

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW HAMPSHIRE

_____)	
EMSEAL JOINT SYSTEMS, LTD.,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No. 1:14-cv-00358SM
)	
SCHUL INTERNATIONAL Co., LLC,)	
WILLSEAL, LLC,)	
ION MANAGEMENT, LLC,)	COMPLAINT AND
BRIAN J. ISKE, and)	JURY DEMAND
STEVEN R. ROBINSON)	
Defendants.)	
_____)	

SECOND AMENDED CONSOLIDATED COMPLAINT

Plaintiff, EMSEAL Joint Systems, LTD., (hereinafter “EMSEAL” or “Plaintiff”) by and through its undersigned counsel, brings this Complaint for infringement of U.S. Patent Nos. 8,739,495C1, 9,528,262B2, 9,644,368B1, 9,670,666B1 and 9,637,915B1 (hereinafter, the “Patents-In-Suit”; respectively **Exhibits A1 to A5**), seeking damages and injunctive relief arising under 35 U.S.C. § 1 et seq. against Defendants Schul International Co., LLC, Willseal, LLC and Ion Management, LLC and their principals Brian J. Iske and Steven R. Robinson, respectively.

PARTIES

1. Plaintiff is a Delaware corporation with a principal place of business at 25 Bridle Lane, Westborough, Massachusetts 01581. Plaintiff is the owner of the Patents-In-Suit.
2. The first defendant named in this action is Schul International Co., LLC (hereinafter “Schul”). Upon information and belief, Schul is a New Hampshire limited liability

company with a principal place of business at 1 Industrial Park Drive U16, Pelham, New Hampshire 03076.

3. The second defendant named in this action is Willseal, LLC (hereinafter “Willseal”). Upon information and belief, Willseal is a New Hampshire limited liability company with a principal place of business at 34 Executive Drive, Hudson, New Hampshire 03051.
4. The third defendant named in this action is Ion Management, LLC (hereinafter “Ion”). Upon information and belief, Ion is a New Hampshire limited liability company with a principal place of business at 77 Heritage Hill Rd., Windham, New Hampshire 03087. Upon information and belief, Ion is the last listed owner of trademark registrations 1,072,244 and 3,501,456 for the WILLSEAL trademarks, under which Willseal does business. (See Exhibits B1 and B2).
5. The fourth defendant named in this action is Brian J. Iske (hereinafter “Iske”). Upon information and belief, Iske is a manager of Willseal and lists his address with the New Hampshire Secretary of State as 34 Executive Drive, Hudson, New Hampshire 03051.
6. The fifth defendant named in this action is Steven R. Robinson (hereinafter “Robinson”). Upon information and belief, Robinson is a member of Ion and Schul and lists his address with the New Hampshire Secretary of State as 77 Heritage Hill Rd., Windham, New Hampshire 03087.

JURISDICTION AND VENUE

7. This action arises under 35 U.S.C. §1 et seq. including 35 U.S.C. §§271, 281, 283, 284, and 285. Accordingly, this Court has subject matter jurisdiction over this action under 28 U.S.C. §§1331 and 1338.

8. This court has diversity jurisdiction over this action under 28 U.S.C. §1332 since the Plaintiff (Massachusetts) and the Defendants (New Hampshire) reside in different states.
9. All of the Defendants are subject to this Court's subject matter jurisdiction under 28 U.S.C. §1400 because all of the Defendants have principal places of business in or are domiciled in New Hampshire, and have been engaged in substantial and continuous business in this Judicial District.
10. All of the Defendants are subject to this Court's personal jurisdiction since all of the Defendants have principal places of business in or are domiciled in this Judicial District and have been engaged in substantial and continuous business in this Judicial District.
11. All of the Defendants are subject to this Court's supplemental jurisdiction under 28 U.S.C. §1367 because the action includes New Hampshire State law unfair competition/consumer protection claims that arise from the Federal action under 35 U.S.C. §1 et seq., for which this Court has original jurisdiction.
12. Venue is proper under 28 U.S.C. §1400(b) because all of the Defendants reside in New Hampshire, which is the State of incorporation for each Defendant, or are domiciled in New Hampshire, and have a regular and established place of business in this Judicial District.

FACTUAL BACKGROUND

- A. **U.S. Patent No. 8,739,495C1 ("the '495 patent")**
13. On June 3, 2014, the United States Patent and Trademark Office (hereinafter, the "USPTO") issued U.S. Patent No. 8,739,495B1 entitled "Fire and Water Resistant Expansion Joint System." On November 10, 2014, Schul submitted a Request for Ex Parte Reexamination to the USPTO seeking reexamination of all of the claims of U.S.

Patent No. 8,739,495B1. On December 12, 2014, the USPTO issued an Order granting the Request for Ex Parte Reexamination. On October 28, 2016, the USPTO issued Ex Parte Reexamination Certificate No. 8,739,495C1. U.S. Patent No. 8,739,495B1 and Ex Parte Reexamination Certificate No. 8,739,495C1 are collectively referred to hereinafter as “the ‘495 patent”. A true and correct copy of the ‘495 patent is appended hereto as **Exhibit A1**. The entire interest in the ‘495 patent was assigned to EMSEAL and the assignment was recorded with the USPTO on December 20, 2012. EMSEAL is the owner of all rights, title and interest in the ‘495 patent, and EMSEAL has the exclusive right to sue and collect damages for infringement of the ‘495 patent.

B. **U.S. Patent No. 9,528,262B2 (“the ‘262 Patent”)**

14. On December 27, 2016, the USPTO issued U.S. Patent No. 9,528,262B2 entitled “Fire and Water Resistant Expansion Joint System” (hereinafter, “the ‘262 patent”). A true and correct copy of the ‘262 patent is appended hereto as **Exhibit A2**. The entire interest in the ‘262 patent was assigned to EMSEAL and the assignment was recorded with the USPTO on January 26, 2015. EMSEAL is the owner of all rights, title and interest in the ‘262, and EMSEAL has the exclusive right to sue and collect damages for infringement of the ‘262 patent.

C. **U.S. Patent No. 9,644,368B1 (“the ‘368 Patent”)**

15. On May 9, 2017, the USPTO issued U.S. Patent No. 9,644,368B1 entitled “Fire and Water Resistant Expansion Joint System” (hereinafter, “the ‘368 patent”). A true and correct copy of the ‘368 patent is appended hereto as **Exhibit A3**. The entire interest in the ‘368 patent was assigned to EMSEAL and the assignment was recorded with the USPTO on October 15, 2014. EMSEAL is the owner of all rights, title and interest in the

'368, and EMSEAL has the exclusive right to sue and collect damages for infringement of the '368 patent.

D. **U.S. Patent No. 9,670,666B1 (“the ‘666 patent”)**

16. On June 6, 2017, the USPTO issued U.S. Patent No. 9,670,666B1 entitled “Fire and Water Resistant Expansion Joint System” (hereinafter, “the ‘666 patent”). A true and correct copy of the '666 patent is appended hereto as **Exhibit A4**. The entire interest in the '666 patent was assigned to EMSEAL and the assignment was recorded with the USPTO on April 11, 2013. EMSEAL is the owner of all rights, title and interest in the '666, and EMSEAL has the exclusive right to sue and collect damages for infringement of the '666 patent.

E. **U.S. Patent No. 9,637,915B1 (“the ‘915 patent”)**

17. On May 2, 2017, the USPTO issued U.S. Patent No. 9,637,915B1 entitled “Factory Fabricated Precompressed Water and/or Fire Resistant Expansion Joint System Transition” (hereinafter, “the ‘915 patent”). A true and correct copy of the '915 patent is appended hereto as **Exhibit A5**. The entire interest in the '915 patent was assigned to EMSEAL and the assignment was recorded with the USPTO on April 12, 2013. EMSEAL is the owner of all rights, title and interest in the '915, and EMSEAL has the exclusive right to sue and collect damages for infringement of the '915 patent.

F. **Defendants’ Infringing Products and Methods**

18. Defendants’ products infringe one or more claims of one or more of the Patents-In-Suit (hereinafter referred to as “Defendants’ infringing products”) and include, but are not limited to, Schul’s products claiming to be tested and certified under Underwriter’s Laboratories (“UL”) 2079 and identified as follows:

- a. Joint System No. WW-D-1092 (Exhibit C1);
- b. Joint System No. WW-D-1093 (Exhibit C2);
- c. Joint System No. HW-D-1098 (Exhibit C3);
- d. Joint System No. FF-D-1100 (Exhibit C4);
- e. Joint System No. WW-D-1101 (Exhibit C5);
- f. Joint System No. WW-D-1102 (Exhibit C6);
- g. Joint System No. FF-D-1109 (Exhibit C7);
- h. Joint System No. FF-D-1110 (Exhibit C8);
- i. Joint System No. WW-D-1119 (Exhibit C9);
- j. Joint System No. WW-D-1120 (Exhibit C10);
- k. Joint System No. FF-D-1148 (Exhibit C11);
- l. Joint System No. WW-D-1152 (Exhibit C12);
- m. Joint System No. WW-D-1153 (Exhibit C13);
- n. Joint System No. WW-D-1154 (Exhibit C14);
- o. Joint System No. FF-D-1156 (Exhibit C15);
- p. Joint System No. FF-D-1157 (Exhibit C16);
- q. Schul 2FR-H “Firejoint.” (Exhibit C17);
- r. Schul 3FR-H “Firejoint.” (Exhibit C17); and
- s. Schul 2FR-V “Firejoint.” (Exhibit C18).

19. Defendants’ infringing products further include, but are not limited to, Willseal’s products claiming to be tested and certified under UL 2079 and identified as follows:

- a. Joint System No. HW-D-1101 (Exhibit D1);

- b. Joint System No. FF-D-1121 (**Exhibit D2**);
 - c. Joint System No. FF-D-1122 (**Exhibit D3**);
 - d. Joint System No. FF-D-1123 (**Exhibit D4**);
 - e. Joint System No. WW-D-1124 (**Exhibit D5**);
 - f. Joint System No. WW-D-1125 (**Exhibit D6**);
 - g. Joint System No. WW-D-1126 (**Exhibit D7**);
 - h. Joint System No. WW-D-1127 (**Exhibit D8**);
 - i. Joint System No. FF-D-1151 (**Exhibit D9**);
 - j. Joint System No. WW-D-1160 (**Exhibit D10**);
 - k. Joint System No. WW-D-1161 (**Exhibit D11**);
 - l. Joint System No. WW-D-1162 (**Exhibit D12**);
 - m. Joint System No. FF-D-1174 (**Exhibit D13**);
 - n. Joint System No. FF-D-1175 (**Exhibit D14**);
 - o. Willseal® FR-2V, “Vertical 2 Hour Fire Rated Seal” (**Exhibit D15**);
 - p. Willseal® FR-2H, “Horizontal 2 Hour Fire Rated Seal” (**Exhibit D16**);
 - q. Willseal® FR-3V, “Vertical 3 Hour Fire Rated Seal” (**Exhibit D17**); and
 - r. Willseal® FR-3H, “Horizontal 3 Hour Fire Rated Seal” (**Exhibit D18**).
20. Defendants’ infringing methods (hereinafter referred to as “Defendants’ infringing methods”) include, but are not limited to, the methods described in the following instructions for installing expansion joints:
- a. Schul “Installation Instructions for 2FR-H and 2FR-V Firejoints” (**Exhibit E1**).
 - b. Willseal® Installation Instructions for FR-2V and FR-2H seals (**Exhibit E2**).

c. Willseal® Installation Instructions for FR-3V and FR-3H seals (**Exhibit E3**).

21. Defendants manufacture, offer to sell, and sell, or cause others to manufacture, offer to sell, and sell, Defendants' infringing products, and practice or cause others to practice Defendants' infringing methods without a license to do so.

G. **Defendants' Unfair Trade Practices**

22. Upon information and belief, with respect to Defendants' infringing products and methods, Defendants do minimal research and development of their own, copy EMSEAL's test regime, and maintain minimal support infrastructure. Defendants copy EMSEAL's patented products and methods.

23. Defendants' infringing products and Defendants' infringing methods are unfairly priced (e.g., due to copying, include minimal overhead for research and development) to create or maintain a monopoly and/or harm competition.

24. Defendants tarnish EMSEAL's reputation and erode EMSEAL's ability to leverage its patents by making disparaging and misleading statements to potential purchasers of EMSEAL's patented products and by providing inferior support infrastructure which tarnishes the fire seal industry.

COUNT I AS TO DEFENDANTS SCHUL, WILLSEAL AND ION

INFRINGEMENT OF THE PATENTS-IN-SUIT

25. Plaintiff repeats and realleges each and every allegation set forth in paragraphs 1-24 inclusive, and incorporates them herein by reference.

26. Pursuant to 35 U.S.C. §287, examples of notice include EMSEAL's marking of its products and packaging and postings on its website and notice to Defendants Schul, Willseal and Ion of the infringement set forth herein at least, via the filing of the present

action for infringement and via a cease and desist letter dated August 13, 2014 to which a copy of a claim chart and a copy of the initial Complaint were appended.

27. On information and belief, Defendants Schul, Willseal and Ion have and continue to, without license from EMSEAL, infringe one or more claims of each of the Patents-In-Suit (including, for example, but not limited to, claim 1 of each of the Patents-In-Suit) under 35 U.S.C. §271(a) by making, using, offering to sell and/or selling Defendants' infringing products directly to consumers, and under 35 U.S.C. §271(b) by inducing others to install Defendants' infringing products using Defendants' infringing methods.
28. On information and belief, Defendants Schul, Willseal and Ion have and continue to, without license from EMSEAL, induce each other and others (e.g., multiple third party re-sellers/private labelers) to infringe one or more claims of each of the Patents-In-Suit (including, for example, but not limited to, claim 1 of each of the Patents-In-Suit) under 35 U.S.C. §271(b) by making, using, offering to sell and/or selling Defendants' infringing products, through a network of third party re-sellers/private labelers who sell to consumers.
29. On information and belief, Defendants Schul, Willseal and Ion have and continue to, without license from EMSEAL, induce each other and others (e.g., multiple third party re-sellers/private labelers) to infringe one or more claims of each of the Patents-In-Suit (including, for example, but not limited to, claim 1 of each of the Patents-In-Suit) under 35 U.S.C. §271(b) by providing Defendants' infringing methods directly to consumers and to others through a network of third party re-sellers/private labelers who sell to consumers.

30. On information and belief, Defendant Ion makes, uses, offers to sell and/or sells Defendants' infringing products and Defendants' infringing methods under the WILLSEAL trademark which is owned by Ion. Such sale of Defendants' infringing products and Defendants' infringing methods represent infringement under 35 U.S.C. §271(a) and inducement of infringement under 35 U.S.C. §271(b).
31. As a direct and proximate consequence of the acts and practices of Defendants Schul, Willseal and Ion, EMSEAL has been, is being and, unless such acts and practices are enjoined by the Court, will continue to be injured in its business and property rights, and has suffered, is suffering and will continue to suffer injury and damages for which it is entitled to relief under 35 U.S.C. §284 adequate to compensate for such infringement, but in no case less than a reasonable royalty.
32. As a direct and proximate consequence of the acts and practices of Defendants Schul, Willseal and Ion, Defendants Schul, Willseal and Ion have also caused, are causing and, unless such acts and practices are enjoined by the Court, will continue to cause irreparable harm to EMSEAL for which it is entitled to permanent injunctive relief under 35 U.S.C. §283.
33. Defendants Schul's, Willseal's and Ion's acts of infringement are intentional and willful and "exceptional" pursuant to 35 U.S.C. §285.

COUNT II AS TO ALL DEFENDANTS

VIOLATION OF THE CONSUMER PROTECTION ACT/UNFAIR AND

DECEPTIVE TRADE PRACTICES

34. Plaintiff repeats and realleges each and every allegation set forth in paragraphs 1-33 inclusive, and incorporates them herein by reference.

35. The Consumer Protection Act, NH RSA 358-A:2, prohibits unfair or deceptive acts in the conduct of any trade or commerce. A person engaging in deceptive or misleading acts while conducting business falls within the scope of the statute. RSA 358-A:1, II.
36. By failing to acknowledge EMSEAL's intellectual property rights in their offers for sale of the technology of Defendants' infringing products, Defendants are misrepresenting that they have a status to sell Defendants' infringing products in violation of RSA358-A:2, V.
37. Defendants have disparaged EMSEAL's goods and services by making false and misleading representations of fact in violation of RSA 358-A:2, VIII.
38. Defendants have set pricing of its goods and services in violation of RSA 358-A:2, XIV.
39. Defendants' unfair and deceptive business practices were willful and knowing violations of the statute, thereby entitling EMSEAL to monetary damages and restitution pursuant to RSA 358-A:4, III(a) and attorneys' fees.
40. Pursuant to RSA 358-A:4, III(a), EMSEAL is entitled to a permanent injunction enjoining Defendants' acts.

COUNT III AS TO ALL DEFENDANTS

UNJUST ENRICHMENT

41. Plaintiff repeats and realleges each and every allegation set forth in paragraphs 1-40 inclusive, and incorporates them herein by reference.
42. As a result of the conduct of Defendants as described above, and unless the relief sought in this Complaint is granted, Defendants will unjustly benefit from and be unjustly enriched by, their own intentional and wrongful acts.

PRAYER FOR RELIEF

WHEREFORE, as relief, Plaintiff respectfully prays for a judgment against Defendants as follows:

- A. Declaring that Defendants Schul, Willseal and Ion infringe one or more claims of one or more of the Patents-In-Suit, literally, and/or under the Doctrine of Equivalents.
- B. Declaring that Defendants Schul, Willseal and Ion have actively induced infringement of one or more claims of one or more of the Patents-In-Suit.
- C. Permanently enjoining Defendants Schul, Willseal and Ion from committing further acts of infringement under 35 U.S.C. §271 of any of the claims of the Patents-In-Suit, pursuant to 35 U.S.C. §283, and RSA 358-A:4, III(a).
- D. Awarding Plaintiff its lost profits and other damages adequate to compensate for Defendants Schul's, Willseal's and Ion's infringement in accordance with 35 U.S.C. §284.
- E. Declaring this to be an "exceptional" case within the meaning of 35 U.S.C. §285, entitling Plaintiff to an award of its reasonable attorneys' fees, expenses and costs in this action as well as pre-judgment and post judgment interest.
- F. Permanently enjoining Defendants from committing further unfair trade practices pursuant to RSA 358-A:4, III(a).
- G. Awarding Plaintiff its lost profits and other damages adequate to compensate for Defendants unfair trade practices in accordance with 35 U.S.C. §284 and RSA 358-A:4, III(a).

- H. Declaring Defendants' acts and practices were willful and knowing violations of RSA 358-A:2 and forwarding a copy of the Complaint and any judgment or decree to the Attorney General of the State of New Hampshire.
- I. Grant damages associated with Defendants Schul's, Willseal's and Ion's infringing activities be trebled where allowed by law as a result of Defendants Schul's, Willseal's and Ion's actions complained of herein.
- J. Plaintiff has such other and further relief as this Court may deem just and equitable.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff demands trial by jury in this action of all issues so triable.

Respectfully submitted,

EMSEAL JOINT SYSTEMS, LTD.

By Its Attorneys,

SHEEHAN PHINNEY BASS + GREEN,
PROFESSIONAL ASSOCIATION

Dated: September 27, 2017

By: /s/ Robert R. Lucic

Robert R. Lucic, #9062
Peter A. Nieves, # 15805
1000 Elm Street
P.O. Box 3701
Manchester, NH 03105-3701
(603) 627-8188

OF COUNSEL:

Robert L. Rispoli
Intellectual Property Attorney
MKG LLC
306 Industrial Park Road, Suite 206

Middletown, Connecticut 06457-1532
(860) 632-7200 x310
Email: rispoli@mkgip.com

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has this day been forwarded via the Court's Electronic Case Filing System to all counsel of record.

Dated: September 27, 2017

/s/ Robert R. Lucic

Robert R. Lucic