

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO**

**ANN WILLIAMS GROUP, LLC,**

Plaintiff,

v.

**LAROSE INDUSTRIES, LLC,**

Defendant.

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**Civil Action No.** \_\_\_\_\_

**JURY TRIAL DEMANDED**

**COMPLAINT FOR PATENT INFRINGEMENT**

This is an action for patent infringement in which Plaintiff, Ann Williams Group, LLC. (Hereinafter “Plaintiff” or “AWG”), complains against Defendant, LaRose Industries, LLC. (Hereinafter “Defendant” or “LaRose”), and alleges as follows:

**PARTIES**

1. AWG is a Michigan limited liability company having its principal place of business at 784 Industrial Ct., Bloomfield Hills, MI 48302.
2. LaRose is a New Jersey limited liability company with a place of business at 1578 Sussex Turnpike, Randolph, New Jersey, 07869 and another place of business at 250 E. Industrial Parkway, Fayette, OH 43521.

**JURISDICTION AND VENUE**

3. This Court has original subject matter jurisdiction over the claims in this action pursuant to 28 U.S.C. § 1331 (federal question), § 1332 (diversity), and § 1338 (patents).

4. LaRose is subject to personal jurisdiction in this Court. In particular, this Court has personal jurisdiction over LaRose because LaRose has engaged in continuous, systematic and substantial activities within this judicial district, including the marketing and sales of products in this judicial district. Furthermore, upon information and belief, this Court has personal jurisdiction over LaRose in this case because LaRose has committed acts giving rise to AWG's claims within and directed to this judicial district.

5. Additionally, upon information and belief LaRose is subject to personal jurisdiction in this Court because it owns and operates a manufacturing facility in this district for making LaRose products, and employs numerous people at this facility. Specifically, LaRose owns and operates a facility at 250 E. Industrial Parkway, Fayette, OH 43521.

6. Venue is proper in this judicial district under 28 U.S.C. § 1391(b) and (c) and 28 U.S.C. § 1400(b). LaRose has committed acts giving rise to AWG's claims within and directed to this judicial district. LaRose has a regular and established place of business in this district at least by way of its facility at 250 E. Industrial Parkway, Fayette, OH 43521.

### **BACKGROUND**

7. AWG designs, manufactures, and sells inventive children's products. Sheila Wright founded AWG. Ms. Wright, the mother of two, designed an inventive, unique way to make jewelry – the Loopeddoo. An image of a Loopeddoo product sold by AWG is shown below:

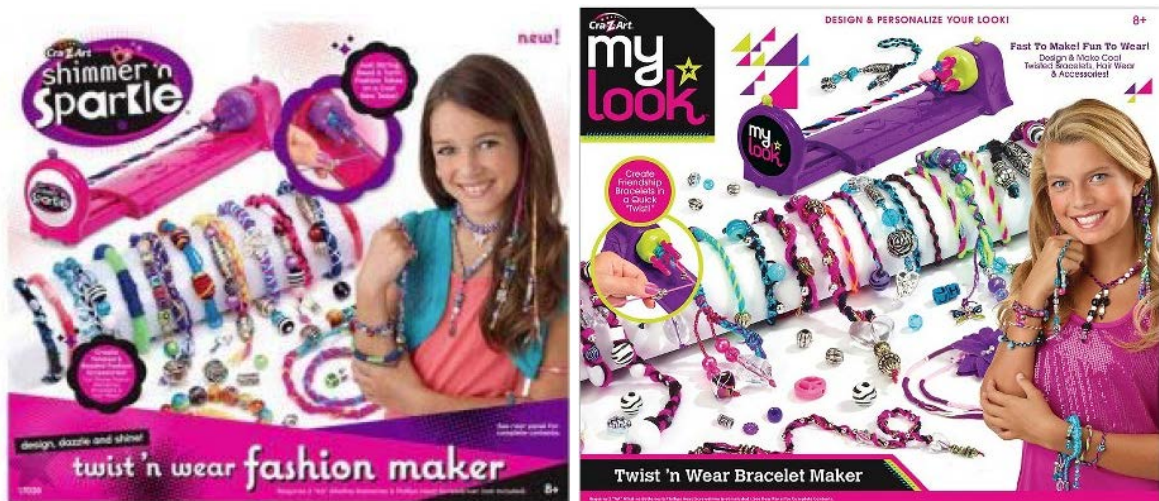


[<https://www.annwilliamsgroup.com/collections/loopdedoo>, accessed December 14, 2018].

8. Ms. Wright protected her technology by filing for patents, resulting in the issuance of numerous patents related to this technology.

9. After inventing the Loopdedoo, Ms. Wright commercialized the product that AWG now sells. Subsequently, Ms. Wright created additional, innovative product lines that AWG sells today.

10. LaRose is a competitor of AWG and is also in the business of manufacturing and selling children's products including, but not limited to, products sold under the Cra-Z-Art name. These products include, but are not limited to, the Twist 'n Wear Fashion Maker and the Twist 'n Wear Bracelet Maker, and other corresponding Fashion Maker/Bracelet Maker (herein "the Accused Products"). Examples of the Twist 'n Wear Fashion Maker (left) and the Twist 'n Wear Bracelet Maker (right), are shown below:



[<http://cra-z-artshop.com/shimmer-n-sparkle/shimmer-n-sparkle-twistnwear-fashion-maker.html>, accessed December 14, 2018; [https://www.target.com/p/my-look-twist-n-wear-fashion-maker-by-cra-z-art/-/A-14773953?ref=tgt\\_adv\\_XS000000&AFID=google\\_pla\\_df&fndsrc=tgtao&CPNG=PLA\\_Toys\\_Priority%2BShopping&adgroup=Toys\\_Priority+TCINs&LID=700000001170770pgs&network=g&device=c&location=9016785&ds\\_rl=1246978&ds\\_rl=1248099&ds\\_rl=1246978&gclid=Cj0KCQiAxs3gBRDGARIsAO4tqq2xOs3q-](https://www.target.com/p/my-look-twist-n-wear-fashion-maker-by-cra-z-art/-/A-14773953?ref=tgt_adv_XS000000&AFID=google_pla_df&fndsrc=tgtao&CPNG=PLA_Toys_Priority%2BShopping&adgroup=Toys_Priority+TCINs&LID=700000001170770pgs&network=g&device=c&location=9016785&ds_rl=1246978&ds_rl=1248099&ds_rl=1246978&gclid=Cj0KCQiAxs3gBRDGARIsAO4tqq2xOs3q-3JOJ8M2tbxOer8zqlUxOw8vkk2E9VNeRgjM4hnB_3z_pUoaAnfLEALw_wcB&gclsrc=aw.ds)

3JOJ8M2tbxOer8zqlUxOw8vkk2E9VNeRgjM4hnB\_3z\_pUoaAnfLEALw\_wcB&gclsrc=aw.ds, accessed December 14, 2018]. Upon information and belief, the Twist 'n Wear Fashion Maker and the Twist 'n Wear Bracelet Maker are the same product but for differences in aesthetics of the packaging, names on the packaging, and the colors of the device. Upon information and belief, LaRose has also used additional kinds of packaging and colors for the Accused Products.

11. LaRose posts videos showing agents, on behalf of LaRose, making and using the Accused Products and instructing customers and others on how to make and use the Accused

Products. [See e.g. <http://www.cra-z-art.com/how-to-videos.php>; <https://www.youtube.com/watch?v=U6MwQy49QQ0>].

12. Upon information and belief, LaRose monitors patent literature, including issued patents and published patent applications related to children's products including, but not limited to, devices and methods of making jewelry, bracelets, or other children's devices.

13. After seeing AWG's creative and innovative products hit the market, LaRose made overtures in July of 2014 to try to acquire AWG, while being, "impressed with [AWG and Ms. Wright's] creativity and designs." [Exhibit 1].

14. Although AWG did not respond to these overtures, LaRose continued to produce and sell the Accused Products.

#### **AWG'S PATENTS**

15. AWG has obtained a number of patents relating to tools and methods for creating fashion accessories. The AWG Patents at issue in this lawsuit are part of a family of patents pertaining to such tools and methods. Each of the patents generally relates to, *inter alia*, a novel tools and methods for creating fashion accessories. The patents in this family are as follows:

#### **U.S. Patent No. 8,234,851 B2**

16. On August 7, 2012, the United States Patent and Trademark Office duly and lawfully issued United States Patent No. 8,234,851 ("the '851 patent"), entitled "Tool and Method For Creating Fashion Accessories." A true and correct copy of the '851 patent is attached hereto as Exhibit 2.

17. The '851 patent names Ms. Wright as an inventor.

18. AWG is the owner by assignment of all right, title and interest in the '851 patent.

**U.S. Patent No. 8,397,478 B2**

19. On March 19, 2013, the United States Patent and Trademark Office duly and lawfully issued United States Patent No. 8,397,478 (“the ‘478 patent”), entitled “Tool and Method For Creating Fashion Accessories.” A true and correct copy of the ‘478 patent is attached hereto as Exhibit 3.

20. The ‘478 patent names Ms. Wright as an inventor.

21. AWG is the owner by assignment of all right, title and interest in the ‘478 patent.

**U.S. Patent No. 8,528,309 B2**

22. On September 10, 2013, the United States Patent and Trademark Office duly and lawfully issued United States Patent No. 8,528,309 (“the ‘309 patent”), entitled “Tool and Method For Creating Fashion Accessories.” A true and correct copy of the ‘309 patent is attached hereto as Exhibit 4.

23. The ‘309 patent names Ms. Wright as an inventor.

24. AWG is the owner by assignment of all right, title and interest in the ‘309 patent.

**U.S. Patent No. 9,677,203 B2**

25. On June 13, 2017, the United States Patent and Trademark Office duly and lawfully issued United States Patent No. 9,677,203 (“the ‘203 patent”), entitled “Tool and Method For Creating Fashion Accessories.” A true and correct copy of the ‘203 patent is attached hereto as Exhibit 5.

26. The ‘203 patent names Ms. Wright as an inventor.

27. AWG is the owner by assignment of all right, title and interest in the '203 patent.

**U.S. Patent No. 10,132,016 B2**

28. On November 20, 2018, the United States Patent and Trademark Office duly and lawfully issued United States Patent No. 10,132,016 (“the ‘016 patent”), entitled “Tool and Method For Creating Fashion Accessories.” A true and correct copy of the ‘016 patent is attached hereto as Exhibit 6.

29. The ‘016 patent names Ms. Wright as an inventor.

30. AWG is the owner by assignment of all right, title and interest in the ‘016 patent.

**COUNT I**  
**(DIRECT INFRINGEMENT OF U.S. PATENT 8,234,851 BY LAROSE)**

31. AWG incorporates by reference all of the preceding paragraphs as though fully set forth herein.

32. The ‘851 patent remains valid, enforceable, and unexpired.

33. Claim 1 of the ‘851 patent recites:

A method comprising: a. obtaining a device for making a bracelet comprising: i. a body portion having a longitudinal axis, a first end region and a second end region spaced apart from the first end region; ii. a platform on the body portion; iii. a first support located at the first end region and projecting outwardly from the platform, the first support having an inner wall and an outer wall; iv. a second support located at the second end region and projecting outwardly from the platform, the second support having an inner wall and an outer wall; v. a first holder positioned adjacent the inner wall of the first support and being adapted to receive a first end portion of at least one first flexible medium; vi. a rotation device positioned adjacent the outer wall of the first support and drivingly coupled with the first holder for causing the first holder to rotate about an axis that is generally parallel to the longitudinal axis of the body portion; vii. a second holder opposing the first holder and being adapted for receiving a second end portion of the at least one first flexible medium, the second holder being positioned adjacent the inner wall of the second support and being spaced from the first holder for defining a work area; b.

securing the at least one first flexible medium in the first holder and the second holder forming a core; c. wrapping the at least one first flexible medium or an at least one second flexible medium around the core; d. rotating the rotation device to cause winding of the at least one first flexible medium or the at least one second flexible medium in consecutive adjoining loops around the core forming an article; and e. applying a knot simulator, tying a knot, or both in the article at a point along a length of the article so that the article can be used as a bracelet.

34. LaRose is directly infringing and has directly infringed the '851 patent, including, without limitation, by making, using, selling, offering for sale, and/or importing, without license or authority, the products that are covered by at least claim 1 of the '851 patent, including, but not limited to, the Accused Products.

35. Upon information and belief, LaRose is directly infringing and has directly infringed, the '851 patent as shown at least in videos showing individuals for LaRose making and/or using at least the Accused Products in accordance with the method of at least claim 1. Upon information and belief, such videos are provided by, or on behalf of, LaRose and/or its agents.

36. As shown in Exhibit 7, when users of LaRose, or on behalf of LaRose, use the Accused Products, each limitation of at least claim 1 of the '851 Patent is met.

37. LaRose's infringement of the '851 patent is and has been willful and deliberate.

38. LaRose has knowledge of the '851 patent and its infringement of the '851 patent, or willfully blinded itself to such knowledge. LaRose has knowledge of the '851 patent and that its actions infringed the '851 patent at least based on communications LaRose sent to AWG. On July 14, 2014, Mr. Lawrence Rosen, chairman of LaRose, sent a letter to Ms. Sheila Wright, President of AWG, expressing interest in acquiring AWG. [Exhibit 1]. In that letter, LaRose indicated it had been monitoring the success of AWG products. LaRose further stated that, "...we are impressed with your creativity and designs." *Id.* At a minimum, based on this letter, LaRose was actively monitoring AWG, its products, and its patents. Upon information and belief, LaRose



continues to actively monitor AWG, its products, and its patents. At a minimum, LaRose was aware of the '851 patent and the infringement of the '851 patent in view of this letter.

39. Upon information and belief, LaRose also has knowledge of patents related to the children's product industry in general and would be aware of the '851 patent. Upon information and belief, LaRose also has knowledge of the '851 patent through publicly available notices on AWG's website. [See e.g. Exhibit 8]. Moreover, AWG's products direct customers and users to the website shown in Exhibit 8.

40. Upon information and belief, LaRose has not made any changes to the Accused Products despite its knowledge of the '851 patent.

41. Upon information and belief, LaRose has not made any changes to any of its publicly available instructional materials despite its knowledge of the '851 patent.

42. LaRose knew of the '851 patent, acted despite an objectively high likelihood that its actions constituted infringement of a valid patent, knew or should have known of this likelihood, and ignored and/or disregarded that its actions constituted infringement of a valid and enforceable patent.

43. As a result, LaRose's infringement of the '851 patent is and has been egregious, willful and deliberate.

44. AWG and LaRose are competitors. AWG has suffered substantial damages and will suffer severe and irreparable harm as a result of LaRose's infringement, unless that infringement is enjoined by this Court. The threatened injury to AWG outweighs any harm that the injunction may cause to LaRose. Injunctive relief would not disserve the public interest under these circumstances.

**COUNT II**  
**(INDUCED INFRINGEMENT OF U.S. PATENT 8,234,851 BY LAROSE)**

45. AWG incorporates by reference all of the preceding paragraphs as though fully set forth herein.

46. The '851 patent remains valid, enforceable, and unexpired.

47. With knowledge of the '851 patent, LaRose has induced and continues to induce the infringement of at least claim 1 of the '851 patent under 35 U.S.C. § 271(b) by selling, offering to sell, and/or importing, without license or authority, the Accused Products for use by at least customers and purchasers of the Accused Products. In light of LaRose's inducement, these purchasers and customers directly infringe the '851 patent by making and/or using the Accused Products thereby reading on at least claim 1 of the '851 patent.

48. LaRose specifically intended its customers to infringe the '851 patent and knew that its customers' acts constituted infringement, or at the very least, was willfully blind to the existence of the '851 patent and/or the fact that customers' use of the Accused Products would directly infringe the '851 patent. Despite a high likelihood that its actions would induce its customers' direct infringement of the '851 patent, LaRose marketed and sold the Accused Products to its customers for such use. These customers directly infringe the '851 patent by making and/or using the Accused Products following the instructional materials, advertisements, and other instructional literature and information prepared and provided by LaRose for the Accused Products. These materials are publicly available and/or provided with the Accused Products.

49. As shown in Exhibit 7, when users use the Accused Products in accordance with instructional materials and advertisements provided by LaRose, or on behalf of LaRose, each limitation of at least claim 1 of the '851 Patent is met.

50. LaRose knew that the customers' actions, when performed, would directly infringe the '851 patent. LaRose has knowledge of the '851 patent and its infringement of the '851 patent, or willfully blinded itself to such knowledge. LaRose has knowledge of the '851 patent and that its actions infringed the '851 patent at least based on communications LaRose sent to AWG. On July 14, 2014, Mr. Lawrence Rosen, chairman of LaRose, sent a letter to Ms. Sheila Wright, President of AWG, expressing interest in acquiring AWG. [Exhibit 1]. In that letter, LaRose indicated it had been monitoring the success of AWG products. LaRose further stated that, "...we are impressed with your creativity and designs." *Id.* At a minimum, based on this letter, LaRose was actively monitoring AWG, its products, and its patents. Upon information and belief, LaRose continues to actively monitor AWG, its products, and its patents. At a minimum, LaRose was aware of the '851 patent and the infringement of the '851 patent in view of this letter.

51. Upon information and belief, LaRose also has knowledge of patents related to the children's product industry in general and would be aware of the '851 patent. Upon information and belief, LaRose also has knowledge of the '851 patent through publicly available notices on AWG's website. [See e.g. Exhibit 8]. Moreover, AWG's products direct customers and users to the website shown in Exhibit 8.

52. Upon information and belief, LaRose has not made any changes to the Accused Products despite its knowledge of the '851 patent.

53. Upon information and belief, LaRose has not made any changes to any of its publicly available instructional materials despite its knowledge of the '851 patent.

54. At the very least, based on LaRose's July 14, 2014 letter, LaRose's knowledge of AWG's patent portfolio in general, its knowledge that AWG is a direct competitor in the market regarding the Accused Products, and its use of instructional literature and/or information that

promotes direct infringements by customers and users, LaRose believed that there was a high probability that its acts, if taken, would result in direct infringement of the '851 patent by its customers, yet deliberately avoided confirming that belief. At the very least, LaRose willfully blinded itself to the existence of the '851 patent, and therefore willfully blinded itself to customer's direct infringement of the '851 patent resulting from the customer's use of the Accused Products.

55. LaRose knew of the '851 patent, acted despite an objectively high likelihood that its actions constituted infringement of a valid patent, knew or should have known of this likelihood, and ignored and/or disregarded that its actions constituted infringement of a valid and enforceable patent.

56. As a result, LaRose's infringement of the '851 patent is and has been egregious, willful and deliberate.

57. AWG and LaRose are competitors. As a result of LaRose's inducement of infringement, AWG will suffer severe and irreparable harm, unless that infringement is enjoined by this Court, and has suffered substantial damages. The threatened injury to AWG outweighs any harm that the injunction may cause to LaRose. Injunctive relief would not disserve the public interest under these circumstances.

**COUNT III**  
**(DIRECT INFRINGEMENT OF U.S. PATENT 8,397,478 BY LAROSE)**

58. AWG incorporates by reference all of the preceding paragraphs as though fully set forth herein.

59. The '478 patent remains valid, enforceable, and unexpired.

60. Claim 1 of the '478 patent recites:

A device comprising: a. a body portion including: i. a first end; ii. a second end; iii. a first outwardly projecting support in a first end region of the first end; and iv. a second outwardly projecting support in a second end region of the second end; b. holders, wherein the holders are a hook and the holders include: i. a rotatable holder at the first end connected to the first outwardly projecting support; ii. a fixed holder at the second end connected to the second outwardly projecting support; a rotation device at the first end in communication with the holder at the first end so that the rotation device rotates the rotatable holder at the first end.

61. LaRose is directly infringing and has directly infringed the '478 patent, including, without limitation, by making, using, selling, offering for sale, and/or importing, without license or authority, the products that are covered by at least claim 1 of the '478 patent, including, but not limited to, the Accused Products.

62. As shown in Exhibit 9, the Accused Products meet each limitation of at least claim 1 of the '478 Patent.

63. LaRose's infringement of the '478 patent is and has been willful and deliberate.

64. LaRose has knowledge of the '478 patent and its infringement of the '478 patent, or willfully blinded itself to such knowledge. LaRose has knowledge of the '478 patent and that its actions infringed the '478 patent at least based on communications LaRose sent to AWG. On July 14, 2014, Mr. Lawrence Rosen, chairman of LaRose, sent a letter to Ms. Sheila Wright, President of AWG, expressing interest in acquiring AWG. [Exhibit 1]. In that letter, LaRose indicated it had been monitoring the success of AWG products. LaRose further stated that, "...we are impressed with your creativity and designs." *Id.* At a minimum, based on this letter, LaRose was actively monitoring AWG, its products, and its patents. Upon information and belief, LaRose continues to actively monitor AWG, its products, and its patents. At a minimum, LaRose was aware of the '478 patent and the infringement of the '478 patent in view of this letter.

65. Upon information and belief, LaRose also has knowledge of patents related to the children's product industry in general and would be aware of the '478 patent. Upon information

and belief, LaRose also has knowledge of the '478 patent through publicly available notices on AWG's website. [See e.g. Exhibit 8]. Moreover, AWG's products direct customers and users to the website shown in Exhibit 8.

66. Upon information and belief, LaRose has not made any changes to the Accused Products despite its knowledge of the '478 patent.

67. Upon information and belief, LaRose has not made any changes to any of its publicly available instructional materials despite its knowledge of the '478 patent.

68. LaRose knew of the '478 patent, acted despite an objectively high likelihood that its actions constituted infringement of a valid patent, knew or should have known of this likelihood, and ignored and/or disregarded that its actions constituted infringement of a valid and enforceable patent.

69. As a result, LaRose's infringement of the '478 patent is and has been egregious, willful and deliberate.

70. AWG and LaRose are competitors. AWG has suffered substantial damages and will suffer severe and irreparable harm as a result of LaRose's infringement, unless that infringement is enjoined by this Court. The threatened injury to AWG outweighs any harm that the injunction may cause to LaRose. Injunctive relief would not disserve the public interest under these circumstances.

**COUNT IV**  
**(INDUCED INFRINGEMENT OF U.S. PATENT 8,397,478 BY LAROSE)**

71. AWG incorporates by reference all of the preceding paragraphs as though fully set forth herein.

72. The '478 patent remains valid, enforceable, and unexpired.

73. With knowledge of the '478 patent, LaRose has induced and continues to induce the infringement of at least claim 1 of the '478 patent under 35 U.S.C. § 271(b) by selling, offering to sell, and/or importing, without license or authority, the Accused Products for use by at least customers and purchasers of the Accused Products. In light of LaRose's inducement, these purchasers and customers directly infringe the '478 patent by making and/or using the Accused Products thereby reading on at least claim 1 of the '478 patent.

74. LaRose specifically intended its customers to infringe the '478 patent and knew that its customers' acts constituted infringement, or at the very least, was willfully blind to the existence of the '478 patent and/or the fact that customers' use of the Accused Products would directly infringe the '478 patent. Despite a high likelihood that its actions would induce its customers' direct infringement of the '478 patent, LaRose marketed and sold the Accused Products to its customers for such use. These customers directly infringe the '478 patent by making and/or using the Accused Products following the instructional materials, advertisements, and other instructional literature and information prepared and provided by LaRose for the Accused Products. These materials are publicly available and/or provided with the Accused Products.

75. As shown in Exhibit 9, when users use the Accused Products in accordance with instructional materials and advertisements provided by LaRose, or on behalf of LaRose, each limitation of at least claim 1 of the '478 Patent is met.

76. LaRose knew that the customers' actions, when performed, would directly infringe the '478 patent. LaRose has knowledge of the '478 patent and its infringement of the '478 patent, or willfully blinded itself to such knowledge. LaRose also has knowledge of the '478 patent and that its actions infringed the '478 patent at least based on communications LaRose sent to AWG. On July 14, 2014, Mr. Lawrence Rosen, chairman of LaRose, sent a letter to Ms. Sheila Wright,

President of AWG, expressing interest in acquiring AWG. [Exhibit 1]. In that letter, LaRose indicated it had been monitoring the success of AWG products. LaRose further stated that, "...we are impressed with your creativity and designs." *Id.* At a minimum, based on this letter, LaRose was actively monitoring AWG, its products, and its patents. Upon information and belief, LaRose continues to actively monitor AWG, its products, and its patents. At a minimum, LaRose was aware of the '478 patent and the infringement of the '478 patent in view of this letter.

77. Upon information and belief, LaRose also has knowledge of patents related to the children's product industry in general and would be aware of the '478 patent. Upon information and belief, LaRose also has knowledge of the '478 patent through publicly available notices on AWG's website. [See e.g. Exhibit 8]. Moreover, AWG's products direct customers and users to the website shown in Exhibit 8.

78. Upon information and belief, LaRose has not made any changes to the Accused Products despite its knowledge of the '478 patent.

79. Upon information and belief, LaRose has not made any changes to any of its publicly available instructional materials despite its knowledge of the '478 patent.

80. At the very least, based on LaRose's July 14, 2014 letter, LaRose's knowledge of AWG's patent portfolio in general, its knowledge that AWG is a direct competitor in the market regarding the Accused Products, and its use of instructional literature and/or information that promotes direct infringements by customers and users, LaRose believed that there was a high probability that its acts, if taken, would result in direct infringement of the '478 patent by its customers, yet deliberately avoided confirming that belief. At the very least, LaRose willfully blinded itself to the existence of the '478 patent, and therefore willfully blinded itself to customer's direct infringement of the '478 patent resulting from the customer's use of the Accused Products.



81. LaRose knew of the '478 patent, acted despite an objectively high likelihood that its actions constituted infringement of a valid patent, knew or should have known of this likelihood, and ignored and/or disregarded that its actions constituted infringement of a valid and enforceable patent.

82. As a result, LaRose's infringement of the '478 patent is and has been egregious, willful and deliberate.

83. AWG and LaRose are competitors. As a result of LaRose's inducement of infringement, AWG will suffer severe and irreparable harm, unless that infringement is enjoined by this Court, and has suffered substantial damages. The threatened injury to AWG outweighs any harm that the injunction may cause to LaRose. Injunctive relief would not disserve the public interest under these circumstances.

**COUNT V**  
**(DIRECT INFRINGEMENT OF U.S. PATENT 8,528,309 BY LAROSE)**

84. AWG incorporates by reference all of the preceding paragraphs as though fully set forth herein.

85. The '309 patent remains valid, enforceable, and unexpired.

86. Claim 11 of the '309 patent recites:

A device for creating a fashion accessory comprising: i. a body portion including: 1) a first end; 2) a second end; 3) a first outwardly projecting support in a first end region of the first end; 4) a second outwardly projecting support in a second end region of the second end; and 5) a platform connected to and extending between the first outwardly projecting support and the second outwardly projecting support; ii. a holder at the first end connected to the first outwardly projecting support; iii. a holder at the second end connected to the second outwardly projecting support, wherein the holder at the first end and the holder at the second end are adapted to receive one or more flexible mediums defining a core that extends along a longitudinal axis between the holder at the first end and the holder at the second end; and iv. a rotation device at the first end in communication with

the holder at the first end; and wherein the rotation device is located within the first outwardly projecting support and the rotation device includes intermeshing gears and a motor that rotates at least the holder at the first end generally about the longitudinal axis of the core; and wherein the first outwardly projecting support includes one or more cradles that prevents the intermeshing gears from becoming misaligned.

87. LaRose is directly infringing and has directly infringed the '309 patent, including, without limitation, by making, using, selling, offering for sale, and/or importing, without license or authority, the products that are covered by at least claim 11 of the '309 patent, including, but not limited to, the Accused Products.

88. As shown in Exhibit 10, the Accused Products meet each limitation of at least claim 11 of the '309 Patent.

89. LaRose's infringement of the '309 patent is and has been egregious, willful and deliberate.

90. LaRose has knowledge of the '309 patent and its infringement of the '309 patent, or willfully blinded itself to such knowledge. LaRose has knowledge of the '309 patent and that its actions infringed the '309 patent at least based on communications LaRose sent to AWG. On July 14, 2014, Mr. Lawrence Rosen, chairman of LaRose, sent a letter to Ms. Sheila Wright, President of AWG, expressing interest in acquiring AWG. [Exhibit 1]. In that letter, LaRose indicated it had been monitoring the success of AWG products. LaRose further stated that, "...we are impressed with your creativity and designs." *Id.* At a minimum, based on this letter, LaRose was actively monitoring AWG, its products, and its patents. Upon information and belief, LaRose continues to actively monitor AWG, its products, and its patents. At a minimum, LaRose was aware of the '309 patent and the infringement of the '309 patent in view of this letter.

91. Upon information and belief, LaRose also has knowledge of patents related to the children's product industry in general and would be aware of the '309 patent. Upon information

and belief, LaRose also has knowledge of the '309 patent through publicly available notices on AWG's website. [See e.g. Exhibit 8]. Moreover, AWG's products direct customers and users to the website shown in Exhibit 8.

92. Upon information and belief, LaRose has not made any changes to the Accused Products despite its knowledge of the '309 patent.

93. Upon information and belief, LaRose has not made any changes to any of its publicly available instructional materials despite its knowledge of the '309 patent.

94. LaRose knew of the '309 patent, acted despite an objectively high likelihood that its actions constituted infringement of a valid patent, knew or should have known of this likelihood, and ignored and/or disregarded that its actions constituted infringement of a valid and enforceable patent.

95. As a result, LaRose's infringement of the '309 patent is and has been egregious, willful and deliberate.

96. AWG and LaRose are competitors. AWG has suffered substantial damages and will suffer severe and irreparable harm as a result of LaRose's infringement, unless that infringement is enjoined by this Court. The threatened injury to AWG outweighs any harm that the injunction may cause to LaRose. Injunctive relief would not disserve the public interest under these circumstances.

**COUNT VI**  
**(INDUCED INFRINGEMENT OF U.S. PATENT 8,528,309 BY LAROSE)**

97. AWG incorporates by reference all of the preceding paragraphs as though fully set forth herein.

98. The '309 patent remains valid, enforceable, and unexpired.

99. With knowledge of the '309 patent, LaRose has induced and continues to induce the infringement of at least claim 11 of the '309 patent under 35 U.S.C. § 271(b) by selling, offering to sell, and/or importing, without license or authority, the Accused Products for use by at least customers and purchasers of the Accused Products. In light of LaRose's inducement, these purchasers and customers directly infringe the '309 patent by making and/or using the Accused Products thereby reading on at least claim 11 of the '309 patent.

100. LaRose specifically intended its customers to infringe the '309 patent and knew that its customers' acts constituted infringement, or at the very least, was willfully blind to the existence of the '309 patent and/or the fact that customers' use of the Accused Products would directly infringe the '309 patent. Despite a high likelihood that its actions would induce its customers' direct infringement of the '309 patent, LaRose marketed and sold the Accused Products to its customers for such use. These customers directly infringe the '309 patent by making and/or using the Accused Products following the instructional materials, advertisements, and other instructional literature and information prepared and provided by LaRose for the Accused Products. These materials are publicly available and/or provided with the Accused Products.

101. As shown in Exhibit 10, when users use the Accused Products in accordance with instructional materials and advertisements provided by LaRose, or on behalf of LaRose, each limitation of at least claim 11 of the '309 Patent is met.

102. LaRose knew that the customers' actions, when performed, would directly infringe the '309 patent. LaRose has knowledge of the '309 patent and its infringement of the '309 patent, or willfully blinded itself to such knowledge. LaRose has knowledge of the '309 patent and that its actions infringed the '309 patent at least based on communications LaRose sent to AWG. On July 14, 2014, Mr. Lawrence Rosen, chairman of LaRose, sent a letter to Ms. Sheila Wright,

President of AWG, expressing interest in acquiring AWG. [Exhibit 1]. In that letter, LaRose indicated it had been monitoring the success of AWG products. LaRose further stated that, "...we are impressed with your creativity and designs." *Id.* At a minimum, based on this letter, LaRose was actively monitoring AWG, its products, and its patents. Upon information and belief, LaRose continues to actively monitor AWG, its products, and its patents. At a minimum, LaRose was aware of the '309 patent and the infringement of the '309 patent in view of this letter.

103. Upon information and belief, LaRose also has knowledge of patents related to the children's product industry in general and would be aware of the '309 patent. Upon information and belief, LaRose also has knowledge of the '309 patent through publicly available notices on AWG's website. [See e.g. Exhibit 8]. Moreover, AWG's products direct customers and users to the website shown in Exhibit 8.

104. Upon information and belief, LaRose has not made any changes to the Accused Products despite its knowledge of the '309 patent.

105. Upon information and belief, LaRose has not made any changes to any of its publicly available instructional materials despite its knowledge of the '309 patent.

106. At the very least, based on LaRose's July 14, 2014 letter, LaRose's knowledge of AWG's patent portfolio in general, its knowledge that AWG is a direct competitor in the market regarding the Accused Products, and its use of instructional literature and/or information that promotes direct infringements by customers and users, LaRose believed that there was a high probability that its acts, if taken, would result in direct infringement of the '309 patent by its customers, yet deliberately avoided confirming that belief. At the very least, LaRose willfully blinded itself to the existence of the '309 patent, and therefore willfully blinded itself to customer's direct infringement of the '309 patent resulting from the customer's use of the Accused Products.

107. LaRose knew of the '309 patent, acted despite an objectively high likelihood that its actions constituted infringement of a valid patent, knew or should have known of this likelihood, and ignored and/or disregarded that its actions constituted infringement of a valid and enforceable patent.

108. As a result, LaRose's infringement of the '309 patent is and has been willful and deliberate.

109. AWG and LaRose are competitors. As a result of LaRose's inducement of infringement, AWG will suffer severe and irreparable harm, unless that infringement is enjoined by this Court, and has suffered substantial damages. The threatened injury to AWG outweighs any harm that the injunction may cause to LaRose. Injunctive relief would not disserve the public interest under these circumstances.

**COUNT VII**  
**(DIRECT INFRINGEMENT OF U.S. PATENT 9,677,203 BY LAROSE)**

110. AWG incorporates by reference all of the preceding paragraphs as though fully set forth herein.

111. The '203 patent remains valid, enforceable, and unexpired.

112. Claim 6 of the '203 patent recites:

A device for creating a fashion accessory comprising: i) is a body portion including: 1) a first end having a first outwardly projecting support extending vertically outward from the body portion; 2) a second end having a second outwardly projecting support extending vertically outward from the body portion; 3) a base portion for resting the device on a surface; ii) a first holder connected to the first outwardly projecting support; iii) a second holder connected to the second outwardly projecting support; iv) a rotation device having a motor, located at the first outwardly project support and in rotatable communication with the first holder; wherein the first holder and the second holder are adapted to receive one or more flexible mediums that extend between the first holder to the second holder and define a core of flexible medium that extends along a longitudinal axis

between the first holder and the second holder; wherein the first holder, the second holder, or both include a lock to close the first holder, the second holder, or both; wherein the rotation device rotates the first holder so that the core of flexible medium is rotated about the longitudinal axis; wherein the second holder has a fixed position and a free spin position; wherein one or more unattached flexible mediums can be wound around the core of flexible medium for creating the fashion accessory; and wherein the device is free of a translation rod so that the first holder is rotatable individually from the second holder.

113. LaRose is directly infringing and has directly infringed the '203 patent, including, without limitation, by making, using, selling, offering for sale, and/or importing, without license or authority, the products that are covered by at least claim 6 of the '203 patent, including, but not limited to, the Accused Products.

114. As shown in Exhibit 11, the Accused Products meet each limitation of at least claim 6 of the '203 Patent.

115. LaRose's infringement of the '203 patent is and has been willful and deliberate.

116. LaRose has knowledge of the '203 patent and its infringement of the '203 patent, or willfully blinded itself to such knowledge. LaRose has knowledge of the '203 patent and that its actions infringed the '203 patent at least based on communications LaRose sent to AWG. On July 14, 2014, Mr. Lawrence Rosen, chairman of LaRose, sent a letter to Ms. Sheila Wright, President of AWG, expressing interest in acquiring AWG. [Exhibit 1]. In that letter, LaRose indicated it had been monitoring the success of AWG products. LaRose further stated that, "...we are impressed with your creativity and designs." *Id.* At a minimum, based on this letter, LaRose was actively monitoring AWG, its products, and its patents. Upon information and belief, LaRose continues to actively monitor AWG, its products, and its patents. At a minimum, LaRose was aware of the '203 patent and the infringement of the '203 patent in view of this letter.

117. Upon information and belief, LaRose also has knowledge of patents related to the children's product industry in general and would be aware of the '203 patent.

118. Upon information and belief, LaRose has not made any changes to the Accused Products despite its knowledge of the '203 patent.

119. Upon information and belief, LaRose has not made any changes to any of its publicly available instructional materials despite its knowledge of the '203 patent.

120. LaRose knew of the '203 patent, acted despite an objectively high likelihood that its actions constituted infringement of a valid patent, knew or should have known of this likelihood, and ignored and/or disregarded that its actions constituted infringement of a valid and enforceable patent.

121. As a result, LaRose's infringement of the '203 patent is and has been egregious, willful and deliberate.

122. AWG and LaRose are competitors. AWG has suffered substantial damages and will suffer severe and irreparable harm as a result of LaRose's infringement, unless that infringement is enjoined by this Court. The threatened injury to AWG outweighs any harm that the injunction may cause to LaRose. Injunctive relief would not disserve the public interest under these circumstances.

**COUNT VIII**  
**(INDUCED INFRINGEMENT OF U.S. PATENT 9,677,203 BY LAROSE)**

123. AWG incorporates by reference all of the preceding paragraphs as though fully set forth herein.

124. The '203 patent remains valid, enforceable, and unexpired.

125. With knowledge of the '203 patent, LaRose has induced and continues to induce the infringement of at least claim 6 of the '203 patent under 35 U.S.C. § 271(b) by selling, offering to sell, and/or importing, without license or authority, the Accused Products for use by at least



customers and purchasers of the Accused Products. In light of LaRose's inducement, these purchasers and customers directly infringe the '203 patent by making and/or using the Accused Products thereby reading on at least claim 6 of the '203 patent.

126. LaRose specifically intended its customers to infringe the '203 patent and knew that its customers' acts constituted infringement, or at the very least, was willfully blind to the existence of the '203 patent and/or the fact that customers' use of the Accused Products would directly infringe the '203 patent. Despite a high likelihood that its actions would induce its customers' direct infringement of the '203 patent, LaRose marketed and sold the Accused Products to its customers for such use. These customers directly infringe the '203 patent by making and/or using the Accused Products following the instructional materials, advertisements, and other instructional literature and information prepared and provided by LaRose for the Accused Products. These materials are publicly available and/or provided with the Accused Products.

127. As shown in Exhibit 11, when users use the Accused Products in accordance with instructional materials and advertisements provided by LaRose, or on behalf of LaRose, each limitation of at least claim 6 of the '203 Patent is met.

128. LaRose knew that the customers' actions, when performed, would directly infringe the '203 patent. LaRose has knowledge of the '203 patent and its infringement of the '203 patent, or willfully blinded itself to such knowledge. LaRose has knowledge of the '203 patent and that its actions infringed the '203 patent at least based on communications LaRose sent to AWG. On July 14, 2014, Mr. Lawrence Rosen, chairman of LaRose, sent a letter to Ms. Sheila Wright, President of AWG, expressing interest in acquiring AWG. [Exhibit 1]. In that letter, LaRose indicated it had been monitoring the success of AWG products. LaRose further stated that, "...we are impressed with your creativity and designs." *Id.* At a minimum, based on this letter, LaRose

was actively monitoring AWG, its products, and its patents. Upon information and belief, LaRose continues to actively monitor AWG, its products, and its patents. At a minimum, LaRose was aware of the '203 patent and the infringement of the '203 patent in view of this letter.

129. Upon information and belief, LaRose also has knowledge of patents related to the children's product industry in general and would be aware of the '203 patent.

130. Upon information and belief, LaRose has not made any changes to the Accused Products despite its knowledge of the '203 patent.

131. Upon information and belief, LaRose has not made any changes to any of its publicly available instructional materials despite its knowledge of the '203 patent.

132. At the very least, based on LaRose's July 14, 2014 letter, LaRose's knowledge of AWG's patent portfolio in general, its knowledge that AWG is a direct competitor in the market regarding the Accused Products, and its use of instructional literature and/or information that promotes direct infringements by customers and users, LaRose believed that there was a high probability that its acts, if taken, would result in direct infringement of the '203 patent by its customers, yet deliberately avoided confirming that belief. At the very least, LaRose willfully blinded itself to the existence of the '203 patent, and therefore willfully blinded itself to customer's direct infringement of the '203 patent resulting from the customer's use of the Accused Products.

133. LaRose knew of the '203 patent, acted despite an objectively high likelihood that its actions constituted infringement of a valid patent, knew or should have known of this likelihood, and ignored and/or disregarded that its actions constituted infringement of a valid and enforceable patent.

134. As a result, LaRose's infringement of the '203 patent is and has been egregious, willful and deliberate.

135. AWG and LaRose are competitors. As a result of LaRose's inducement of infringement, AWG will suffer severe and irreparable harm, unless that infringement is enjoined by this Court, and has suffered substantial damages. The threatened injury to AWG outweighs any harm that the injunction may cause to LaRose. Injunctive relief would not disserve the public interest under these circumstances.

**COUNT IX**  
**(DIRECT INFRINGEMENT OF U.S. PATENT 10,132,016 BY LAROSE)**

136. AWG incorporates by reference all of the preceding paragraphs as though fully set forth herein.

137. The '016 patent remains valid, enforceable, and unexpired.

138. Claim 1 of the '016 patent recites:

A device for creating a fashion accessory comprising: a) a body portion having a first end connected to a second end, and which includes: i) a length which is adjustable; ii) a platform which is elongated having generally linear outer edges extending from the first end toward the second end; iii) a base portion for resting the device on a surface; iv) a first support located at the first end, extending vertically outward from the body portion, and integrally formed into the body portion; v) a second support located at the second end, extending vertically outward from the body portion, and integrally formed into the body portion; b) a first holder connected to the first support; c) a second holder connected to the second support, wherein the first holder and the second holder are adapted to receive one or more flexible mediums that extend between the first holder and the second holder to define a core of flexible medium; d) a rotation device at the first end and in rotatable communication with the first holder so that rotation of the rotation device rotates the first holder and the core of flexible medium so that one or more non-attached flexible mediums can be looped around the core of flexible medium to create the fashion accessory; wherein the first holder is spring-loaded and includes a lock which includes a piece which slides over the first holder; and wherein the device includes one or more gears in the first end, the second end, or both; and the rotation device rotates the first holder, the second holder, or both through the one or more gears.

139. LaRose is directly infringing and has directly infringed the '016 patent, including, without limitation, by making, using, selling, offering for sale, and/or importing, without license or authority, the products that are covered by at least claim 1 of the '016 patent, including, but not limited to, the Accused Products.

140. As shown in Exhibit 12, the Accused Products meet each limitation of at least claim 1 of the '016 Patent.

141. LaRose's infringement of the '016 patent is and has been willful and deliberate.

142. LaRose has knowledge of the '016 patent and its infringement of the '016 patent, or willfully blinded itself to such knowledge. LaRose has knowledge of the '016 patent and that its actions infringed the '016 patent at least based on communications LaRose sent to AWG. On July 14, 2014, Mr. Lawrence Rosen, chairman of LaRose, sent a letter to Ms. Sheila Wright, President of AWG, expressing interest in acquiring AWG. [Exhibit 1]. In that letter, LaRose indicated it had been monitoring the success of AWG products. LaRose further stated that, "...we are impressed with your creativity and designs." *Id.* At a minimum, based on this letter, LaRose was actively monitoring AWG, its products, and its patents. Upon information and belief, LaRose continues to actively monitor AWG, its products, and its patents. At a minimum, LaRose was aware of the '016 patent and the infringement of the '016 patent in view of this letter.

143. Upon information and belief, LaRose also has knowledge of patents related to the children's product industry in general and would be aware of the '016 patent.

144. Upon information and belief, LaRose has not made any changes to the Accused Products despite its knowledge of the '016 patent.

145. Upon information and belief, LaRose has not made any changes to any of its publicly available instructional materials despite its knowledge of the '016 patent.

146. LaRose knew of the '016 patent, acted despite an objectively high likelihood that its actions constituted infringement of a valid patent, knew or should have known of this likelihood, and ignored and/or disregarded that its actions constituted infringement of a valid and enforceable patent.

147. As a result, LaRose's infringement of the '016 patent is and has been egregious, willful and deliberate.

148. AWG and LaRose are competitors. AWG has suffered substantial damages and will suffer severe and irreparable harm as a result of LaRose's infringement, unless that infringement is enjoined by this Court. The threatened injury to AWG outweighs any harm that the injunction may cause to LaRose. Injunctive relief would not disserve the public interest under these circumstances.

**COUNT X**  
**(INDUCED INFRINGEMENT OF U.S. PATENT 10,132,016 BY LAROSE)**

149. AWG incorporates by reference all of the preceding paragraphs as though fully set forth herein.

150. The '016 patent remains valid, enforceable, and unexpired.

151. With knowledge of the '016 patent, LaRose has induced and continues to induce the infringement of at least claim 1 of the '016 patent under 35 U.S.C. § 271(b) by selling, offering to sell, and/or importing, without license or authority, the Accused Products for use by at least customers and purchasers of the Accused Products. In light of LaRose's inducement, these purchasers and customers directly infringe the '016 patent by making and/or using the Accused Products thereby reading on at least claim 1 of the '016 patent.

152. LaRose specifically intended its customers to infringe the '016 patent and knew that its customers' acts constituted infringement, or at the very least, was willfully blind to the existence of the '016 patent and/or the fact that customers' use of the Accused Products would directly infringe the '016 patent. Despite a high likelihood that its actions would induce its customers' direct infringement of the '016 patent, LaRose marketed and sold the Accused Products to its customers for such use. These customers directly infringe the '016 patent by making and/or using the Accused Products following the instructional materials, advertisements, and other instructional literature and information prepared and provided by LaRose for the Accused Products. These materials are publicly available and/or provided with the Accused Products.

153. As shown in Exhibit 12, when users use the Accused Products in accordance with instructional materials and advertisements provided by LaRose, or on behalf of LaRose, each limitation of at least claim 1 of the '016 Patent is met.

154. LaRose knew that the customers' actions, when performed, would directly infringe the '016 patent. LaRose has knowledge of the '016 patent and its infringement of the '016 patent, or willfully blinded itself to such knowledge. LaRose has knowledge of the '016 patent and that its actions infringed the '016 patent at least based on communications LaRose sent to AWG. On July 14, 2014, Mr. Lawrence Rosen, chairman of LaRose, sent a letter to Ms. Sheila Wright, President of AWG, expressing interest in acquiring AWG. [Exhibit 1]. In that letter, LaRose indicated it had been monitoring the success of AWG products. LaRose further stated that, "...we are impressed with your creativity and designs." *Id.* At a minimum, based on this letter, LaRose was actively monitoring AWG, its products, and its patents. Upon information and belief, LaRose continues to actively monitor AWG, its products, and its patents. At a minimum, LaRose was aware of the '016 patent and the infringement of the '016 patent in view of this letter.

155. Upon information and belief, LaRose also has knowledge of patents related to the children's product industry in general and would be aware of the '016 patent.

156. Upon information and belief, LaRose has not made any changes to the Accused Products despite its knowledge of the '016 patent.

157. Upon information and belief, LaRose has not made any changes to any of its publicly available instructional materials despite its knowledge of the '016 patent.

158. At the very least, based on LaRose's July 14, 2014 letter, LaRose's knowledge of AWG's patent portfolio in general, its knowledge that AWG is a direct competitor in the market regarding the Accused Products, and its use of instructional literature and/or information that promotes direct infringements by customers and users, LaRose believed that there was a high probability that its acts, if taken, would result in direct infringement of the '016 patent by its customers, yet deliberately avoided confirming that belief. At the very least, LaRose willfully blinded itself to the existence of the '016 patent, and therefore willfully blinded itself to customer's direct infringement of the '016 patent resulting from the customer's use of the Accused Products.

159. LaRose knew of the '016 patent, acted despite an objectively high likelihood that its actions constituted infringement of a valid patent, knew or should have known of this likelihood, and ignored and/or disregarded that its actions constituted infringement of a valid and enforceable patent.

160. As a result, LaRose's infringement of the '016 patent is and has been egregious, willful and deliberate.

161. AWG and LaRose are competitors. As a result of LaRose's inducement of infringement, AWG will suffer severe and irreparable harm, unless that infringement is enjoined by this Court, and has suffered substantial damages. The threatened injury to AWG outweighs any

harm that the injunction may cause to LaRose. Injunctive relief would not disserve the public interest under these circumstances.

**PRAYER FOR RELIEF**

WHEREFORE, AWG requests judgment in its favor against LaRose for the following relief:

A. A judgment in favor of AWG that LaRose has directly infringed the ‘851, ‘478, ‘309, ‘203, and ‘016 patents;

B. A judgment in favor of AWG that LaRose has indirectly infringed the ‘851, ‘478, ‘309, ‘203, and ‘016 patents;

C. A preliminary and permanent injunction enjoining LaRose, its officers, directors, agents, servants, employees and those persons in active concert or participation with LaRose, from infringing the ‘851, ‘478, ‘309, ‘203, and ‘016 patents in violation of 35 U.S.C. § 271;

D. An award of damages adequate to compensate AWG for LaRose’s infringement, including but not limited to lost profits and/or a reasonable royalty;

E. An order adjudging LaRose to have deliberately and willfully infringed the ‘851, ‘478, ‘309, ‘203, and ‘016 patents and trebling, or otherwise increasing, AWG’s damages under 35 U.S.C. § 284;

F. A judgment in favor of AWG that this is an exceptional case;

G. An award to AWG of its attorney fees and its costs and expenses incurred in connection with this action pursuant to 35 U.S.C. § 285;

H. An award of prejudgment and post-judgment interest and costs of this action; and

I. Such other and further relief that this Court deems just and proper.

**JURY DEMAND**



Pursuant to Fed. R. Civ. P. 38(b), AWG demands a trial by jury on all issues so triable.

Dated: December 28, 2018

CARLSON, GASKEY & OLDS, P.C.,

/s/ Steven Susser  
Steven Susser (P52940)  
David L. Atallah (P73403)  
**Carlson, Gaskey & Olds, P.C.**  
400 West Maple Road, Suite 350  
Birmingham, Michigan 48009  
Telephone: (248) 988-8360  
Facsimile: (248) 988-8363  
E-Mail: [SSusser@cgolaw.com](mailto:SSusser@cgolaw.com)  
[DAtallah@cgolaw.com](mailto:DAtallah@cgolaw.com)

*Attorneys for Plaintiff, Ann Williams  
Group*

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