

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ROME DIVISION

W.F. Taylor, LLC,)	
)	
Plaintiff,)	
v.)	Civil Action No.
)	_____
Industrial Product Formulators of)	
America, Inc.,)	JURY TRIAL DEMANDED
)	
Defendant.)	

**COMPLAINT FOR DECLARATORY JUDGMENT
OF PATENT NONINFRINGEMENT, INVALIDITY, AND
VIOLATION OF GEORGIA LAW**

Plaintiff W.F. Taylor, LLC (“Taylor”) files this Complaint for Declaratory Judgment of Patent Noninfringement and Invalidity and violations of Georgia law against Defendant Industrial Product Formulators of America, Inc. (“Formulators”), and in support of its Complaint alleges as follows:

Nature and Basis of Action

1. This is an action arising under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, the United States Patent Act, 35 U.S.C. § 1 *et seq*, the Georgia Uniform Deceptive Trade Practices Act, O.C.G.A. § 10-1-370 *et seq.*, the Georgia Fair Business Practices Act, O.C.G.A. § 10-1-390 *et seq.*, and the Georgia Bad Faith Patent Assertion Act, O.C.G.A. § 10-1-770 *et seq.*

2. Taylor seeks declarations and findings that: (i) it and its customers making, using or selling Taylor adhesive products do not infringe any valid claim of U.S. Patent No. 9,822,288 (“the 288 patent” or the “Patent-in-Suit”); (ii) each of the claims of the Patent-in-Suit are invalid pursuant to 35 U.S.C. §§ 101, 102, 103 and/or 112; and (iii) Formulators has violated O.C.G.A. §§ 10-1-370 *et seq.*, 10-1-390 *et seq.*, and 10-1-770 *et seq.*, entitling Taylor to an injunction, general and punitive damages, and the recovery of its attorneys’ fees and costs. A true and correct copy of the 288 Patent is attached hereto as Exhibit A.

The Parties

3. Plaintiff W.F. Taylor LLC (“Taylor”) is a Delaware limited liability company with a principal place of business located at 800 College Drive, Dalton, Georgia 30720. Taylor’s primary business is the manufacture and sale of flooring adhesives, including Resolute[®] brand industrial adhesive. Taylor is headquartered in this District, manufactures many of its products, including Resolute[®] brand adhesive in this District, and ships its adhesive products, Resolute[®] brand adhesive, to customers located in this District, throughout Georgia, and around the country.

4. On information and belief, Defendant Industrial Product Formulators of America, Inc. (“Formulators”) is a California corporation having a principal place of business at 1790 Boyd Street, Santa Ana, California 92705. Formulators’ primary

business is the manufacture and sale of adhesives, including adhesives that compete directly with Taylor's Resolute[®] brand adhesive. On information and belief, Formulators sells adhesive products to customers in Georgia which directly compete with at least some of the adhesive products sold by Taylor.

5. Upon information and belief, Formulators is the owner of all intellectual property rights associated with the 288 Patent, as confirmed by demand letters sent by Formulators to some of Taylor's customers.

Jurisdiction and Venue

6. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§1331 and 1338, the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202 based on federal question jurisdiction, and 28 U.S.C. §1331 as the parties are citizens of different states and the amount in controversy exceeds \$75,000.00, exclusive of interest and costs. This Court also has supplemental jurisdiction over Taylor's related state law claims pursuant to 28 U.S.C. § 1367.

7. This Court has personal jurisdiction over the defendant pursuant to the laws of the State of Georgia, including the Georgia long-arm statute, OCGA § 9-10-91.

8. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391 and 1400.

Taylor's Resolute[®] Adhesive

9. Taylor began selling a moisture resistant flooring adhesive more than 10 years ago under the trademarks MS + Resilient[®], MS Plus Resilient[®], and MS Plus. In 2017, Taylor changed the name of this adhesive product to Resolute[®], but did not change its formulation for the product. One of the ingredients for the product has been and remains a silane end-capped urethane polymer obtained from a third-party chemical manufacturer. This polymer is mixed by Taylor with additional ingredients and sold to customers as Resolute[®] brand adhesive.

10. Beginning at least as early as May 2019, Formulators began to threaten Taylor's customers with allegations of patent infringement. According to certain demand letters sent by Formulators, these customers infringe the 288 Patent by their sale of Taylor's Resolute[®] adhesive product. In its demand letters, Formulators demanded that Taylor's customers "immediately cease and desist" their sale of Taylor's Resolute[®] adhesive (whether sold under Taylor's brand or a private label). Formulators also demanded that these customer issue a press release acknowledging the cessation of their sale of Taylor's Resolute[®] adhesive, and provide a full accounting of any income realized from sales of the product, including price and customer information. A true and correct copy of one of Formulators' demand letters to Taylor's customers is attached hereto as Exhibit B.

11. Formulators' demand letters and allegations of infringement asserted against Taylor's customers understandably caused significant concern to Taylor's customers. Some of the customers that received these letters have expressed these concerns to Taylor and acknowledged that these concerns could affect their further business dealings with Taylor.

12. Formulators' assertions that Taylor's Resolute[®] adhesive infringes the 288 Patent have also injured Taylor's business reputation. These assertions have caused Taylor to expend additional resources in investigating and responding to them, and have affected Taylor's commercial relationship with its supplier of the end-capped silane ingredient.

13. Upon information and believe, Formulators' assertions of patent infringement against Taylor's customers are baseless and made in bad faith. The 288 Patent covers a waterproof, hydrolytically stable and pH resistant adhesive formed from multiple ingredients. One of the specifically required ingredients is a silane end-capped urethane polymer component. According to the 288 Patent, the urethane component must have, *inter alia*, an average NCO content of about 7 to 23%. If the urethane component of this polymer has an NCO content outside this range, the product will necessarily not infringe the 288 Patent.

14. On information and belief, Formulators does not know the NCO content of the urethane component of the silane end-capped polymer contained in Taylor's Resolute[®] adhesive. Therefore, upon information and belief, Formulators does not have specific knowledge whether Taylor's Resolute[®] adhesive actually infringes the 288 Patent. Consequently, Formulators' assertions of patent infringement against Taylor's customers are baseless.

15. Upon information and belief, Taylor's Resolute[®] adhesive does not infringe the 288 Patent. Taylor understands that the urethane component of the silane end-capped polymer ingredient provided by the third-party chemical manufacturer is outside the 7 to 23% range required by the 288 Patent. Counsel for Taylor advised counsel for Formulators that this ingredient is outside the 7 to 23% range, and requested that Formulators provide any evidence in its possession that it believes supports it claims that the ingredient is within this required range. As of the filing of this Complaint, Formulators has not provided any evidence to support its basis for asserting that the silane end-capped polymer in Taylor's Resolute[®] adhesive is within the 7 to 23% range as required by the 288 Patent.

16. On information and belief, prior to sending its demand letters to Taylor's customers, Formulators did not conduct a meaningful analysis comparing the claims of the 288 Patent to Taylor's Resolute[®] adhesive in connection with

whether the urethane component of the silane end-capped polymer had an NCO content of 7 to 23%. If such an analysis had been conducted, details concerning that analysis were not provided in the demand letters to Taylor's customers, and was not provided to Taylor's counsel upon request.

17. Regardless of whether Taylor's Resolute[®] adhesive infringes the 288 Patent, the 288 Patent is invalid. Taylor has been selling adhesive with the same silane end-capped urethane containing polymer for years before the application which issued as the 288 Patent was filed. Moreover, such sales have been for more than a year prior to the earliest filing date to which the 288 Patent is entitled. Accordingly, in the unexpected event that Taylor's Resolute[®] adhesive does come within the scope of the claims of the 288 Patent, then the 288 Patent is invalid under 35 U.S.C. § 102 on the grounds the claimed product had been on sale for more than a year before the actual or effective filing date.

18. Formulators' demand letters and threats to Taylor's customers create an actual case or controversy as to whether Taylor and its customers infringe any valid claim of the Patent-in-Suit.

19. Formulators' demand letters and threats to Taylor's customers show that there is a substantial controversy between parties having adverse legal interests

of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.

20. Taylor and its customers continue to utilize and sell within this District and elsewhere the product that Formulators has accused of infringing the Patent-in-Suit.

COUNT I

Declaration of Non-Infringement

21. Taylor reincorporates and realleges the allegations of Paragraphs 1 through 20 above as if fully set forth herein.

22. Formulators has asserted that Taylor and its customers infringe the Patent-in-Suit by selling and offering for sale Taylor's Resolute[®] adhesive.

23. Taylor's Resolute[®] adhesive does not infringe any valid claim of the Patent-in-Suit because it does not satisfy all limitations of the patent's claims.

24. Based on Formulators' demand letters and threats against Taylor's customers, an actual case or controversy exists as to whether Taylor and its customers infringe any valid or enforceable claim of the Patent-in-Suit, and Taylor is entitled to a declaration that it and its customers do not infringe any valid claim of the Patent-in-Suit.

COUNT II

Declaration of Invalidity

25. Taylor reincorporates and realleges the allegations of Paragraphs 1 through 20 above as if fully set forth herein.

26. One or more claims of the Patent-in-Suit are invalid under the United States Patent Act, 35 U.S.C. § 1 *et seq.*, including 35 U.S.C. §§ 101, 102, 103, and/or 112.

27. One or more claims of the Patent-in-Suit are invalid pursuant to 35 U.S.C. §§ 102 and/or 103 because they are barred, anticipated and/or rendered obvious by the prior art, including offers for sale made more than one year before the actual or effective filing date of the Patent-in-Suit.

28. One or more claims of the Patent-in-Suit are invalid pursuant to 35 U.S.C. § 112 because they are indefinite, not enabled, and/or lack sufficient written description.

29. Based on Formulators' demand letters and threats against Taylor's customers, an actual case or controversy exists as to whether Taylor and its customers infringe any valid or enforceable claim of the Patent-in-Suit, and Taylor is entitled to a declaration that the Patents-in-Suit are invalid.

COUNT III

**Violation of Georgia Uniform Deceptive Trade Practices Act,
O.C.G.A. §10-1-370**

30. Taylor reincorporates and realleges the allegations of Paragraphs 1 through 20 above as if fully set forth herein.

31. Upon information and belief, Formulators has made false and/or misleading statements of fact to Taylor's customers concerning Taylor, its business practices, and its products, and has otherwise disparaged Taylor and its business practices, and its products.

32. Upon information and belief, Formulators knew or should have known that its statements to Taylor's customers were false and/or misleading.

33. Upon information and belief, Formulators' actions constitute unfair and deceptive trade practices in violation of O.C.G.A. §10-1-370 *et seq.*

34. Based upon Formulators' unlawful conduct, Taylor has suffered injury to its business and its reputation, thereby entitling it to an injunction and the recovery of its damages, including punitive damages.

COUNT IV

**Violation of Georgia Fair Business Practices Act,
O.C.G.A. §10-1-390**

35. Taylor reincorporates and realleges the allegations of Paragraphs 1 through 20 above as if fully set forth herein.

36. Upon information and belief, Formulators has made a bad faith assertion of patent infringement against Taylor and its customers based on their sale of and offers to sell Taylor's Resolute® brand adhesive.

37. Upon information and belief, Formulators has made false and/or misleading statements of fact to Taylor's customers concerning Taylor, its business practices, and its products, and has otherwise disparaged Taylor and its business practices, and its products.

38. Upon information and belief, Formulators knew or should have known that its statements to Taylor's customers were false and/or misleading.

39. Upon information and belief, Formulators' actions constitute an unfair business practice in violation of O.C.G.A. §10-1-390 *et seq.*

40. Based upon Formulators' unlawful conduct, Taylor has suffered injury to its business and its reputation, thereby entitling it to an injunction and the recovery of its damages, including punitive damages.

COUNT V

**Violation of Georgia Bad Faith Patent Assertion Act,
O.C.G.A. §10-1-770**

41. Taylor reincorporates and realleges the allegations of Paragraphs 1 through 20 above as if fully set forth herein.

42. Upon information and belief, Formulators has made a bad faith assertion of patent infringement against Taylor and its customers based on their sale of and offers to sell Taylor's Resolute® brand adhesive.

43. Upon information and belief, Formulators failed to conduct an adequate infringement analysis prior to asserting patent infringement claims against Taylor's customers. Specifically, Formulators did not conduct a meaningful analysis comparing the claims of the 288 Patent to Taylor's Resolute® adhesive in connection with, *inter alia*, whether the urethane component of the silane end-capped polymer had an NCO content of 7 to 23%. Further, even if such an analysis had been conducted, details concerning that analysis have not been provided to Taylor despite repeated requests.

44. Upon information and belief, Formulators knew or should have known that the 288 Patent is invalid. As Taylor has informed Formulators, Taylor has been selling adhesive with the same silane end-capped urethane containing polymer for years before the application which issued as the 288 Patent was filed. Moreover,

such sales have been for more than a year prior to the earliest filing date to which the 288 Patent is entitled. Nevertheless, Formulators continued to make the same assertions of patent infringement against Taylor and its customers and refused to issue a retraction of its past assertions of patent infringement.

45. Upon information or belief, Formulators' assertions of patent infringement against Taylor and its customers are meritless, made in bad faith, and Formulators knew, or should have known, that its assertions are meritless.

46. Upon information and belief, Formulators' actions constitute a bad faith assertion of patent infringement in violation of O.C.G.A. §10-1-770 *et seq.*

47. Based upon Formulators' unlawful conduct, Taylor has suffered injury to its business and its reputation, thereby entitling it to an injunction and the recovery of its damages, including punitive damages and attorneys' fees.

Jury Demand

Taylor demands a jury trial on all issues so triable.

Request for Relief

WHEREFORE, Taylor respectfully request that the Court enter judgment:

- A. That Taylor's Resolute[®] adhesive product does not infringe any valid claim of the Patent-in-Suit;
- B. That the claims of the Patent-in-Suit are invalid;

- C. That Formulators has violated the Georgia Uniform Deceptive Trade Practices Act, O.C.G.A. § 10-1-370 *et seq.*;
- D. That Formulators has violated the Georgia Fair Business Practices Act, O.C.G.A. § 10-1-390 *et seq.*;
- E. That Formulators has violated the Georgia Bad Faith Patent Assertion Act, O.C.G.A. § 10-1-770 *et seq.*;
- F. That Formulators, its principals, officers, directors, employees, and others acting on behalf of on in concert with them, be permanently enjoined from alleging that Taylor's Resolute[®] adhesive product infringes the Patent-in-Suit, and further requiring Formulators to issue a retraction to each of Taylor's customer to whom it has asserted an allegation of patent infringement;
- G. That Taylor is entitled to recover its damages, including punitive damages, costs and attorneys' fees for Formulators violation of Georgia law;
- H. That this case is exceptional and awarding Taylor its attorneys' fees and costs incurred in this action, pursuant to 35 U.S.C. § 285; and
- I. Granting Taylor such additional relief as the Court may deem just and proper.

Respectfully submitted, this 27th day of September, 2019.

/s/ Robert L. Lee

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