

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY  
NEWARK DIVISION**

**RAGNER TECHNOLOGY  
CORPORATION, et al.,**

**Plaintiffs,**

**V.**

**TELEBRANDS CORPORATION, et al.,**

## Defendants.

**CIVIL ACTION FILE NUMBER:**

**15-cv-8185-ES-MAH**

## JURY TRIAL DEMANDED

**FIRST AMENDED COMPLAINT AGAINST TELEBRANDS CORPORATION,  
BULBHEAD.COM, LLC AND DEMAND FOR JURY TRIAL**

Plaintiffs Ragner Technology Corporation (“Ragner Corp.”) and Tristar Innovative Products, Inc. d/b/a Tristar Products, Inc. (“Tristar”) (collectively, “Plaintiffs”), by their undersigned attorneys, file this First Amended Complaint Against Defendants Telebrands Corporation (“Telebrands”) and Bulbhead.com, LLC (“Bulbhead”) (collectively, “Defendants”) And Demand for Jury Trial, and allege as follows:

## PRELIMINARY STATEMENT

1. This is an action brought by the patent owner and assignee, Ragner Corp., and exclusive patent licensee, Tristar, of U.S. Patent No. 7,549,448 (“the ’448 Patent”), U.S. Patent No. 9,022,076 (“the ’076 Patent”), U.S. Patent No. 9,182,057 (“the ’057 Patent”), and U.S. Patent No. 9,371,944 (“the ’944 Patent”) (collectively, “Patents-In-Suit”), to recover for damages resulting from Defendants’ infringement of the Patents-In-Suit, and also for damages resulting from Defendants’ false and misleading advertisements and other unfair competitive practices, such as copying Plaintiffs’ products, intending to influence consumers’ purchasing decisions and improperly interfering with Plaintiffs’ business.

2. More particularly, Telebrands developed its infringing line of Pocket Hoses by improperly obtaining Ragner Corp.'s Microhose prototype (*see infra* ¶ 44) and with knowledge that Ragner Corp. had patents covering the prototype. Despite their knowledge of and without a valid license to any of the Patents-In-Suit, Defendants have manufactured and sold, and continue to manufacture and sell, their infringing line of Pocket Hose products. Further, despite the low-quality construction of Pocket Hoses, Defendants extensively made and continue to make false and misleading statements to consumers as to the quality and functionality of Pocket Hoses—including statements that have already proven to be literally false.

3. Defendants' infringements of the Patents-In-Suit and unfair competitive practices have caused Plaintiffs (i) monetary injury including, but not limited to, damages resulting from lost profits, lost convoyed sales, and losses arising from price erosion; (ii) immediate and irreparable competitive and commercial injury including, but not limited to, sales, goodwill, and reputation, and will continue to cause such injury unless enjoined by this Court.

4. Accordingly, Plaintiffs bring this action seeking injunctive relief and monetary damages for (i) infringement of the Patents-In-Suit; (ii) false advertising under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); (iii) unfair competition under N.J. Stat. Ann. § 56:4-1 *et seq.*; (iii) tortious interference with prospective business advantage under the common law of the State of New Jersey; and (iv) unfair competition under the common law of the State of New Jersey.

#### **PARTIES**

5. Plaintiff Ragner Corp. is a Delaware corporation with a place of business at 4344 NW 34<sup>th</sup> Drive, Gainesville, Florida 32605.

6. Plaintiff Tristar is a Florida corporation with places of business at 720 Centre Avenue, Reading, Pennsylvania 19601 and 492 Route 46 East, Fairfield, New Jersey 07004.

7. On June 23, 2009, the United States Patent and Trademark Office issued the '448 Patent, titled "LINEARLY RETRACTABLE PRESSURE HOSE," to Gary Dean Ragner. Ragner Corp. is the owner and assignee of all right, title, and interest in and to the '448 Patent, subject only to an exclusive license to Tristar. A true and correct copy of the '448 Patent is attached hereto as Exhibit A.

8. On May 5, 2015, the United States Patent and Trademark Office issued the '076 Patent, titled "LINEARLY RETRACTABLE PRESSURE HOSE STRUCTURE," to Gary Dean Ragner and Robert Daniel deRochemont, Jr. Ragner Corp. is the owner and assignee of all right, title, and interest in and to the '076 Patent, subject only to an exclusive license to Tristar. A true and correct copy of the '076 Patent is attached hereto as Exhibit B. On December 11, 2017, the United States Patent and Trademark Office issued an *Ex Parte* Reexamination Certificate for the '076 Patent confirming the patentability of all claims of the '076 Patent. Specifically, a three-judge panel of the USPTO's Patent Trial and Appeal Board found that claims 1-18 of the '076 Patent are entitled to at least January 30, 2006 priority date and, therefore, U.S. Patent No. 8,291,941 does not qualify as prior art with respect to those claims. The reexamination certificate for the '076 Patent is attached hereto as Exhibit C.

9. On November 10, 2015, United States Patent and Trademark Office issued the '057 Patent, titled "RETRACTABLE ELASTIC BUNGEE HOSE," to Gary Dean Ragner. Ragner Corp. is the owner and assignee of all right, title, and interest in and to the '057 Patent, subject only to an exclusive license to Tristar. A true and correct copy of the '057 Patent is attached hereto as Exhibit D.

10. On June 21, 2016, the United States Patent and Trademark Office issued the '944 Patent, titled "MULTI-LAYER PRESSURE ACTUATED EXTENDABLE HOSE," to Gary Dean

Ragner and Robert Daniel deRochemont, Jr. Ragner Corp. is the owner and assignee of all right, title, and interest in and to the '944 Patent, subject only to an exclusive license to Tristar. A true and correct copy of the '944 Patent is attached hereto as Exhibit E.

11. Tristar has an exclusive license to manufacture, import, use, sale, and retail distribution of hoses that practice the methods claimed in the Patents-In-Suit. Together, Ragner Corp. and Tristar own all substantial rights in the Patents-In-Suit.

12. Tristar sells hoses under the brand name "FLEX-ABLE HOSE" including the "FLEX-ABLE TOUGH GRADE HOSE," "FLEX-ABLE HOSE EXTREME," "FLEX-ABLE TOUGH GRADE PRO," and "FLEX-ABLE BUNGEE HOSE" (collectively "Flex-able Hose(s)").

13. Upon information and belief, Defendant Telebrands is a New Jersey corporation with its headquarters located at 79 Two Bridges Road, Fairfield, New Jersey 07004.

14. Upon information and belief, Defendant Bulbhead is a limited liability company organized under the laws of the State of Delaware with its principal place of business at 79 Two Bridges Road in Fairfield, New Jersey.

15. Upon information and belief, Bulbhead is affiliated with Telebrands, with Bulbhead being Telebrands's website, and Bulbhead (and, therefore, Telebrands) makes profits from selling Telebrands's infringing Pocket Hoses via the Internet. *See* Parjia Kavilanz, "Laser Christmas lights are this year's frenzy," CNN Money (Dec. 11, 2015), <http://money.cnn.com/2015/12/11/smallbusiness/laser-christmas-lights-star-shower/index.html> ("... still available at Telebrands' website Bulbhead.com."); *see also* Privacy Policy, Bulbhead (Apr. 6, 2018), [www.bulbhead.com/privacy-notice](http://www.bulbhead.com/privacy-notice) ("We may share such personal information with our parent company, Telebrands, and other companies similarly under Telebrands' ownership

or control.”). Printouts of the article and the webpage are attached as Exhibits F and G, respectively. As Ajit Khubani, Telebrands’s and Bulbhead’s CEO, stated in an interview, “Telebrands has launched a new flagship brand—Bulb Head—for all of its products in a move ... reflecting television’s diminishing direct-response marketing influence.” *See* Peter Giannetti, “Telebrands Launches Bulbhead Brand,” HomeWorld Business (May 8, 2017), <https://www.homeworldbusiness.com/telebrands-launches-bulbhead-brand/>. A printout of this article is attached as Exhibit H.

16. Indeed, upon information and belief, Telebrands participated in a housewares show with Bulbhead on March 10-11, 2018, in which Telebrands and Bulbhead held themselves out as affiliated and engaged in a coordinated activity as shown in a brochure distributed by Telebrands and Bulbhead at the show. A true and correct copy of this brochure is attached as Exhibit I at 1, 5 (stating that “Telebrands continues to introduce new products under its consumer brand, BulbHead” and that “[t]he Telebrands/BulbHead team of professionals is constantly searching for the next big hit.”).

17. Upon information and belief, Telebrands and Bulbhead are under common control, with Mr. Khubani as the CEO and founder of both Telebrands and Bulbhead. *See* “Telebrands Honored with Marketer of the Year Award from the Electronic Retailing Association,” PR Newswire (Oct. 4, 2017), <https://www.prnewswire.com/news-releases/telebrands-honored-with-marketer-of-the-year-award-from-the-electronic-retailing-association-300530921.html> (stating that Mr. Khubani is the “CEO & Founder of Telebrands/BulbHead.com”); *see also* Exhibit I at 3 (brochure at a houseware show on March 10, 2018 stating that Telebrands’s CEO Mr. Khubani is the “Chief Executive Officer and President” of Bulbhead); *see also id.* at 5 (repeatedly referring to Telebrands and Bulbhead as “we”). Upon information and belief, both Telebrands and

Bulbhead share the same principal place of business: 79 Two Bridges Road in Fairfield, New Jersey. *See Answer, Tinnus Enterprises, LLC et al. v. Telebrands Corp.*, No. 6:16-cv-00033-RWS-JDL, Dkt. No. 265 at ¶¶ 4, 5; Dkt. No. 274 at ¶¶ 4, 5 (E.D. Tex. 2017); *see also supra*, ¶¶ 13, 14. Upon further information and belief, Bulbhead is not just under common control with Telebrands, but also acted in coordination with Telebrands in the marketing and sale of the infringing products, and is a successor-in-interest to Telebrands.

18. Defendants' primary business consists of selling "AS SEEN ON TV" products, including, but not limited to, the "POCKET HOSE," "POCKET HOSE ULTRA," "POCKET HOSE DURA-RIB," "POCKET HOSE DURA-RIB II," "POCKET HOSE TOP BRASS," "POCKET HOSE TOP BRASS II," "POCKET HOSE BUNGEE," "POCKET HOSE DURA RIB BULLET," and "POCKET HOSE TOP BRASS BULLET"<sup>1</sup> (hereinafter, the "Pocket Hose(s)"), by making these products available for purchase directly to consumers online and by TV mail order, and by contracting to sell these products to companies for retail sales to consumers.

### **JURISDICTION AND VENUE**

19. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331, 1338, and 1367, and 15 U.S.C. § 1121.

20. Telebrands regularly conducts business throughout the United States, including in New Jersey. Upon information and belief, over several years, Telebrands has sold millions of dollars of "AS SEEN ON TV" products including, but not limited to, Pocket Hoses, directly to retail customers in this district, as well as to wholesale customers that sell such products to

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<sup>1</sup> Upon information and belief, Pocket Hose Top Brass Bullet is also referred to as Pocket Hose Brass Bullet. *See* Pocket Hose Brass Bullet, BulbHead, <https://www.bulbhead.com/pocket-hose-top-brass-bullet.html> (last visited Apr. 4, 2018) (using "pocket-hose-top-brass-bullet" URL address and the advertisement for the Pocket Hose Top Brass Bullet on the BulbHead page for Pocket Hose Brass Bullet)

customers in this district. Telebrands also conducts extensive television advertising campaigns directed to residents in this district.

21. Bulbhead regularly conducts business throughout the United States, including in New Jersey. Upon information and belief, over several years, Bulbhead, as a successor-in-interest to and a primary website for Telebrands with respect to at least the sales of Pocket Hoses, has solicited and conducted business within the State of New Jersey, including but not limited to maintaining a website with access in the State of New Jersey, marketing to customers in the State of New Jersey, and having sales in the State of New Jersey through its website. In fact, upon information and belief, Telebrands has transferred and is transferring accounts from Telebrands to Bulbhead.

22. This Court has personal jurisdiction over Defendants by virtue of their presence and regular business activities within this judicial district, including having the same primary office location in this district, and sales of Pocket Hoses to retail consumers and to wholesale customers in this district that sell to retail customers residing in this district.

23. This judicial district is a proper venue pursuant to 28 U.S.C. §§ 1391(b), 1391(c), and 1400(b), by virtue of Defendants having the same primary office location in this district and a substantial part of the events or omissions giving rise to Plaintiffs' claims having occurred in this district.

## **FACTUAL ALLEGATIONS**

### **A. Defendants' Infringement of Plaintiffs' Patents**

24. At least as early as the summer of 2011, after issuance of the '448 Patent, Manish Israni, a Telebrands representative, attempted to obtain a patent license for Ragner Corp.'s retractable hose technology. Telebrands thus had full knowledge and actual notice of the '448

Patent and its infringement thereof at least as early as the summer of 2011. Telebrands did not obtain a valid patent license from Ragner Corp. for any of its U.S. Patents.

25. Despite this, during litigation in Canada in 2014 involving Telebrands, the CEO of Telebrands and Bulbhead, Ajit Khubani, testified at trial that Telebrands signed a “sole and exclusive license to make, use and sell” the Ragner Corp. (Microhose) product in November, 2011. *See E. Mishan & Sons, Inc. v. Superlek Canada Inc.*, 2014 FC 326, Dkt. No. T-1 112-013 at 77, 80 (Can. Fed. Ct. 2014). But Telebrands has never had a valid patent license from Ragner Corp. and, upon information and belief, Telebrands and Ajit Khubani were aware that Telebrands did not have such a license. Nevertheless, directly or through Bulbhead, Telebrands sold and continued to sell and use Pocket Hoses that incorporate technology covered by, and that infringe, the Patents-In-Suit.

26. In addition, Telebrands has been aware of the ’448 Patent and its infringement thereof since at least October 23, 2012, when Telebrands filed a declaratory judgment action in New Jersey against another competitor’s expandable hose patents. *See* Exhibit J. In that action, Telebrands alleged that U.S. Patent Numbers 8,291,941 (the “’941 Patent”) and 8,291,942 (the “’942 Patent”), related to expandable hoses, were “[i]nvalid for failing to comply with the requirements of 35 U.S.C. §§ 102, 103, and/or 112.” The specifications of the ’941 and ’942 Patents specifically discuss the ’448 Patent in the ’941 Patent’s Description of the Prior Art section and the ’942 Patent’s Background of the Invention section. *See* Exhibits K and L. Thus, Telebrands had actual knowledge of the ’448 Patent when it filed suit in 2012.

27. Telebrands, and subsequently Bulbhead as an affiliate and/or a successor-in-interest to Telebrands, thus knew of the ’448 Patent in 2011, and at least by 2012, and knew at that time



that the methods performed in using, marketing, and offering for sale of Pocket Hoses constituted infringement of that patent.

28. Telebrands also brought declaratory judgment claims of invalidity and non-infringement with respect to the '076 Patent on May 5, 2015, in *Telebrands Corp. v. Ragner Tech. Corp. et al.*, Civil Action No. 2:15-cv-3163 (D.N.J.); with respect to the '057 Patent on June 15, 2016, in *Telebrands Corp. v. Ragner Tech. Corp. et al.*, Civil Action No. 2:16-cv-03474 (D.N.J.); and with respect to the '944 Patent on June 21, 2016, in *Telebrands Corp. v. Ragner Tech. Corp. et al.*, Civil Action No. 2:16-cv-03594 (D.N.J.).

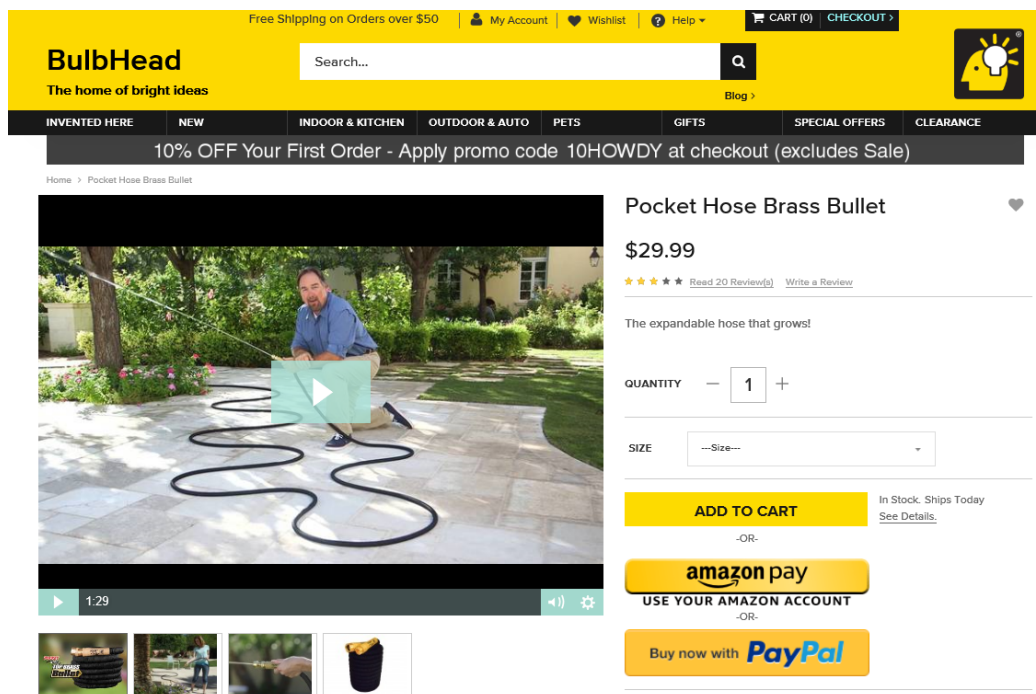
29. Telebrands, and subsequently Bulbhead as an affiliate and/or a successor-in-interest to Telebrands, thus had actual notice of the '076 Patent and their infringements thereof at least as early as May 5, 2015, had actual notice of the '057 Patent and their infringements thereof at least as early as June 15, 2016, and had actual notice of the '944 Patent and their infringements thereof at least as early as June 21, 2016. As of these dates, Telebrands, and Bulbhead as an affiliate and/or a successor-in-interest to Telebrands, knew or were willfully blind to the fact that the methods performed in using, marketing, and offering for sale of Pocket Hoses constituted at least a high probability of infringement of the Patents-In-Suit.

30. Nonetheless, Defendants ignored the high probability of patent infringement that would result by using the patented methods in their advertising, and by developing, testing, using, selling, and offering to sell, and actively inducing others to use, advertise, sell, and/or offer to sell hoses that practice the apparatuses and methods claimed in the Patents-In-Suit, including at least Pocket Hoses.

31. Defendants, through their advertising, demonstrate and have demonstrated the functionality of Pocket Hoses and thus use the patented methods, including in certain videos

distributed on television and the Internet. These advertisements further instruct users and consumers to use Pocket Hoses in a manner that infringes claims of the Patents-In-Suit. In fact, unless Defendants' customers follow the instructions and perform the steps of the claimed methods, Pocket Hoses cannot be used.

32. By way of example, the following is a screenshot of a Telebrands video advertisement featured on Bulbhead's website describing the "POCKET HOSE BRASS BULLET" that specifically highlights its features as a hose that "inflate and expand," which performs one or more claims of the Patents-In-Suit.



33. Defendants also sell Pocket Hoses with instructions to use Pocket Hoses in a manner that infringes the Patents-In-Suit.

34. By way of example, the promotional packaging of the POCKET HOSE DURA-RIB depicts images of the hose attached to a pressurized water source and explains that "[t]he secret is the accordion design that automatically expands when the water is turned on," and further

explains that the hose, when used, “expands with water pressure” and “contracts for easy storage.”

A true and correct copy of the promotional packaging is attached as Exhibit M.

35. Further, the instructions accompanying the POCKET HOSE DURA-RIB instruct purchasers and users to “3. Attach the POCKET HOSE DURA-RIB inlet to the water supply of your home, (see Figure 2)” and “Turn on the tap from your home’s water supply and let the POCKET HOSE DURA RIB fully expand.” The instructions also state that “After use, turn off the tap for your home’s water supply. ... As this happens, the POCKET HOSE DURA-RIB will shrink to its original size.” *See* Exhibit M.

36. Pocket Hoses are garden hoses designed to transport water and to retract and extend based on the resulting water pressure. There is no substantial non-infringing use for Defendants’ Pocket Hoses.

37. Defendants’ infringement, directly or indirectly (contributorily or by inducement) of the Patents-In-Suit has caused damage to Plaintiffs, including substantial lost profits. Defendants’ infringing actions will continue unless enjoined by this Court.

#### **B. Defendants’ Sales of Pocket Hoses**

38. Plaintiffs repeat and incorporate by reference the allegations contained in the foregoing paragraphs 1-37, as if fully set forth herein.

39. According to a 2014 Forbes article, Telebrands sold \$400 million of Pocket Hoses in 2013 and more than \$200 million in 2014. Dale Buss, “Pocket Hose Gushes Revenue for Direct-Response Leader TeleBrands”, *Forbes* (Jul. 10, 2014), <https://www.forbes.com/sites/dalebuss/2014/07/10/pocket-hose-gushes-revenues-for-drtv-leader-telebrands/#440d56f33f64>. A true and correct copy of this article is attached as Exhibit N. Upon information and belief, Telebrands, and

Bulbhead as a successor-in-interest to and the website for Telebrands, continue to sell Pocket Hoses, receiving additional tens of millions of dollars in sales per year.

40. Upon information and belief, Telebrands has spent at least \$5 million on advertising, including promotional television advertisements, for Pocket Hose. In those advertisements, Telebrands practices one or more claims of the Patents-In-Suit to promote the sales of Pocket Hoses.

41. Upon information and belief, Telebrands does not sell Pocket Hoses from its branded website ([www.telebrands.com](http://www.telebrands.com)) any longer, but has made and is making direct sales to customers through Bulbhead's website (<https://www.bulbhead.com/pocket-hose.html>). Telebrands also sells POCKET HOSE TOP BRASS BULLET through a separate website (<https://www.brassbullethose.com>), and the website evinces Telebrands's affiliation with Bulbhead. Terms and Conditions, Brass Bullet Hose (Apr. 6, 2018), <https://www.brassbullethose.com> (showing Bulbhead logo on the top right corner of the page while the Terms & Conditions names Telebrands Corp. as the website owner). Upon information and belief, Telebrands has made sales through Bulbhead at least since July 17, 2015, based on archived pages of Bulbhead.com in the Internet Archive, available at <http://archive.org/web> and attached as Exhibit O.

42. Defendants and Tristar are direct competitors for sales of consumer expandable hoses and for wholesale customers that sell consumer expandable hoses to their customers. Each sale by Telebrands of a Pocket Hose, through wholesale/retail customers, TV mail order, or online platforms such as Bulbhead, represents a potential lost sale by Tristar of its competing expandable hoses. Tristar had and currently has the manufacturing and marketing capacity to sell the quantity

of Pocket Hoses sold by Telebrands. The lost sales suffered by Plaintiffs resulting from Telebrands's sales of Pocket Hoses that practice the claimed methods are reasonably foreseeable.

### **C. Defendants' Unfair Business Practices**

43. Plaintiffs repeat and incorporate by reference the allegations contained in the foregoing paragraphs 1-42, as if fully set forth herein.

44. Upon information and belief, in 2011, Telebrands improperly, and without Ragner Corp.'s consent, obtained Ragner Corp.'s MicroHose prototype, which embodied the invention disclosed and claimed in the '448 Patent, from a third party who was under an obligation not to disclose it.

45. Upon information and belief, despite not having any license to the '448 Patent, Telebrands began developing and marketing Pocket Hoses in August 2012, which was developed based upon the MicroHose prototype. According to a 2014 Forbes interview of Mr. Khubani, Telebrands "created Pocket Hose by adapting the idea of an earlier product by another outfit, called MicroHose." *See* Exhibit N.

46. As a result of their copying of Plaintiffs' product and attendant lower product development costs, Telebrands, and Bulbhead as a successor-in-interest to and the website for Telebrands, have engaged in and continue to engage in activities such as offering reduced prices and expedited delivery schedules to retail store accounts for their improperly developed Pocket Hoses, thereby capturing major wholesale customers and causing Tristar to lose sales of its hoses to those major wholesale customers. In 2014, Mr. Khubani told Forbes magazine that Pocket Hose had an approximately 80 percent share of retractable hose sales. *See* Exhibit N.

47. Telebrands, and Bulbhead as a successor-in-interest to and the website for Telebrands, have provided and continue to provide retail and wholesale customers low-quality

Pocket Hoses and have not informed consumers about the proper operating limits of these Pocket Hoses. According to Forbes, as just one example, “[i]n the first year of the product, TeleBrands got lots of consumer complaints about Pocket Hoses, especially about bursting at the connections between the hose and the plastic fixtures.” Exhibit N. In another example, customers of Pocket Hoses filed a class action lawsuit in this District on February 25, 2014 because Pocket Hoses were “not ‘strong enough for any job[,]’ despite Telebrands’s statements made in its advertisements that they were “rugged and durable garden hose that was strong enough for any job.” Exhibit P. Telebrands settled the class action in 2016. Exhibit Q.

48. Indeed, despite the low-quality construction of Pocket Hoses, Telebrands, and Bulbhead as a successor-in-interest to and the website for Telebrands, extensively made and continue to make false and misleading statements to consumers as to the quality and functionality of Pocket Hoses. For example, with respect to the POCKET HOSE, Telebrands advertised that “[i]t’s strong enough pull this 5,000 pound SUV.” Pocket Hose, “Pocket Hose – Official Commercial – As Seen On TV Growing Garden Hose,” YouTube (Aug. 30, 2012), <https://www.youtube.com/watch?v=87sRVk1f7ik>. With respect to the POCKET HOSE ULTRA, Telebrands advertised that “[i]t’s tough enough to tow a truck.” Edward Kelahan, “Pocket Hose Infomercial – 5 Minutes,” YouTube (Jul. 21, 2014), <https://www.youtube.com/watch?v=e1B-5vCywWo>. With respect to POCKET HOSE DURA-RIB and POCKET HOSE TOP BRASS II, Telebrands and Bulbhead advertised that it is “[g]uaranteed not to kink, leak, or tear, or your money back.” Cody Paddock, “Pocket Hose,” YouTube (Sept. 30, 2015), <https://www.youtube.com/watch?v=zLBCrXPegxY>; BulbHead, “Watch how easy Pocket Hose Top Brass 2 is to use,” YouTube (July 25, 2016), <https://www.youtube.com/watch?v=rN7vkQeWXaA>. With respect to the POCKET HOSE TOP BRASS BULLET,

Telebrands and Bulbhead advertised that the hose is “[s]o incredibly strong it can stop these trucks dead in their tracks.” Bulbhead, “Pocket Hose Brass Bullet,” Bulbhead (last visited Apr. 3, 2018), <https://www.bulbhead.com/pocket-hose-top-brass-bullet.html> (featuring Telebrands’s advertisement of Pocket Hose Top Brass Bullet).

49. Each of these statements is unequivocally false. In fact, in addition to the 2014 class action (*see supra*, ¶47), where Telebrands’s customers alleged Telebrands’s false and misleading statements about Pocket Hoses despite their low-quality construction, at least some of these statements have already shown to be false by third parties. *See, e.g.*, Inside Edition, “Is ‘Brass Bullet’ Garden Hose as Strong as Commercials Suggest,” YouTube (Sept. 28, 2017), <https://www.youtube.com/watch?v=bdmCpJtRIJQ> (demonstrating that the POCKET HOSE TOP BRASS BULLET broke off when pulled by two trucks unlike Telebrands’s and Bulbhead’s false advertisement.).

50. Upon information and belief, Defendants’ false and misleading advertisements led to increased sales of Pocket Hoses, to the detriment of Plaintiffs. For example, Defendants’ low-quality Pocket Hoses and their false advertisements as to the quality of those hoses resulted in Plaintiffs’ loss of goodwill and reputation, in addition to the customers’ disbelief in the novelty and the utility of expandable hoses more generally.

51. Telebrands’s conduct, including its sales of poor-quality Pocket Hoses, resulted in the Better Business Bureau (“the BBB”) revoking Telebrands’s accreditation in 2014, after the BBB received more than 1,200 complaints related to Telebrands’s products, including complaints directed to Pocket Hoses. A true and correct copy of this accreditation status with the BBB is attached as Exhibit R. These customer complaints to the BBB further document how Telebrands’s

customers purchased Pocket Hoses and, pursuant to Telebrands's packaging, instructions, and video advertising, used Pocket Hoses to directly infringe claims of the Patents-In-Suit.

52. On July 13, 2015, Telebrands paid \$550,000 to the State of New Jersey for settlement of fraud charges related to the sales of its Pocket Hoses, after allegations by the State that Telebrands had defrauded consumers by pushing more expensive items, shipping items that were never ordered, and engaging in misleading advertising. The New Jersey Attorney General investigated Pocket Hose and other Telebrands products after receiving over 340 consumer complaints, resulting in the state filing the complaint for fraud against Telebrands in August of 2014. Jonathan Stempel, "As Seen on TV' Company Settles New Jersey Fraud Case," Reuters (Jul. 13, 2015), <https://www.reuters.com/article/us-telebrands-asseenontv-settlement/as-seen-on-tv-company-settles-new-jersey-fraud-case-idUSKCN0PN2G520150713>. A copy of this article is attached as Exhibit S.

53. Upon information and belief, in response to the numerous complaints and problems customers had with Pocket Hoses, Telebrands has been developing other variations of the "POCKET HOSE" including, at least, "POCKET HOSE ULTRA," "POCKET HOSE DURA-RIB," "POCKET HOSE DURA-RIB II," "POCKET HOSE TOP BRASS," "POCKET HOSE TOP BRASS II," "POCKET HOSE BUNGEE," "POCKET HOSE DURA-RIB BULLET" and "POCKET HOSE TOP BRASS BULLET."

54. By way of their misleading and/or false advertisements and marketing and sales of their low-quality Pocket Hoses, Defendants have damaged consumer perceptions of the quality and usefulness of retractable hoses generally, resulting in lost profits to Plaintiffs, including, but not limited to, lost profits relating to Plaintiffs' novel and patented hoses. Further, with their aggressive pricing practices resulting from their ill-gotten, low cost structure, Defendants have



also forced lower prices for the expandable consumer hose market, resulting in lost profits to Plaintiffs due to lost sales and price erosion for Plaintiffs' novel, patented hoses.

55. Defendants sell, offer to sell, and actively induce others to use, sell, and/or offer to sell auxiliary products such as the "MIGHTY BLASTER FIREMAN'S NOZZLE," "POCKET HOSE HOLDER," and "POCKET HOSE ULTRA ELBOW CONNECTOR," which form a functional unit with the Telebrands Pocket Hoses (hereinafter, "Auxiliary Products"). The sale of these products foreseeably resulted in and continues to result in Plaintiffs' lost convoyed sales.

#### **COUNT I: INFRINGEMENT OF THE '448 PATENT**

56. Plaintiffs repeat and incorporate by reference the allegations contained in the foregoing paragraphs 1-55, as if fully set forth herein.

57. Upon information and belief, without authority or license from Plaintiffs, Telebrands, and Bulbhead as an affiliate of and/or a successor-in-interest to Telebrands, have directly infringed and are still infringing, both literally and under the doctrine of equivalents, at least claims 13-15, 18, and 26 of the '448 Patent by performing the claimed methods in their advertising, testing the products practicing the claimed methods, offering for sale for use of the claimed methods, and offering for sale hoses that practice one or more methods claimed in the '448 Patent. Such hoses practicing the claimed methods include at least the "POCKET HOSE," "POCKET HOSE ULTRA," "POCKET HOSE DURA-RIB," "POCKET HOSE DURA-RIB II," "POCKET HOSE TOP BRASS," "POCKET HOSE TOP BRASS II," "POCKET HOSE BUNGEE," "POCKET HOSE DURA-RIB BULLET," and "POCKET HOSE TOP BRASS BULLET." Defendants' infringements have been willful and with full knowledge of the '448 Patent. Defendants will continue their infringement unless enjoined by this court.

58. Upon information and belief, Telebrands, and Bulbhead as a successor-in-interest to and the website for Telebrands, have induced and continue to actively induce their advertising

partners, such as the actor Richard Karn, and their customers, including retail customers and wholesale customers, to directly infringe the '448 Patent, both literally and under the doctrine of equivalents. Defendants knew and know of the '448 Patent, and that their sales of Pocket Hoses practicing the claimed methods constitute infringement and would cause their customers to infringe at least claims 13-15, 18, and 26 of the '448 Patent. Through Defendants' extensive advertising of and detailed instructions on how to use Pocket Hoses, Defendants specifically encourage and instruct consumers and wholesale customers to engage in uses of Pocket Hoses that infringe one or more claims of the '448 Patent. Defendants have done so with specific intent to infringe the '448 patent. As a result of Defendants' advertising, Defendants' customers did directly infringe and continue to infringe claims 13-15, 18, and 26 of the '448 Patent.

59. Upon information and belief, Telebrands, and Bulbhead as the successor-in-interest to and the website for Telebrands, with knowledge of the '448 Patent, have made, imported, tested, distributed, used, sold, and offered for sale Pocket Hoses and components and continue to test, import, distribute, use, offer for sale, and sell to retail customers and wholesale customers Pocket Hoses and components that can only reasonably be used to infringe the claimed methods of the '448 Patent, and such customers directly infringed at least claims 13-15, 18, and 26 of the '448 Patent by using such Pocket Hoses and components. These Pocket Hoses can only reasonably be used by customers to directly infringe claims of the '448 Patent and have no substantial non-infringing uses. Pocket Hoses are not staples of commerce. Defendants have committed and continue to commit contributory infringement of claims 13-15, 18, and 26 of the '448 Patent.

60. For example, and without limitation, Defendants and/or their customers using a Pocket Hose input water into the Pocket Hose, which have an outer cover and a rubber tube inside the outer cover that are interconnected at each end. The rubber tube has a hollow interior through

which water flows. The rubber tube generates a force tending to retract the outer cover longitudinally along its length. When Defendants and/or their customers use a Pocket Hose, in normal operation, water flows into the rubber tube in the Pocket Hose and the flow out of the rubber tube is restricted. This restriction causes a pressure increase within the rubber tube above the ambient pressure outside the Pocket Hoses, which causes a force directed in the opposite direction of the force of the rubber tube and that tends to extend the Pocket Hoses. This force from the restriction of the water flow can be adjusted in its magnitude less than or greater than the force caused by the rubber tube, by changing the pressure of the water inside the rubber tube. The length of the Pocket Hose changes based on the magnitude of this force.

61. Upon information and belief, Defendants sell and offer for sale additional Auxiliary Products including, but not limited to, the “MIGHTY BLASTER FIREMAN’S NOZZLE,” “POCKET HOSE HOLDER” and “POCKET HOSE ULTRA ELBOW CONNECTOR” which form a functional unit with the Pocket Hoses, and which foreseeably result in the loss of convoyed sales to Plaintiffs.

62. Defendants’ infringements of the ’448 Patent have injured Plaintiffs. Plaintiffs are entitled to recover damages adequate to compensate them for such infringements, including lost profits, lost convoyed sales, and losses resulting from price erosion, but in no event less than a reasonable royalty.

63. Defendants’ commercial activities relating to the infringing hoses have continued and are continuing with knowledge of the ’448 Patent, and with knowledge of their infringement of the ’448 Patent. These commercial activities are, at a minimum, done with reckless disregard of Plaintiffs’ rights under the ’448 Patent. Defendants’ acts of infringement have therefore been intentional, deliberate, and willful.

64. This case is exceptional and, therefore, Plaintiffs are entitled to an award of attorneys' fees.

65. Plaintiffs have suffered irreparable harm as a result of lost market share, price erosion, consumer product confidence, and the direct competition between Plaintiffs and Defendants in this emerging market. Defendants further may be unable to satisfy money judgment. The public interest would not be harmed should an injunction be granted, as Plaintiffs have the manufacturing and marketing capacity to meet market demand, and the reduction in the number of low quality Pocket Hoses on the market would help, not harm, the public.

## **COUNT II: INFRINGEMENT OF THE '076 PATENT**

66. Plaintiffs repeat and incorporate by reference the allegations contained in the foregoing paragraphs 1-65 as if fully set forth herein.

67. Upon information and belief, without authority or license from Plaintiffs, Telebrands, and Bulbhead as an affiliate of and a successor-in-interest to Telebrands, directly infringed and are still infringing, both literally and under the doctrine of equivalents, at least claims 15-18 of the '076 Patent by importing, distributing, selling, and offering to sell hoses that directly infringe at least claims 15-18 of the '076 Patent and/or performing the claimed methods in their advertising, testing the products practicing the claimed methods, offering for sale for use of the claimed methods, and offering for sale hoses that practice at least claims 15-18 of the '076 Patent and by directing their customers who need to perform the claimed methods as instructed by Defendants' advertisements and product instructions to use at least the "POCKET HOSE," "POCKET HOSE ULTRA," "POCKET HOSE DURA-RIB," "POCKET HOSE DURA-RIB II," "POCKET HOSE TOP BRASS," "POCKET HOSE TOP BRASS II" (the "Non-Bungee Pocket Hoses"). Such hoses practicing at least claims 15-18 of the '076 Patent include at least the Non-

Bungee Pocket Hoses. Defendants' infringements have been willful and with full knowledge of the '076 Patent. Defendants will continue to do so unless enjoined by this Court.

68. For example, and without limitation, Defendants and/or their customers use the Non-Bungee Pocket Hoses to transport water by introducing water into the Non-Bungee Pocket Hoses, which have a non-elastic but flexible outer cover that can expand, with two ends and a substantially hollow interior. One ends of the rubber tube and the outer cover are secured to a water valve coupler and the other ends of the rubber tube and the outer cover are secured to a fluid flow coupler, while the rubber tube and the outer cover are not connected between the couplers. Defendants and/or their customers, in normal operation, connect the water valve coupler to a water source and the fluid flow coupler to a fluid flow restrictor including, but not limited to, a flow adapter or a spray nozzle. In normal operation, Defendants and/or their customers, by turning on the water source and/or restricting the water flow, increase water pressure at the region between the water valve coupler and a fluid flow coupler. This increase in water pressure expands the rubber tube longitudinally and laterally, which results in extending the Non-Bungee Pocket Hoses. The extended Non-Bungee Pocket Hoses automatically contracts to a decreased length and width when the water pressure at the region between the water valve coupler and a fluid flow coupler is removed, due to the rubber tube's tendency to retract. When there is no water pressure, the rubber tube, with its normal width and with no securing between the couplers, moves freely with respect to the outer tube.

69. Upon information and belief, Defendants sell and offer for sale additional Auxiliary Products including, but not limited to, the "MIGHTY BLASTER FIREMAN'S NOZZLE," "POCKET HOSE HOLDER" and "POCKET HOSE ULTRA ELBOW CONNECTOR" which

form a functional unit with the Non-Bungee Pocket Hoses, and which foreseeably result in the loss of convoyed sales to Plaintiffs.

70. Defendants' infringements of the '076 Patent have injured Plaintiffs. Plaintiffs are entitled to recover damages adequate to compensate them for such infringement, including lost profits, lost convoyed sales, and losses resulting from price erosion, but in no event less than a reasonable royalty.

71. Defendants' commercial activities relating to the infringing hoses have continued and are continuing with knowledge of the '076 Patent, and with knowledge of their infringement of the '076 Patent. These commercial activities are, at a minimum, done with reckless disregard of Plaintiffs' rights under the '076 Patent. Defendants' acts of infringement have therefore been intentional, deliberate, and willful.

72. This case is exceptional and, therefore, Plaintiffs are entitled to an award of attorneys' fees.

73. Plaintiffs have suffered irreparable harm as a result of lost market share, price erosion, consumer product confidence, and the direct competition between Plaintiffs and Defendants in this emerging market. Defendants further may be unable to satisfy money judgment. The Public Interest would not be harmed should an injunction be granted, as Plaintiffs have the manufacturing and marketing capacity to meet market demand, and the reduction in the number of low quality Pocket Hoses on the market would help, not harm, the public.

### **COUNT III: INFRINGEMENT OF THE '057 PATENT**

74. Plaintiffs repeat and incorporate by reference the allegations contained in the foregoing paragraphs 1-73 as if fully set forth herein.

75. Upon information and belief, without authority or license from Plaintiffs, Telebrands, and Bulbhead as an affiliate of and a successor-in-interest to Telebrands, directly infringed and are still infringing, both literally and under the doctrine of equivalents, at least claims 13-14 of the '057 Patent by importing, distributing, selling, and offering to sell hoses that directly infringe one or more claims of the '057 Patent and/or performing the claimed methods in their advertising, testing the products practicing the claimed methods, offering for sale for use of the claimed methods, and offering for sale hoses that practice at least claims 13-14 of the '057 Patent. Such hoses practicing one or more claims of the '057 Patent include at least the "POCKET HOSE BUNGEE," "POCKET HOSE DURA-RIB BULLET" and "POCKET HOSE TOP BRASS BULLET" (collectively, the "Bungee Pocket Hoses"). Defendants' infringements have been willful and with full knowledge of the '057 Patent. Defendants will continue to do so unless enjoined by this Court.

76. Upon information and belief, Telebrands, and Bulbhead as the website for and a successor-in-interest to Telebrands, induced and continue to actively induce their customers to directly infringe, both literally and under the doctrine of equivalents, the '057 Patent. Defendants knew and know of the '057 Patent, and that their sale of the Bungee Pocket Hoses practicing one or more claims of the '057 Patent constitutes infringement and would cause their customers to infringe at least claims 13-14 of the '057 Patent. Through Defendants' extensive advertising of and detailed instructions on how to use the Bungee Pocket Hoses, Defendants specifically encourage and instruct customers and wholesale customers to engage in uses of the Bungee Pocket Hoses that infringe at least claims 13-14 of the '057 Patent. Defendants have done so with specific intent to infringe the '057 Patent. As a result of Defendants' advertising, Defendants' customers did directly infringe and continue to infringe one or more claims of the '057 Patent.

77. Upon information and belief, Telebrands, and Bulbhead as the website for and a successor-in-interest to Telebrands, with knowledge of the '057 Patent, have made, imported, tested, distributed, used, sold, and offered for sale the Bungee Pocket Hoses and components and continues to test, import, distribute, use, offer for sale, and sell to retail customers and wholesale customers, the Bungee Pocket Hoses and components that can only reasonably be used to infringe at least claims 13-14 of the '057 Patent, and such retail customers directly infringe at least claims 13-14 of the '057 Patent by selling and using such Bungee Pocket Hoses and components. These Bungee Pocket Hoses can only reasonably be used by customers to directly infringe claims of the '057 Patent and have no substantial non-infringing uses. The Bungee Pocket Hoses are not staples of commerce. Defendants have committed and continue to commit contributory infringement of one or more claims of the '057 Patent.

78. For example, and without limitation, Defendants and/or their customers use the Bungee Pocket Hoses that have an outer cover and a rubber tube, through which water flows, placed inside the outer cover. In normal operation, Defendants and/or their customers using the Bungee Pocket Hoses extend the hoses by restricting the water flow within the Bungee Pocket Hoses by using a fluid flow restrictor such as, but not limited to, a spray nozzle or fluid flow adapter, which creates an increased pressure inside the rubber tube. Once the Bungee Pocket Hoses fully extend due to the water pressure, Defendants and/or their customers, in normal operation, stretch the Bungee Pocket Hoses and extend the hoses further. At this state, the Bungee Pocket Hoses' outer cover radially contracts so that the diameter is less than the diameter before the hoses were being pulled. As the pulling stops while the water pressure remains, the Bungee Pocket Hoses retract back to a length shorter than the stretched length, but longer than the length before Defendants and/or their customers stretched the hoses.



79. Upon information and belief, Defendants sell and offer for sale additional Auxiliary Products including, but not limited to, the “MIGHTY BLASTER FIREMAN’S NOZZLE,” “POCKET HOSE HOLDER” and “POCKET HOSE ULTRA ELBOW CONNECTOR” which form a functional unit with the Bungee Pocket Hoses, and which foreseeably result in the loss of convoyed sales to Plaintiffs.

80. Defendants’ infringements of the ’057 Patent have injured Plaintiffs. Plaintiffs are entitled to recover damages adequate to compensate them for such infringement, including lost profits, lost convoyed sales, and losses resulting from price erosion, but in no event less than a reasonable royalty.

81. Defendants’ commercial activities relating to the infringing hoses have continued and are continuing with knowledge of the ’057 Patent, and with knowledge of their infringement of the ’057 Patent. These commercial activities are, at a minimum, done with reckless disregard of Plaintiffs’ rights under the ’057 Patent. Defendants’ acts of infringement have therefore been intentional, deliberate, and willful.

82. This case is exceptional and, therefore, Plaintiffs are entitled to an award of attorneys’ fees.

83. Plaintiffs have suffered irreparable harm as a result of lost market share, price erosion, consumer product confidence, and the direct competition between Plaintiffs and Defendants in this emerging market. Defendants further may be unable to satisfy money judgment. The Public Interest would not be harmed should an injunction be granted, as Plaintiffs have the manufacturing and marketing capacity to meet market demand, and the reduction in the number of low quality Bungee Pocket Hoses on the market would help, not harm, the public.

#### **COUNT IV: INFRINGEMENT OF THE ’944 PATENT**

84. Plaintiffs repeat and incorporate by reference the allegations contained in the foregoing paragraphs 1-83 as if fully set forth herein.

85. Upon information and belief, without authority or license from Plaintiffs, Telebrands, and Bulbhead as an affiliate of and a successor-in-interest to Telebrands, directly infringed and are still infringing, both literally and under the doctrine of equivalents, at least claims 1-17 of the '944 Patent by importing, distributing, selling, and offering to sell hoses that directly infringe at least claims 1-17 of the '944 Patent, performing the claimed methods in their advertising, testing the products practicing the claimed methods, offering for sale for use of the claimed methods, and offering for sale hoses that practice at least claims 1-17 of the '944 Patent, and/or by directing their customers who need to perform the claimed methods as instructed by Defendants' advertisements and product instructions to use Pocket Hoses. Such hoses practicing one or more claims of the '944 Patent include at least Pocket Hoses. Defendants' infringements have been willful and with full knowledge of the '944 Patent. Defendants will continue to do so unless enjoined by this Court.

86. For example, and without limitation, Defendants and/or their customers use the Pocket Hoses as garden hoses to transport water by introducing water into the Pocket Hoses, which have a non-elastic but bendable outer cover and an elastic rubber tube that can expand inside the outer cover. Both the outer cover and the rubber tube have substantially hollow interior and two ends. One ends of the rubber tube and the outer cover are secured to a water valve coupler and the other ends of the rubber tube and the outer cover are secured to a fluid flow coupler, while the rubber tube and the outer cover are not connected between the couplers. Defendants and/or their customers, in normal operation, connect the water valve coupler to a water source and the fluid flow coupler to a fluid flow restrictor, which in most circumstances is a spray nozzle. In normal

operation, Defendants and/or their customers, by turning on the water source and/or restricting the water flow, increase water pressure at the region between the water valve coupler and a fluid flow coupler. This increase in water pressure expands the rubber tube longitudinally and laterally, which results in extending the Pocket Hoses. The extended Pocket Hoses automatically contracts to a decreased length and width when the water pressure at the region between the water valve coupler and a fluid flow coupler is removed, due to the rubber tube's tendency to retract. When there is no water pressure, the rubber tube, with its normal width and with no securing between the couplers, moves freely with respect to the outer tube.

87. Upon information and belief, Defendants sell and offers for sale additional Auxiliary Products including, but not limited to, the "MIGHTY BLASTER FIREMAN'S NOZZLE," "POCKET HOSE HOLDER" and "POCKET HOSE ULTRA ELBOW CONNECTOR" which form a functional unit with Pocket Hoses, and which foreseeably result in the loss of convoyed sales to Plaintiffs.

88. Defendants' infringements of the '944 Patent have injured Plaintiffs. Plaintiffs are entitled to recover damages adequate to compensate them for such infringement, including lost profits, lost convoyed sales, and losses resulting from price erosion, but in no event less than a reasonable royalty.

89. Defendants' commercial activities relating to the infringing Pocket Hoses have continued and are continuing with knowledge of the '944 Patent, and with knowledge of their infringements of the '944 Patent. These commercial activities are, at a minimum, done with reckless disregard of Plaintiffs' rights under the '944 Patent. Defendants' acts of infringement have therefore been intentional, deliberate, and willful.

90. This case is exceptional and, therefore, Plaintiffs are entitled to an award of attorneys' fees.

91. Plaintiffs have suffered irreparable harm as a result of lost market share, price erosion, consumer product confidence, and the direct competition between Plaintiffs and Defendants in this emerging market. Defendants further may be unable to satisfy money judgment. The Public Interest would not be harmed should an injunction be granted, as Plaintiffs have the manufacturing and marketing capacity to meet market demand, and the reduction in the number of low quality Pocket Hoses on the market would help, not harm, the public.

**COUNT V: FALSE ADVERTISING AND UNFAIR COMPETITION  
(LANHAM ACT, 15 U.S.C. § 1125(a))**

92. Plaintiffs repeat and incorporate by reference the allegations contained in the foregoing paragraphs 1-91, as if fully set forth herein.

93. Defendants have made and continue to make commercial advertising and promotional claims, including without limitation those described in paragraphs 48-49, that are false and misleading statements of fact, made in interstate commerce, that misrepresent the nature, characteristics, and qualities of Pocket Hoses, and that both deceive and have the capacity to deceive a substantial segment of relevant consumers and potential consumers for Plaintiffs' Flex-Able Hoses.

94. Defendants' deception has been intentional and is material, in that it was and is likely to influence relevant consumers' purchasing decisions.

95. Defendants' commercial advertising claims, both online and on TV, have caused and are likely to continue to cause damage to Plaintiffs and the public, and, unless restrained, will further damage Plaintiffs and the public.

96. Defendants' commercial advertising claims are causing immediate and irreparable competitive and commercial injury to Plaintiffs, to their sales, goodwill, and reputation, and will continue to cause such injury unless enjoined by this Court.

97. On information and belief, Defendants' acts of false advertising are willful, deliberate, and made in bad faith.

98. Plaintiffs have no adequate remedy at law.

99. Plaintiffs are entitled to injunctive relief and to recover up to three times their actual damages and/or an award of Defendants' profits, as well as costs and Plaintiffs' reasonable attorneys' fees, under 15 U.S.C. §§ 1116-17.

**COUNT VI: UNFAIR COMPETITION (N.J. STAT. ANN. § 56:4-1 *ET SEQ.*)**

100. Plaintiffs repeat and incorporate by reference the allegations contained in the foregoing paragraphs 1-99, as if fully set forth herein.

101. The conduct described above and in paragraphs 1-99 violates N.J. Stat. Ann. § 56:4-1 *et seq.*

102. Defendants have made and continue to make commercial advertising and promotional claims, including without limitation those described in paragraphs 48-49, that are false and misleading statements of fact, made in the State of New Jersey and in interstate commerce, that misrepresent the nature, characteristics, and qualities of Pocket Hoses, and that both deceive and have the capacity to deceive a substantial segment of relevant consumers and potential consumers for Plaintiffs' Flex-Able Hoses.

103. Defendants' deception has been intentional and is material, in that it was and is likely to influence relevant consumers' purchasing decisions.

104. Defendants' commercial advertising claims, both online and on TV, have caused and are likely to continue to cause damage to Plaintiffs and the public, and, unless restrained, will further damage Plaintiffs and the public.

105. Defendants' commercial advertising claims are causing immediate and irreparable competitive and commercial injury to Plaintiffs, to their sales, goodwill, and reputation, and will continue to cause such injury unless enjoined by this Court.

106. On information and belief, Defendants' acts of false advertising are willful, deliberate, and made in bad faith.

107. Plaintiffs have no adequate remedy at law.

108. Plaintiffs are entitled to injunctive relief and to recover up to three times their actual damages under N.J. Stat. Ann. § 56:4-2.

**COUNT VII: TORTIOUS INTERFERENCE WITH PROSPECTIVE BUSINESS  
ADVANTAGE**

109. Plaintiffs repeat and incorporate by reference the allegations contained in the foregoing paragraphs 1-108, as if fully set forth herein.

110. Plaintiffs, through the Patents-In-Suit and products embodying the inventions in the Patents-In-Suit, including but not limited to the MicroHose and the Flex-Able Hoses, had a protected interest in their prospective business advantage with their prospective customers.

111. Upon information and belief, Telebrands knew of these protected interests in Plaintiffs' advantageous prospective business relationships. For example, Telebrands had full knowledge and actual notice of the '448 Patent at least as early as the summer of 2011, when it tried to obtain a patent license for the Ragner Corp.'s retractable hose technology. *See supra*, ¶¶ 44-46.

112. Upon information and belief, Telebrands knew that they competed or would compete with Plaintiffs in the marketplace for the same customers and customer relationships for retractable hoses.

113. Upon information and belief, Telebrands, and Bulbhead as a successor-in-interest to Telebrands, intentionally and without justification interfered with Plaintiffs' prospective business relationships. Telebrands improperly, and without Ragner Corp.'s consent, obtained Ragner Corp.'s MicroHose prototype. Telebrands refused to return the prototype and, instead, developed Pocket Hoses based on that prototype without permission or justification.

114. Upon information and belief, despite not having a valid license to any of the Patents-In-Suit, Telebrands, and Bulbhead as the website for and a successor-in-interest to Telebrands, provided and continue to provide Telebrands's improperly developed Pocket Hoses at reduced prices, which is a result of its copying of Plaintiffs' product and attendant lower product development costs.

115. Upon information and belief, Defendants' low-quality Pocket Hoses, combined with their false and misleading statements to consumers as to the quality and functionality of Pocket Hoses, directly resulted in Plaintiffs' loss of goodwill and reputation, prospective business relationships, and their sales of Flex-Able Hoses, in addition to customers' disbelief in the novelty and utility of expandable hoses more generally.

116. Plaintiffs have no adequate remedy at law.

117. Plaintiffs are entitled to damages.

#### **COUNT VIII: COMMON LAW UNFAIR COMPETITION**

118. Plaintiffs repeat and incorporate by reference the allegations contained in the foregoing paragraphs 1-117, as if fully set forth herein.

119. Defendants' wrongful conduct as described above and in paragraphs 1-117, constitutes unfair competition under the common law of the State of New Jersey.

120. Defendants have made and continue to make commercial advertising and promotional claims, including without limitation those described in paragraphs 48-49, that are false and misleading statements of fact, made in the State of New Jersey and interstate commerce, that misrepresent the nature, characteristics, and qualities of Pocket Hoses, and that both deceive and have the capacity to deceive a substantial segment of relevant consumers and potential consumers for Plaintiffs' Flex-Able Hoses.

121. Defendants' deception and intended deception was and is material, in that it was and is likely to influence relevant consumers' purchasing decisions.

122. Plaintiffs, with the Patents-In-Suit and products embodying the inventions in the Patents-In-Suit, including but not limited to the MicroHose and the Flex-Able Hoses, had a protected interest in their prospective business advantage with their prospective customers.

123. Upon information and belief, Telebrands knew of these protected interests in Plaintiffs' advantageous prospective business relationships. For example, Telebrands had knowledge and actual notice of the '448 Patent at least as early as the summer of 2011 when it tried to obtain a patent license for the Ragner Corp.'s retractable hose technology.

124. Upon information and belief, Telebrands, and Bulbhead as a successor-in-interest to Telebrands, intentionally and without justification interfered with Plaintiffs' prospective business relationships. Telebrands improperly, and without Ragner Corp.'s consent, obtained Ragner Corp.'s MicroHose prototype. Telebrands refused to return the prototype and, instead, developed Pocket Hoses based on the prototype without permission or justification. Upon information and belief, despite not having a valid license, to any of the Patents-In-Suit, Defendants



provided and continue to provide Telebrands's improperly developed Pocket Hoses at reduced prices, which is a result of its copying of Plaintiffs' product and attendant lower product development costs.

125. As a direct result of Defendants' wrongful conducts, Plaintiffs suffered and continue to suffer immediate and irreparable competitive and commercial injury, to their sales, goodwill, and reputation, and prospective business relationships, and will continue to suffer such injury unless Defendants are enjoined by this Court.

126. Plaintiffs have no adequate remedy at law.

127. Plaintiffs are entitled to damages.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs Tristar and Ragner Corp. ask this Court to enter judgment against Defendants Telebrands and Bulbhead, their parents, subsidiaries, affiliates, principals, employees, agents, officers, shareholders, attorneys, representatives, successors, and assigns, and all persons in active concert and participation with them or any of them and to grant the following relief:

1. A finding that Telebrands and Bulbhead, as a successor-in-interest to Telebrands, are jointly and severally liable for the infringement of the Patents-In-Suit.

2. A finding that Bulbhead, as an independent patent infringer, is liable for infringement of the Patents-in-Suit.

3. An award of damages after jury trial adequate to compensate them for Defendants' infringement of the Patent-In-Suit, including lost profits, lost convoyed sales, losses arising from price erosion, and/or a reasonable royalty for past sales, together with prejudgment interest;

4. A finding of willful infringement of the Patents-In-Suit by Defendants and an award to Plaintiffs of enhanced damages pursuant to 35 U.S.C. § 284;

5. A finding that this case is exceptional and an award of Plaintiffs' attorneys' fees pursuant to 35 U.S.C. § 285;

6. A permanent injunction under 35 U.S.C. § 283 prohibiting further infringement of the Patents-In-Suit.

7. A finding that Telebrands and Bulbhead, as a successor-in-interest to Telebrands, are jointly and severally liable for their unfair competition under the Lanham Act and/or state law.

8. A finding that Bulbhead, for its own unfair competition and false advertising, is liable under the Lanham Act and/or state law.

9. An award of damages in the amount of Defendants' profits realized and/or of the actual and/or enhanced damages sustained by Plaintiffs in consequence of Defendants' unlawful acts as found by the jury and/or the Court, together with such punitive and/or exemplary damages permitted by the Lanham Act and/or state law, and appropriate interest on such damages.

10. Permanent injunction against, or in the alternative a running royalty for, publishing or otherwise disseminating to relevant consumers and/or the public any false or misleading statements concerning Pocket Hoses, or otherwise engaging in false or misleading advertising concerning, or unfair competition with, those products;

11. An award of Plaintiffs' costs and reasonable attorneys' fees.

12. Such other and further relief as this Court may deem proper and just.

#### **JURY DEMAND**

Plaintiffs demand a trial by jury on all issues so triable.

Dated: July 6, 2018

Respectfully submitted,



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Counsel for Plaintiffs:

*Ragner Technology Corporation and*

*Tristar Products, Inc.*

**CERTIFICATION PURSUANT TO LOCAL CIVIL RULE 11.2**

Plaintiffs, by their undersigned counsel, hereby certify pursuant to Local Civil Rule 11.2 that the matters in controversy are not the subject of any other action pending in any other court or of any other pending arbitration or administrative proceeding.

Dated: July 6, 2018

Respectfully submitted,



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Counsel for Plaintiffs:

*Ragner Technology Corporation and  
Tristar Products, Inc.*

**CERTIFICATION PURSUANT TO LOCAL CIVIL RULE 201.1**

Plaintiffs, by their undersigned counsel, hereby certify pursuant to Local Civil Rule 201.1 that, in addition to monetary damages greater than \$150,000, Plaintiffs seek injunctive relief, and therefore this action is not appropriate for compulsory arbitration.

Dated: July 6, 2018

Respectfully submitted,



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Counsel for Plaintiffs:

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Tristar Products, Inc.*