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**UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF COLUMBIA**

HSM of America LLC,

Plaintiff,

v.

Michilin Prosperity Co., Ltd.,
Defendant.

CIVIL ACTION NO. 19-2652

**HSM'S FIRST AMENDED COMPLAINT
FOR DECLARATORY RELIEF**

JURY DEMANDED

Date: November 18, 2019

Plaintiff HSM of America LLC ("HSM"), brings this declaratory judgment action against the Defendant, Michilin Prosperity Co., Ltd., ("Michilin"), and for its cause of action alleges as follows:

THE PARTIES

1. HSM is the U.S. subsidiary of HSM GmbH + Co KG, a private company organized and existing under the laws of Federal Republic of Germany.
2. HSM maintains an office at 419 Boot Road Downingtown, PA 19335.
3. On information and belief, Michilin is a corporation organized and existing under the laws of Taiwan, the Republic of China (R.O.C.).

4. On information and belief, Michilin is and has for many years been doing business in the United States.

5. On information and belief, Michilin's corporate headquarters is located at 5F., 11, SanNing St., SanChung City, Taipei Hsien, 241 Taiwan, R.O.C.

JURISDICTION AND VENUE

6. HSM incorporates the preceding paragraphs herein by reference.

7. On information and belief, Michilin is the owner, by assignment, of the entire right, title and interest in and to United States Patent No. 6,550,701, issued to Mr. Frank Chang on April 22, 2003 (the "701 patent").

8. On information and belief, Michilin is the owner, by assignment, of the entire right, title and interest in and to United States Patent No. RE44,865, issued to Mr. Frank Chang on April 29, 2014 ("RE865").

9. On information and belief, RE865 is a continuation reissue of the '701 patent.

10. The RE865 at 1:11-16 states: "More than one reissue application has been filed for the reissue of Ser. No. 09/684,777 filed Oct. 10, 2000, now U.S. Pat. No. 6,550,701. The reissue applications are the present application and Ser. No. 11/109,843, filed Apr. 20, 2005, now U.S. Pat. No. Re. 40,042 of which the present application is a continuation."

11. This is a civil action arising under the Patent Laws of the United States (35 U.S.C. § 1 et seq.), and under the Declaratory Judgment Act (35 U.S.C. § 2201, et seq.) for a declaratory judgment that Plaintiffs do not infringe RE865 and that RE865 is invalid and unenforceable.

12. The Court has jurisdiction over the subject matter of this complaint under 28 U.S.C. §§ 1331, 1338(a), 2201 and 2202.

13. This Court has original jurisdiction over the subject matter of this complaint pursuant to 28 U.S.C. § 1331 (federal question), 28 U.S.C. § 1338(a) (patents), and 28 U.S.C. § 2201, 2202 (declaratory judgment).

14. This Court has personal jurisdiction over Michilin because Michilin has established minimum contacts with the forum such that the exercise of jurisdiction would not offend traditional notions of fair play and substantial justice.

15. On July 19, 2019, Michilin sent a letter to HSM accusing its Securio B26 model shredder ("B26") of infringing RE865 through Amazon.com and other distributors.

16. The B26 has been offered for sale and sold through, *inter alia*, Amazon.com and other distributors to customers in the District of Columbia, including the Federal government.

17. As it relates to the importance of the District of Columbia relevant to the Federal government purchases from HSM, the main contracting office which supports Federal agencies (such as, on information and belief, the Department of Defense, CIA, FBI, etc.) with their procurement contract negotiation is the General Services Administration (GSA), which is located at 1800 F St, NW, Washington, DC 20405.

18. For that reason, the District of Columbia and the surrounding metropolitan areas are critically important to HSM and its government partners as, on information and belief, this is where the buying decisions and government contracts are ultimately decided and awarded.

19. On information and belief, agencies then access these contracts through either an agency specific procurement site, a government contractor/vendor, or some other agency site in order to procure their needed shredders.

20. One such contractor/vendor is OfficeAdvantage GSA. See, e.g., <https://www.gsaadvantage.com/GS02F0192V/Search?logSearch=True&Keyword=b26>. (Although such a contractor may itself be located outside D.C., the sales are to the Federal government according to contracts with GSA in the District of Columbia).

21. On information and belief, such shredders are then shipped to specific agency locations or to agency sub depots that deliver them to specific government offices.

22. Michilin's letter demands, *inter alia*, that

HSM takes the following immediate steps to avoid future infringement and mitigate current or past infringement damages:

(a) cease importation, distribution, and sale of the HSM shredder identified above, cease offering the HSM shredder for sale on the Amazon website, recall the HSM shredder from Amazon warehouses and any other store shelves, and provide proof of such cessation of infringing activities and recall of products currently available for sale or shipment; [and]

(b) provide, within fourteen days, a report including information on each HSM shredder imported, sold, or currently in the possession of HSM of America LLC, Amazon.com, or any other distributor or retailer....

23. Michilin's letter thus demands that HSM cease its importation, distribution, and sale of the HSM shredder in this district (and elsewhere), whether sold through Amazon or through stores, and demands that HSM report each shredder it imported, sold, or is in the possession of any other distributor or retailer in this district (and elsewhere).

24. As such, the transactions and occurrences that are the subject of the present controversy arise directly out of Michilin's threat to HSM's sales in the District of Columbia.

25. Moreover, Michilin previously asserted *the same patent* (albeit a pre-reissue version in the form of the '701 patent), *in this district* against Fellowes Manufacturing Company ("Fellowes"). See generally *Michilin Prosperity Co. v. Fellowes Mfg. Co.*, No. 1:04-cv-01025-RWR (D.D.C.).

26. Michilin's prior assertion of its shredder patent in the District of Columbia both contributes to a reasonable apprehension that Michilin will sue HSM, and to the appropriateness of exercising personal jurisdiction over Michilin.

27. A reasonable apprehension of suit is not necessary for declaratory judgment jurisdiction, but weighs in favor of finding a justiciable case and controversy suitable for declaratory judgment. *Indus. Models, Inc. v. SNF, Inc.*, 2017-1172, at *7 (Fed. Cir. Nov. 7, 2017); *Prasco, LLC v. Medicis Pharmaceutical Corp.*, 537 F.3d 1329, 1336 (Fed. Cir. 2008).

28. The previous assertion of the patent-in-suit against another competitor weighs in favor of finding a reasonable apprehension of suit, and thus a justiciable controversy. *Sherwood Med. Indus., Inc. v. Deknata*, 512 F.2d 724, 728 (8th Cir. 1975) (finding prior litigation, along with other factors, to create reasonable apprehension when prior litigation involved same patent).

29. Similarly, the prior assertion of the patent-in-suit is a factor in favor of finding the patentee purposefully availed itself of the forum's courts, which in turn weighs in favor of asserting personal jurisdiction. *Viam Corp. v. Iowa Export-Import Trading Co.*, 84 F.3d 424 (Fed. Cir. 1996) (finding personal jurisdiction where defendants "initiated a suit seeking to enforce the same patent that is the subject of this suit against other parties, unrelated to this action, in the same district court"); see also *Xilinx, Inc. v. Papst Licensing GMBH & Go.*, 848 F.3d 1346, 1358 (Fed. Cir. 2017) ("Our decision in *Acorda*

Therapeutics Inc. v. Mylan Pharmaceuticals Inc., 817 F.3d 755, 764 (Fed. Cir. 2016), makes clear the relevance of a defendant's litigations in the forum.”)

30. For these and other reasons, this Court may assert jurisdiction over Michilin in this declaratory judgment action.

31. Venue is proper in this District under 28 U.S.C. § 1391(b)-(d).

FIRST CLAIM FOR RELIEF

(Request for Declaratory Judgment of Non-Infringement of U.S. Patent No. RE44,865)

32. HSM incorporates the preceding paragraphs herein by reference.

33. Plaintiff has not singly nor jointly infringed, contributed to the infringement of, nor induced infringement of any valid claim of RE865 as properly construed, either literally or under the doctrine of equivalents.

SECOND CLAIM FOR RELIEF

(Request for Declaratory Judgment of Invalidity of U.S. Patent No. RE44,865)

34. HSM incorporates the preceding paragraphs herein by reference.

35. RE865 is invalid for failing to satisfy one or more of the conditions of patentability under Title 35 of United States Code, including but not limited to Sections 101, 102, 103, 112, and/or 251.

THIRD CLAIM FOR RELIEF

(Request for Declaratory Judgment of Unenforceability of U.S. Patent No. RE44,865)

36. HSM incorporates the preceding paragraphs herein by reference.

37. RE865 is unenforceable for failing to satisfy the conditions of enforceability required in law and equity.

FOURTH CLAIM FOR RELIEF

(Request for Declaratory Judgment of Intervening Rights)

38. HSM incorporates the preceding paragraphs herein by reference.

39. HSM is entitled to intervening rights under 35 U.S.C. § 252.

PRAYER FOR RELIEF

WHEREFORE, HSM pray for a judgment against Michilin and for the following relief:

A. Declare that HSM has not infringed, has not contributed to the infringement, and has not induced infringement of any claims of RE865, either literally or under the doctrine of equivalents;

B. Declare that the claims of RE865 are invalid;

C. Declare that RE865 is unenforceable;

D. Declare that HSM is entitled to intervening rights;

E. Enter a preliminary and permanent injunction, enjoining Michilin, its officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of the injunction, from initiating infringement litigation or threatening HSM or any of its customers, dealers, agents, servants, or employees, or any prospective or present sellers, dealers, or users of HSM's products, with infringement litigation, or charging any of them either verbally or in writing with infringement of RE865 because of manufacture, use, sale or offering for sale of HSM's products;

F. Declare this case exceptional under 35 U.S.C. § 285 and award HSM its reasonable attorneys' fees, expenses and costs incurred in the prosecution of this action; and

G. All other relief that the Court may deem appropriate.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38 of the Federal Rule of Civil Procedure, HSM demands a jury trial on all issues triable of right by a jury.

Dated: November 18, 2019

By:



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