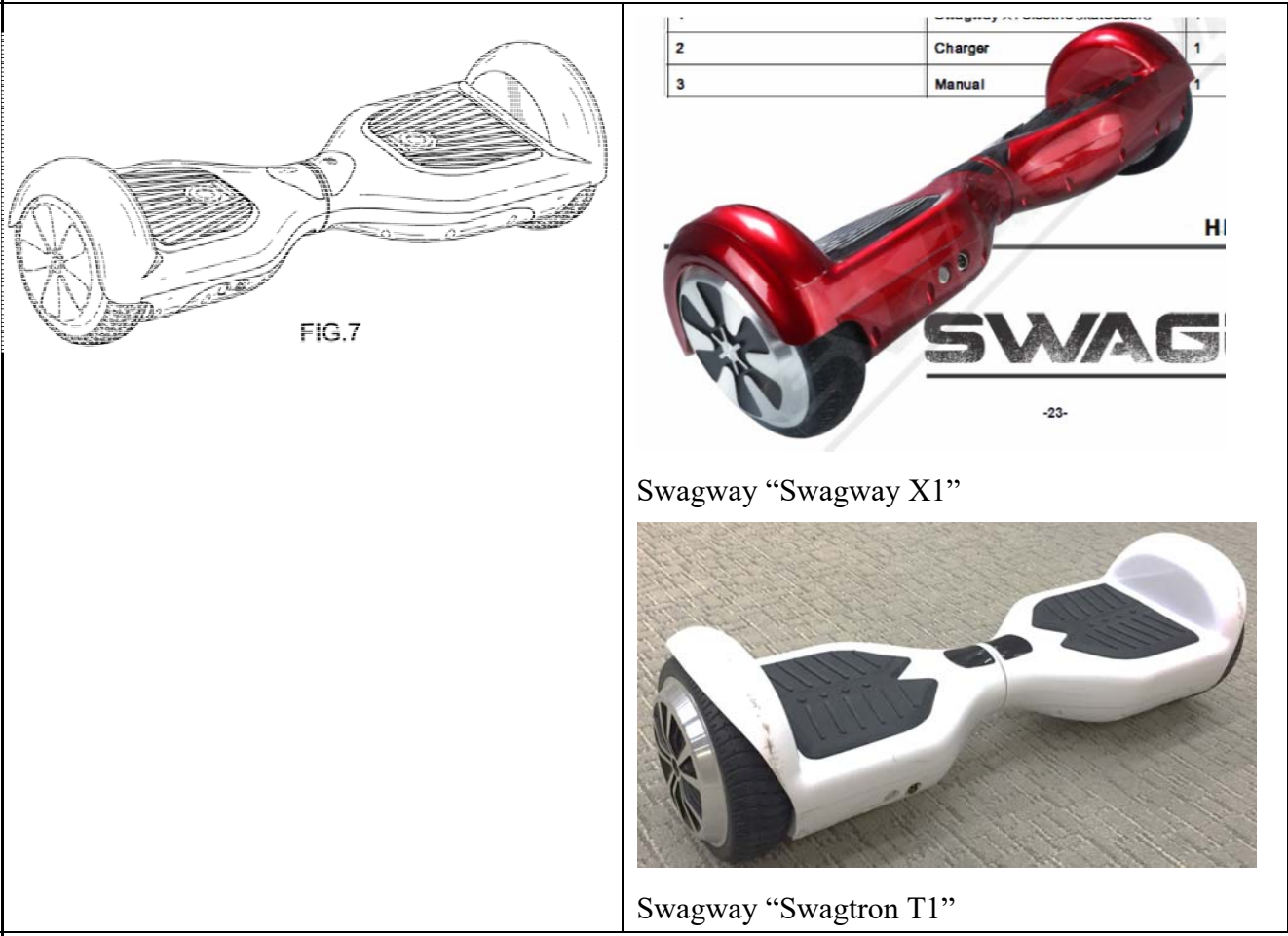


Swagway "Swagway X1"



Swagway "Swagtron T1"

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26. Swagway has had notice of the '155 patent and Chic's allegations of infringement since at least August 5, 2016. In particular, counsel for Swagway sent Chic's counsel a letter discussing the '155 patent and Chic's allegations of infringement against Swagway's products on August 5, 2016.

27. Swagway has had notice of the '723 patent and Chic's allegations of infringement since at least December 16, 2015. In particular, counsel for Chic sent Swagway a letter discussing the '723 patent and Chic's allegations of infringement against Swagway's products on December 16, 2015.

**FIRST CLAIM FOR RELIEF**

**Infringement of the '155 Patent**

28. Chic incorporates by reference paragraphs 1-27 as if fully set forth herein.

29. Chic is the owner of the '155 patent.





1 J. a judgment holding that this is an exceptional case under 35 U.S.C. § 285 and  
2 awarding Chic its reasonable attorney fees, costs, expenses, and interest; and

3 K. any further relief that this Court deems just and proper.

4 **JURY DEMAND**

5 Under Rule 38 of the Federal Rules of Civil Procedure, Chic hereby demands trial by jury of  
6 all issues so triable by a jury in this action.

7  
8 Dated: August 19, 2016

By: /s/ Robert F. McCauley  
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