

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

UNION WINNER INTERNATIONAL CO.,)	
LTD.,)	
)	
Plaintiff,)	
)	
v.)	
)	Civil Action No. 3:19-cv-2060
HSIEN-TE HUANG, ANLI SPRING CO., LTD.,)	
AND ELEGANT WINDOWS INC.,)	JURY TRIAL DEMANDED
)	
Defendants.)	
)	
)	

FIRST AMENDED COMPLAINT

Plaintiff Union Winner International Co., Ltd. (“Plaintiff”), by its attorneys, demands a trial by jury on all issues so triable and for its First Amended Complaint (“Complaint”) against Hsien-Te Huang, Anli Spring Co., Ltd., and Elegant Windows, Inc. (collectively, “Defendants”) alleges as follows:

NATURE OF THE ACTION

1. This is a civil action for (i) declaratory judgment arising under the Declaratory Judgment Act, 28 U.S.C. § 2201, *et seq.*, and the patent laws of the United States, Title 35, United States Code, Section 271, *et seq.*, involving United States Patent No. 10,174,547 (Exhibit A, “’547 patent”) and seeking a declaratory judgment of non-infringement of the ’547 patent; (ii) violation of the Lanham Act, § 43(a), Title 15 United States Code, Section 1125(a), *et seq.*; (iii) unfair competition under Texas State common law; (iv) tortious interference with contract under Texas State common law; (v) tortious interference with existing business relationships under Texas State common law; (vi) tortious interference with prospective business relationships under Texas State

common law; (vii) business disparagement under Texas State common law; (viii) and product disparagement under Texas State common law.

THE PARTIES

2. Plaintiff Union Winner International Co., Ltd. is a corporation organized and existing under the laws of Vietnam with a principal place of business at Duc Hoa Commune, Binh Tien Hamlet, Long An, Vietnam.

3. On information and belief, Defendant Hsien-Te Huang is an individual with a place of residence at 5F.-6, No. 482, Sec. 5, Chung-Hsiao E. Rd., Taipei City, Taiwan. On information and belief, Defendant Hsien-Te Huang is an owner by assignment of the '547 patent. On information and belief, Defendant Hsien-Te Huang is a consultant for Defendant Anli Spring Co., Ltd. and Defendant Elegant Windows, Inc.

4. On information and belief, Defendant Anli Spring Co., Ltd. is a corporation organized and existing under the laws of Taiwan with a principal place of business at 7F1.-2, No. 27, Lane 61, Sec. 1, Kuang Fu Rd., Sanchung Dist., New Taipei City, Taiwan, postal code 241. On information and belief, Defendant Anli Spring Co., Ltd. is an owner by assignment of the '547 patent.

5. On information and belief, Defendant Elegant Windows, Inc. is a corporation organized and existing under the laws of the State of Texas having a principal place of business at 1063 Texan Trail # 400, Grapevine, TX 76051. On information and belief, Defendant Elegant Windows, Inc. is neither an assignee nor an exclusive licensee of the '547 patent and has no right to enforce the '547 patent, and has never been an assignee or an exclusive licensee of the '547 patent and has never had a right to enforce the '547 patent. For example, counsel for Defendant Hsien-Te Huang, Defendant Anli Spring Co., Ltd., and Defendant Elegant Windows, Inc. has

represented in correspondence to counsel for Plaintiff that Defendant Elegant Windows, Inc. is neither an assignee nor an exclusive licensee of the '547 patent. On information and belief, Defendant Elegant Windows, Inc., and/or one or more of its affiliates, is a non-exclusive, bare licensee of the '547 patent.

JURISDICTION AND VENUE

6. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331, 1332, 1338, 1367, and 2201(a). As described in more detail below, an immediate, real, substantial, and justiciable controversy exists between Plaintiff and Defendant Hsien-Te Huang and Defendant Anli Spring Co., Ltd. as to whether Plaintiff is infringing or has infringed the '547 patent.

7. The Court has personal jurisdiction over Defendant Elegant Windows, Inc. at least because it (i) is a corporation organized and existing under the laws of the State of Texas; (ii) has a regular and established place of business in the State of Texas and this Judicial District; (iii) has purposefully availed itself of the rights and benefits of the laws of the State of Texas and this Judicial District; (iv) has done and is doing substantial business in the State of Texas and this Judicial District, directly or through intermediaries, both generally and, on information and belief, with respect to the allegations in this Complaint, including at least its enforcement of the '547 patent and its one or more acts of sending to Plaintiff and Plaintiff's customers letters containing false and misleading statements and representations in the State of Texas and this Judicial District as described in more detail below; and (v) maintains continuous and systematic contacts in the State of Texas and this Judicial District.

8. The Court has personal jurisdiction over Defendant Hsien-Te Huang at least because, on information and belief, Defendant Hsien-Te Huang (i) has entered into a licensing

agreement with continuing obligations with Defendant Elegant Windows, Inc., which is a corporation organized and existing under the laws of the State of Texas and a has regular and established place of business in the State of Texas and this Judicial District; (ii) has coordinated with a non-exclusive licensee of the '547 patent, Defendant Elegant Windows, Inc., which is a corporation organized and existing under the laws of the State of Texas and a has regular and established place of business in the State of Texas and this Judicial District, with respect to his consultant work for Defendant Elegant Windows, Inc. and Defendant Anli Spring Co., Ltd. relating to cordless blinds having spring motors and Elegant Windows, Inc.'s enforcement of the '547 patent and its one or more acts of sending to Plaintiff and Plaintiff's customers letters containing false and misleading statements and representations in the State of Texas and this Judicial District as described in more detail below; (iii) has purposefully availed himself of the rights and benefits of the laws of the State of Texas and this Judicial District at least by establishing a licensing relationship with Defendant Elegant Windows, Inc., which is a corporation organized and existing under the laws of the State of Texas and a has regular and established place of business in the State of Texas and this Judicial District; and (iv) has done and is doing substantial business in the State of Texas and this Judicial District, directly or through intermediaries, both generally and, on information and belief, with respect to the allegations in this Complaint, including at least Elegant Windows, Inc.'s one or acts of enforcement of the '547 patent and its one or more acts of sending to Plaintiff and Plaintiff's customers letters containing false and misleading statements and representations in the State of Texas and this Judicial District as described in more detail below.

9. The Court has personal jurisdiction over Defendant Anli Spring Co., Ltd. at least because, on information and belief, Defendant Anli Spring Co., Ltd. (i) has entered into a licensing

agreement with continuing obligations with Defendant Elegant Windows, Inc., which is a corporation organized and existing under the laws of the State of Texas and a has regular and established place of business in the State of Texas and this Judicial District; (ii) has coordinated with a non-exclusive licensee of the '547 patent, Defendant Elegant Windows, Inc., which is a corporation organized and existing under the laws of the State of Texas and a has regular and established place of business in the State of Texas and this Judicial District, with respect to Elegant Windows, Inc.'s one or more acts of enforcement of the '547 patent and its one or more acts of sending to Plaintiff and Plaintiff's customers letters containing false and misleading statements and representations in the State of Texas and this Judicial District as described in more detail below; (iii) has coordinated with Defendant Hsien-Te Huang, an owner of the '547 patent and consultant for Defendant Elegant Windows, Inc., which is a corporation organized and existing under the laws of the State of Texas and a has regular and established place of business in the State of Texas and this Judicial District, with respect to his consultant work for Defendant Elegant Windows, Inc. and Defendant Anli Spring Co., Ltd. relating to cordless blinds having spring motors and Elegant Windows, Inc.'s one or more acts of enforcement of the '547 patent and its one or more acts of sending to Plaintiff and Plaintiff's customers letters containing false and misleading statements and representations in the State of Texas and this Judicial District as described in more detail below; (iv) has purposefully availed itself of the rights and benefits of the laws of the State of Texas and this Judicial District at least by establishing a licensing relationship with Defendant Elegant Windows, Inc., which is a corporation organized and existing under the laws of the State of Texas and a has regular and established place of business in the State of Texas and this Judicial District; and (v) has done and is doing substantial business in the State of Texas and this Judicial District, directly or through intermediaries, both generally and, on information and belief, with respect to the allegations in this

Complaint, including at least Elegant Windows, Inc.'s one or acts of enforcement of the '547 patent and its one or more acts of sending to Plaintiff and Plaintiff's customers letters containing false and misleading statements and representations in the State of Texas and this Judicial District as described in more detail below.

10. Venue is proper in this Judicial District as to Defendants under 28 U.S.C. § 1391(b)-(d) at least because Defendant Elegant Windows, Inc. is a corporation organized and existing under the laws of the State of Texas, has regular and established place of business in the State of Texas and this Judicial District, and resides in the State of Texas and this Judicial District.

JOINDER

11. Joinder is proper under at least Federal Rule of Civil Procedure 20 at least because Defendants' conduct alleged herein arises out of the same transaction, occurrence, or series of transactions or occurrences relating to Plaintiff's making, using, importing into the United States, offering for sale, or selling the same products alleged by Defendant Elegant Windows, Inc. in letters to Plaintiff and Plaintiff's customers to infringe the '547 patent, owned by Defendant Hsien-Te Huang and Defendant Anli Spring Co., Ltd. Questions of fact common to all Defendants will arise in this action.

THE PATENT-IN-SUIT

12. The '547 patent, entitled "Unequal-Torque Coil Spring and a Spring Motor Thereof," issued on January 8, 2019. A true and correct copy of the '547 patent is attached as Exhibit A, naming Ta-Peng Huang and Defendant Hsien-Te Huang as the inventors.

13. On or about February 7, 2017, the inventors Ta-Peng Huang and Defendant Hsien-Te Huang purported to assign their interests in and to the '547 patent to Defendant Hsien-Te Huang and Defendant Anli Spring Co., Ltd.

14. The '547 patent has 4 claims: 2 independent claims and 2 dependent claims.

15. The '547 patent is generally directed to “[a]n unequal-torque coil spring and a spring motor thereof which is adapted for a curtain set that can automatically fold back a curtain.” (Ex. A, '547 patent at Abstract.) The '547 patent states that the “unequal-torque coil spring and spring motor” may comprise a “reed strip,” and the “unequal-torque” may be provided by “us[ing] a simple method for disposing different curvatures in multiple front and rear sections of a reed strip, so as to provide a feedback force as multiple levels of torque in response to actual working requirements from a curtain system loading end capable of arranging a curtain at different heights.” (Ex. A, '547 patent at 4:64-5:6.) One embodiment of a reed strip having different curvatures along its length is shown in Figure 9, reproduced below:

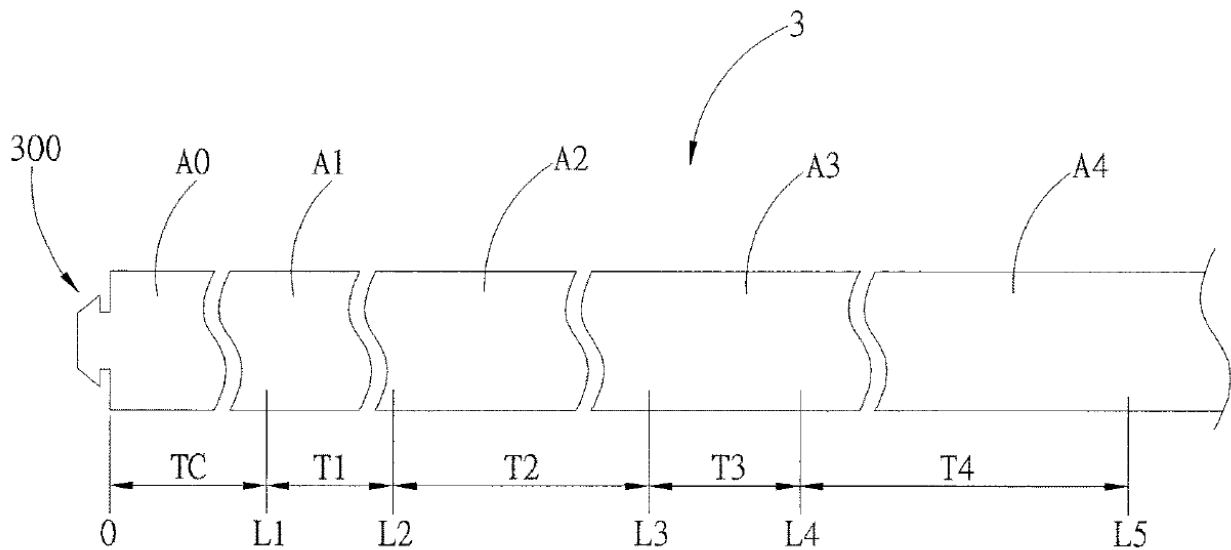


FIG. 9

(Ex. A, '547 patent at Fig. 9, 5:19-50.)

16. A “feedback torque curve” of one embodiment of the “unequal-torque coil spring and spring motor” is shown in Figure 12, reproduced below:

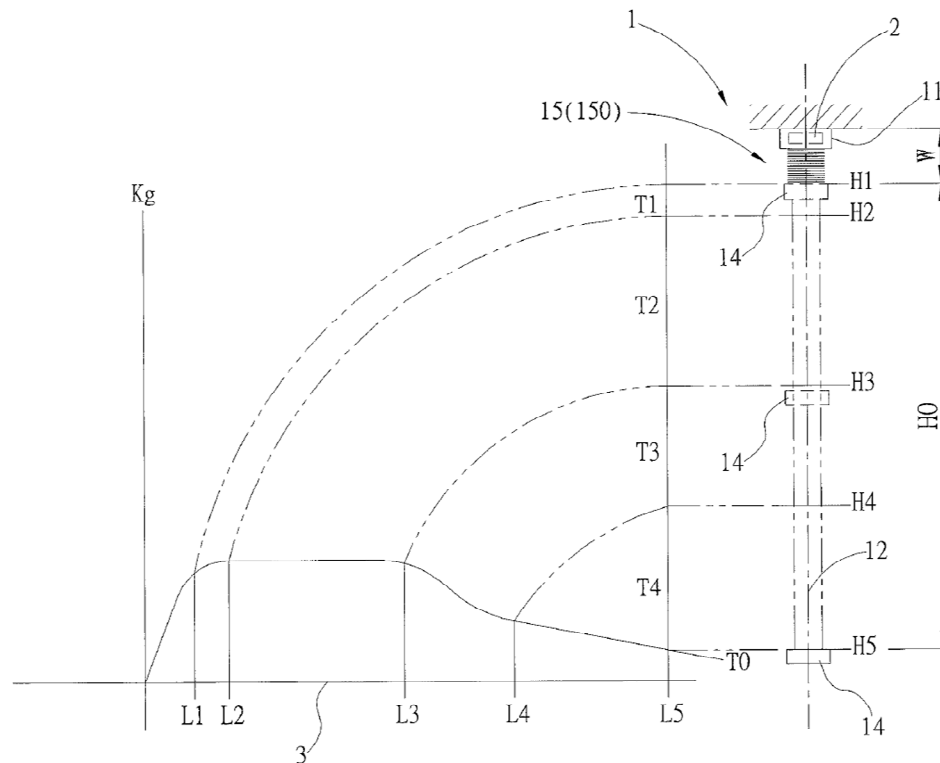


FIG. 12

(Ex. A, '547 patent at Fig. 12, 6:15-7:25.)

17. The claims of the '547 patent, including independent claims 1 and 3 (reproduced below), purport to recite these embodiments of the “unequal-torque coil spring and spring motor” and its corresponding “feedback torque curve.”

1. An unequal-torque coil spring, wherein feedback torque is provided in response to requirements of unequal forces at a loading end, comprises

a long strip of reed strip;

the reed strip has different sections longitudinally disposed from a front end to a rear end thereof, and the sections have different curvatures formed by getting coiled and bent inwards to generate different torque;

an exposed end serving as a joining end,

wherein the reed strip has torque distributed as follows: an increasing torque is implemented between the joining end and a first length,

a first torque that follows the increasing torque and slowly increases is implemented

between the first length and a second length,

a second torque that follows the first torque and is equal to a maximum value of the first torque is implemented between the second length and a third length,

a third torque that follows the second torque and gradually decreases is implemented between the third length and a fourth length, and

a fourth torque that follows a minimum value of the third torque and gradually decreases is implemented between the fourth length and a fifth length.

(Ex. A, '547 patent at claim 1.)

3. A spring motor being applied in a curtain set, which steadily folds a curtain and allows a lower beam to be lowered and fixed at any heights, comprising:

a housing;

a first reel drum and a second reel drum being axially parallel to each other and located at two sides inside of the housing at a same height;

an axle and a coiling axle being axially parallel to each other and located centrally inside the housing at a same height;

a chainring axially linked to an end of the first reel drum;

a chainring axially linked to an end of the second reel drum;

a chainring being axially movable at an end of the axle;

a linking chainring axially linked to an end of the coiling axle;

each of the chainrings and the linking chainring are of a same diameter, and are arranged and engaged from a front end to a rear end;

an unequal-torque coil spring for providing feedback torque in response to requirements of unequal forces at a loading end, comprises

a long strip of reed strip;

the reed strip has different sections longitudinally disposed from a front end to a rear end thereof, and the sections have different curvatures formed by getting coiled and bent inwards to generate different torque;

an exposed end serving as a joining end,

wherein the reed strip has torque distributed as follows: an increasing torque is implemented between the joining end and a first length,

a first torque that follows the increasing torque and slowly increases is implemented between the first length and a second length,

a second torque that follows the first torque and is equal to a maximum value of the first torque is implemented between the second length and a third length,

a third torque that follows the second torque and gradually decreases is implemented between the third length and a fourth length, and

a fourth torque that follows a minimum value of the third torque and gradually decreases is implemented between the fourth length and a fifth length;

the unequal-torque coil spring being axially and movably sleeved outside of a cylindrical surface of the axle,

the disposed joining end is joined to a radial cylindrical surface of the coiling axle.

(Ex. A, '547 patent at claim 3.)

BACKGROUND OF PLAINTIFF'S CORDLESS BLINDS PRODUCTS AND DEFENDANT ELEGANT WINDOWS INC.'S ENFORCEMENT OF THE '547 PATENT AND THREATS AGAINST PLAINTIFF AND PLAINTIFF'S CUSTOMERS

18. Plaintiff is a worldwide leader in custom window treatments and coverings, including custom cordless blinds.

19. Plaintiff's custom cordless blinds include one of two models of a spring motor supplied by Leafy ("Model I" and "Model II"), wherein the Model I and Model II spring motors exhibit different feedback torque curves.

20. On several occasions, Defendant Elegant Windows, Inc. has expressly accused Plaintiff of infringing the '547 patent through Plaintiff's manufacture, use, sale, offer for sale, and/or import of its custom cordless blinds comprising the Model I and Model II spring motors (collectively, "Accused Products"). Plaintiff has expressly denied Elegant Windows, Inc.'s allegations.

21. On or about May 1, 2019, attorney Miku H. Mehta of the law firm Procopio, acting

on behalf of Defendant Elegant Windows, Inc., sent a letter to Plaintiff having the subject line “Business Discussion on US Patent No. 10,174,547” and attaching the ’547 patent as Appendix 1 and images of the Accused Products as Appendix 2 and 3. A true and correct copy of the May 1, 2019, letter is attached as Exhibit B. The May 1, 2019, letter states, for example: “[I]t appears that one or more models of the cordless blinds, including the products shown in the attached Appendix 2, may be directed to subject matter that is covered by the [’547] patent.” (Ex. B at 1.) The May 1, 2019, letter copies Ms. Mei-Chin Chiu, President of Elegant Windows Inc., and Defendant Mr. Hsien-Te Huang. (*Id.* at 2.)

22. On or about May 15, 2019, Leavy Huang, acting on behalf of Plaintiff, sent a letter to counsel for Defendant Elegant Windows, Inc., Miku H. Mehta of the law firm Procopio, denying Defendant Elegant Windows, Inc.’s allegations of patent infringement. A true and correct copy of the May 15, 2019, letter is attached as Exhibit C. The May 15, 2019, letter states, for example: “After comparing and analyzing, we believe that the cordless blinds made by Union Winner International stays out of the range of your patent No. 10,174,547, which relates to a unequal-torque coil spring and a spring motor thereof.” (Ex. C at 1.)

23. On or about June 12, 2019, attorney Miku H. Mehta of the law firm Procopio, acting on behalf of Defendant Elegant Windows, Inc., sent a letter to Plaintiff having the subject line “Business Discussion on US Patent No. 10,174,547” responding to the May 15, 2019 letter of Exhibit C. A true and correct copy of the June 12, 2019, letter is attached as Exhibit D. The June 12, 2019, letter includes a section titled “Infringement” and “illustrates the features of the accused product” vis-à-vis the claims of the ’547 patent. (Ex. D at 1, Appendix.) The June 12, 2019, letter copies Ms. Mei-Chin Chiu, President of Defendant Elegant Windows Inc., and Defendant Mr. Hsien-Te Huang. (*Id.* at 3.)

24. On or about July 22, 2019, attorney Miku H. Mehta of the law firm Procopio, acting on behalf of Defendant Elegant Windows, Inc., sent a letter to Plaintiff having the subject line “US Patent No. 10,174,547.” A true and correct copy of the July 22, 2019, letter is attached as Exhibit E. The July 22, 2019, letter states, among other things: “Our client continues to believe that the claims of the ’547 patent are valid and infringed by Union Winner’s products, such as the example in our earlier letter, for example. We are also concerned that your client continues to perform activity that infringes the subject patent.” (Ex. E at 1.) The July 22, 2019, letter further states: “our client requests that your client immediately cease and desist from continuing its infringing acts.” (*Id.*) The July 22, 2019, letter further includes in an appendix a copy of claim 1 of the ’547 patent and “INITIAL TEST RESULTS” and “ADDITIONAL TESTING” of Plaintiff’s Accused Products, which purportedly serve the basis for Defendant Elegant Windows, Inc.’s infringement allegations. (*Id.* at Appendix.) The July 22, 2019, letter, when describing the initial and additional test results, further states: “[W]e believe there is a reasonable argument that the claim language is met under a doctrine of equivalence. . . . Based on this, we believe it would be reasonable to argue that the blinds test meets the claim requirements as an equivalent structure that performs the same or substantially the same function.” (*Id.* at Appendix, 8.) The July 22, 2019, letter copies Ms. Mei-Chin Chiu, President of Elegant Windows Inc., and Defendant Mr. Hsien-Te Huang. (*Id.* at 2.)

25. On July 29, 2019, Hao Tan, J.D., Ph.D., acting on behalf of Plaintiff, sent a letter to counsel for Defendant Elegant Windows, Inc., Miku H. Mehta of the law firm Procopio, again denying Defendant Elegant Windows, Inc.’s allegations of patent infringement. A true and correct copy of the July 29, 2019, letter is attached as Exhibit F.

26. On several occasions, Defendant Elegant Windows, Inc., by and through its counsel

Miku H. Mehta of the law firm Procopio, has also expressly accused Plaintiff and Plaintiff's customers of infringing the '547 patent through Plaintiff's and Plaintiff's customers' manufacture, use, sale, offer for sale, and/or import of the Accused Products by sending letters directly to Plaintiff's customers.

27. On or about May 17, 2019, Miku H. Mehta of the law firm Procopio, acting on behalf of Elegant Windows, Inc., sent a letter to Mr. Michael Liu, President and CEO of Plaintiff's customer Lotus & Windoware, Inc. (Chino, CA), having the subject line "Business Discussion on US Patent No. 10,174,547" and attaching the '547 patent as Appendix 1 and images of the Accused Products as Appendix 2 and 3. A true and correct copy of the May 17, 2019, letter is attached as Exhibit G. The May 17, 2019, letter states, for example: "[O]ne or more models of the cordless blinds sold by your company in the United States, such as the products shown in Appendix 2, may include subject matter covered by the above referenced patent." (Ex. G at 1.) The May 17, 2019, letter copies Ms. Mei-Chin Chiu, President of Elegant Windows Inc., and Defendant Mr. Hsien-Te Huang. (*Id.* at 2.)

28. On or about June 20, 2019, Miku H. Mehta of the law firm Procopio, acting on behalf of Defendant Elegant Windows, Inc., sent a letter to Mr. Michael Liu, President and CEO of Plaintiff's customer Lotus & Windoware, Inc. (Chino, CA), having the subject line "Business Discussion on US Patent No. 10,174,547" and attaching an Appendix including Defendant Elegant Windows, Inc.'s contention that "the accused products are infringed by the '547 patent." A true and correct copy of the June 20, 2019, letter is attached as Exhibit H. The June 20, 2019, letter states, for example: "Because our client continues to believe that the claims of the '547 patent are valid and infringed, we request that you please discontinue the US-based sales and distribution activities associated with the relevant Union Winner International products." (Ex. H at 1.) The

June 20, 2019, letter copies Ms. Mei-Chin Chiu, President of Elegant Windows Inc., and Defendant Mr. Hsien-Te Huang. (*Id.* at 1.)

29. On or about June 24, 2019, Mr. Michael Liu, President and CEO of Plaintiff's customer Lotus & Windoware, Inc. (Chino, CA), sent a letter to counsel for Defendant Elegant Windows, Inc., Miku H. Mehta of the law firm Procopio. A true and correct copy of the June 24, 2019, letter is attached as Exhibit I. The June 24, 2019, letter states, for example: "We do not produce the cordless blinds and do not have knowledge of the mechanisms that your client claims infringes their patent. Only your client and Union Winner International have full knowledge of the mechanisms and patent that are in dispute between the two parties. We again state that this is a discussion that should be between your client and Union Winner International." (Ex. I at 1.)

30. On or about July 22, 2019, Miku H. Mehta of the law firm Procopio, acting on behalf of Defendant Elegant Windows, Inc., sent a letter to Mr. Michael Liu, President and CEO of Plaintiff's customer Lotus & Windoware, Inc. (Chino, CA), in response to Mr. Liu's June 24, 2019, letter. A true and correct copy of the July 22, 2019, letter is attached as Exhibit J. The July 22, 2019, letter states, for example: "This letter provides our comment and renewed request to immediately cease and desist the infringing activity of your company." (Ex. J at 1.) The July 22, 2019, letter further identifies a list of purported "activity that may expose your company to liability for infringement." (*Id.*) The July 22, 2019, letter further states: "[B]ecause our client continues to believe that the claims of the '547 patent are valid and infringed by at least the above noted activity, we request that you immediately cease and desist all activities associated with these products." (*Id.* at 2.) The July 22, 2019, letter copies Ms. Mei-Chin Chiu, President of Elegant Windows Inc., and Defendant Mr. Hsien-Te Huang. (*Id.* at 2.)

31. Defendant Elegant Windows, Inc. sent similar letters and made similar accusations

to other customers of Plaintiff, including Payless Décor LLC (Peachtree Corners, GA), A Better Blind, Inc. (Hialeah, FL), and Timber Blinds Metro Shade, Inc. (McKinney, TX).

32. When Defendant Elegant Windows, Inc. asserted infringement of the '547 patent against Plaintiff and Plaintiff's customers as described above, it knew or should have known it was neither an assignee nor an exclusive licensee of the '547 patent and had no rights to assert infringement of or enforce the '547 patent against anyone, including Plaintiff and Plaintiff's customers. On information and belief, Defendant Elegant Windows, Inc. knowingly and intentionally misrepresented its rights to and interest in the '547 patent, and knowingly and intentionally made false and misleading statements and representations to Plaintiff and Plaintiff's customers of infringing the '547 patent.

COUNT I

DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF THE '547 PATENT AGAINST DEFENDANTS HSIEN-TE HUANG AND ANLI SPRING CO., LTD.

33. Plaintiff incorporates by reference the allegations contained in paragraphs 1 to 32 above.

34. This count is against Defendants Hsien-Te Huang and Anli Spring Co., Ltd. for a declaratory judgment of non-infringement of the '547 patent.

35. As set forth above, Defendant Elegant Windows, Inc., a non-exclusive licensee of Defendants Hsien-Te Huang and Anli Spring Co., Ltd., identified the '547 patent in correspondence and asserted that the Accused Products infringe one or more claims of the '547 patent. When doing so, Defendant Elegant Windows, Inc. copied Defendant Hsien-Te Huang, owner of the '547 patent and consultant for Defendant Elegant Windows, Inc.

36. Plaintiff, however, has not infringed and does not infringe any claim of the '547 patent, either directly or indirectly, literally or under the doctrine of equivalents.

37. Plaintiff does not infringe any claim of the '547 patent at least because the Accused Products do not meet the following limitations of claims 1 and 3 of the '547 patent:

- “a first torque that follows the increasing torque and slowly increases is implemented between the first length and a second length”;
- “a second torque that follows the first torque and is equal to a maximum value of the first torque is implemented between the second length and a third length”;
- “a third torque that follows the second torque and gradually decreases is implemented between the third length and a fourth length”; and
- “a fourth torque that follows a minimum value of the third torque and gradually decreases is implemented between the fourth length and a fifth length.”

(Ex. A, '547 patent at claims 1, 3.)

38. The enforcement of the '547 patent including Defendant Elegant Windows, Inc.'s allegations that Plaintiff infringes one or more claims of the '547 patent, and Plaintiff's denial of infringement, have created an immediate, real, and substantial controversy between the parties as to the non-infringement of the '547 patent. A valid and justiciable controversy has arisen and exists between Plaintiff and Defendants Hsien-Te Huang and Anli Spring Co., Ltd. within the meaning of 28 U.S.C. § 2201.

39. A judicial determination of non-infringement is necessary and appropriate so that Plaintiff may ascertain its rights regarding the '547 patent.

COUNT II

VIOLATION OF LANHAM ACT § 43(a), 15 U.S.C. § 1125(a) AGAINST DEFENDANT ELEGANT WINDOWS, INC.

40. Plaintiff incorporates by reference the allegations contained in paragraphs 1 to 39 above.

41. This count is against Defendant Elegant Windows, Inc. for violation of the Lanham Act, § 43(a) (15 U.S.C. § 1125(a)).

42. By its acts set forth above, including both affirmative statements and omissions, Defendant Elegant Windows, Inc. has used and continues to use false and misleading descriptions or representations of fact, in the context of commercial advertising or promotion, that are directed to the nature, characteristics, or qualities and Defendant Elegant Windows, Inc.'s own services or commercial activities, in violation of Lanham Act, § 43(a), 15 U.S.C. § 1125(a). Defendant Elegant Windows, Inc.'s false and misleading statements are related to material elements of purchasers' decisions, including Plaintiff's customers' decisions, and are likely to influence such decisions.

43. Defendant Elegant Windows, Inc.'s false and misleading statements actually deceived or are likely to deceive a substantial segment of the relevant market for purchasers of cordless blinds, including cordless blinds having spring motors.

44. Defendant Elegant Windows, Inc.'s false and misleading statements have entered "commerce," as that term is defined in § 45 of the Lanham Act, 15 U.S.C. § 1127.

45. Plaintiff was injured and will continue to be injured as a result of Defendant Elegant Windows, Inc.'s false and misleading statements, both by direct diversion and loss of sales and profits, and by a lessening of the goodwill associated with Plaintiff's name, business, and service.

46. The injury to Plaintiff's business and goodwill from Defendant Elegant Windows, Inc.'s false and misleading statements is irreparable because the full extent of such injury, which would extend far into the future, cannot be precisely measured and compensated for.

47. Defendant Elegant Windows, Inc. continues to do the acts complained of in this Complaint, and, unless restrained and enjoined, Defendant Elegant Windows, Inc. will continue to do so, all to Plaintiff's irreparable injury. Plaintiff's remedy at law is not adequate to compensate it for the future injuries received and threatened.

48. Defendant Elegant Windows, Inc.'s conduct has been willful, in bad faith, and committed with the intent to deceive prospective clients or purchasers of cordless blinds, including Plaintiff's current and prospective customers, and the public.

49. Defendant Elegant Windows, Inc.'s conduct has caused Plaintiff to lose orders from existing and prospective customers. Defendant Elegant Windows, Inc.'s conduct has caused Plaintiff's customers to end their business relationships and/or contracts with Plaintiff, to consider ending their business relationships and/or contracts with Plaintiff, or to threaten Plaintiff with ending their business relationships and/or contracts with Plaintiff. The true magnitude of Plaintiff's losses cannot be calculated because it is not possible for Plaintiff to know how many customers have declined to place orders based on Defendant Elegant Windows, Inc.'s false and misleading statements. Plaintiff estimates, however, that Defendant Elegant Windows, Inc.'s false and misleading statements have caused Plaintiff to lose in excess of \$30 million in revenue. Damages continue to accrue.

COUNT III

COMMON LAW UNFAIR COMPETITION AGAINST DEFENDANT ELEGANT WINDOWS, INC.

50. Plaintiff incorporates by reference the allegations contained in paragraphs 1 to 49 above.

51. This count is against Defendant Elegant Windows, Inc. for unfair competition under Texas State common law.

52. Defendant Elegant Windows, Inc. has engaged in business conduct which is contrary to honest practice in commercial matters. Defendant Elegant Windows, Inc.'s unfair and illegal acts have interfered with Plaintiff's ability to conduct its business.

53. By its acts set forth above, including both affirmative statements and omissions,

Defendant Elegant Windows, Inc. made false and misleading statements and representations of fact to Plaintiff's third-party customers and potential customers in order to promote its products and disparage Plaintiff and Plaintiff's cordless blinds products.

54. Defendant Elegant Windows, Inc. made these false and false and misleading statements and representations of fact without a reasonable factual or legal basis in an effort to undermine Plaintiff's position in the relevant market for cordless blinds products and to unfairly gain a competitive advantage over Plaintiff.

55. Defendant Elegant Windows, Inc.'s false and misleading statements are related to material elements of purchasers' decisions, including Plaintiff's customers' decisions, and are likely to influence such decisions.

56. Defendant Elegant Windows, Inc.'s false and misleading statements actually deceived or are likely to deceive a substantial segment of the relevant market for purchasers of cordless blinds, including cordless blinds having spring motors.

57. Plaintiff was injured and will continue to be injured as a result of Defendant Elegant Windows, Inc.'s false and misleading statements, both by direct diversion and loss of sales and profits, and by a lessening of the goodwill associated with Plaintiff's name, business, and service.

58. On information and belief, and as a result of Defendant Elegant Windows, Inc.'s false and misleading statements and acts of unfair competition, customers and potential customers and/or consumers and potential consumers of cordless blinds products are suffering harm because fewer options of cordless blinds have been and will be available in the relevant market for cordless blinds and prices for cordless blinds will be artificially high if Defendant Elegant Windows, Inc. is allowed to exclude others such as Plaintiff and Plaintiff's customers from the relevant market for cordless blinds through Defendant Elegant Windows, Inc.'s false and misleading statements

and acts of unfair competition.

59. The injury to Plaintiff's business and goodwill from Defendant Elegant Windows, Inc.'s false and misleading statements is irreparable because the full extent of such injury, which would extend far into the future, cannot be precisely measured and compensated for.

60. Defendant Elegant Windows, Inc. continues to do the acts complained of in this Complaint, and, unless restrained and enjoined, Defendant Elegant Windows, Inc. will continue to do so, all to Plaintiff's irreparable injury. Plaintiff's remedy at law is not adequate to compensate it for the future injuries received and threatened.

61. Defendant Elegant Windows, Inc.'s conduct has been outrageous, aggravated, malicious, fraudulent, in bad faith, and/or willful and committed with the intent to deceive prospective clients or purchasers of cordless blinds, including Plaintiff's current and prospective customers, and the public.

62. Defendant Elegant Windows, Inc.'s conduct has caused Plaintiff to lose orders from existing and prospective customers. Defendant Elegant Windows, Inc.'s conduct has caused Plaintiff's customers to end their business relationships and/or contracts with Plaintiff, to consider ending their business relationships and/or contracts with Plaintiff, or to threaten Plaintiff with ending their business relationships and/or contracts with Plaintiff. The true magnitude of Plaintiff's losses cannot be calculated because it is not possible for Plaintiff to know how many customers have declined to place orders based on Defendant Elegant Windows, Inc.'s false and misleading statements. Plaintiff estimates, however, that Defendant Elegant Windows, Inc.'s false and misleading statements have caused Plaintiff to lose in excess of \$30 million in revenue. Damages continue to accrue.

COUNT IV

**COMMON LAW TORTIOUS INTERFERENCE WITH CONTRACT
AGAINST DEFENDANT ELEGANT WINDOWS, INC.**

63. Plaintiff incorporates by reference the allegations contained in paragraphs 1 to 62 above.

64. This count is against Defendant Elegant Windows, Inc. for tortious interference with contract under Texas State common law.

65. Plaintiff and Plaintiff's customers, including Lotus & Windoware, Inc., are parties to a valid and enforceable contract that is subject to interference.

66. On information and belief, Defendant Elegant Windows, Inc. knew of the contracts between Plaintiff and Plaintiff's customers, including the contract between Plaintiff and Lotus & Windoware, Inc. For example, at least as early as May 17, 2019, Defendant Elegant Windows, Inc., by and through its counsel, Miku H. Mehta of the law firm Procopio, sent a letter to Lotus & Windoware, Inc. accusing it of infringing the '547 patent for its sale of cordless blinds provided by Plaintiff to Lotus & Windoware, Inc. (Ex. G at 1.)

67. On information and belief, Defendant Elegant Windows, Inc. willfully and intentionally interfered with and impaired the contracts between Plaintiff and Plaintiff's customers, including the contract between Plaintiff and Lotus & Windoware, Inc., by repeatedly making false and misleading statements regarding the ownership of, interest in, and rights to enforce the '547 patent, and threatening patent infringement litigation against Plaintiff and Plaintiff's customers.

68. Defendant Elegant Windows Inc.'s interference with and impairment of the contracts between Plaintiff and Plaintiff's customers, including the contract between Plaintiff and Lotus & Windoware, Inc., have been the proximate cause of damage to Plaintiff. Defendant Elegant Windows Inc.'s interference with and impairment of the contracts between Plaintiff and

Plaintiff's customers, including the contract between Plaintiff and Lotus & Windoware, Inc., have caused Plaintiff to lose orders from existing and prospective customers. Defendant Elegant Windows Inc.'s interference with and impairment of the contracts between Plaintiff and Plaintiff's customers, including the contracts between Plaintiff and Lotus & Windoware, Inc., has caused Plaintiff's customers to end their business relationships and/or contracts with Plaintiff, to consider ending their business relationships and/or contracts with Plaintiff, or to threaten Plaintiff with ending their business relationships and/or contracts with Plaintiff. The true magnitude of Plaintiff's losses cannot be calculated because it is not possible for Plaintiff to know how many customers have declined to place orders based on Defendant Elegant Windows, Inc.'s false and misleading statements. Plaintiff estimates, however, that Defendant Elegant Windows, Inc.'s false and misleading statements have caused business activities under the contracts to decrease by at least \$30 million in revenue to Plaintiff. Damages continue to accrue. Further, Defendant Elegant Windows Inc.'s interference with and impairment of Plaintiff's contracts with Plaintiff's customers and Defendant Elegant Windows Inc.'s false and misleading statements to Plaintiff and Plaintiff's customers have diminished and chilled the business planning of Plaintiff in the relevant market for purchasers of cordless blinds, including cordless blinds having spring motors, causing further and future damages to Plaintiff.

69. Defendant Elegant Windows, Inc. knew or should have known that the threats and false and misleading statements and representations were false at the time they were made. Such threats and misleading statements and representations were fraudulent, malicious, in bad faith, and/or grossly negligent and constitute conduct for which Texas law allows the imposition of punitive or exemplary damages awarded to Plaintiff.

COUNT V

COMMON LAW TORTIOUS INTERFERENCE WITH EXISTING BUSINESS RELATIONSHIPS AGAINST DEFENDANT ELEGANT WINDOWS, INC.

70. Plaintiff incorporates by reference the allegations contained in paragraphs 1 to 69 above.

71. This count is against Defendant Elegant Windows, Inc. for tortious interference with existing business relationships under Texas State common law.

72. Plaintiff and Plaintiff's customers, including Lotus & Windoware, Inc., are parties to business relationships and subject to a valid and enforceable contracts that are subject to interference. There is a reasonable probability Plaintiff and Plaintiff's customers, including Lotus & Windoware, Inc., would have entered into further business and contractual relationships and, to the extent Plaintiff and Plaintiff's customers were not already subject to a contract, would have entered into contractual relationships.

73. On information and belief, Defendant Elegant Windows, Inc. knew of the business relationships between Plaintiff and Plaintiff's customers, including the relationships between Plaintiff and Lotus & Windoware, Inc. For example, at least as early as May 17, 2019, Defendant Elegant Windows, Inc., by and through its counsel, Miku H. Mehta of the law firm Procopio, sent a letter to Lotus & Windoware, Inc. accusing it of infringing the '547 patent for its sale of cordless blinds provided by Plaintiff to Lotus & Windoware, Inc. (Ex. G at 1.)

74. Defendant Elegant Windows, Inc. committed an independently tortious or unlawful act that interfered with, impaired, and prevented business relationships and/or contracts, or further, additional business relationships and/or contracts, between Plaintiff and Plaintiff's customers, including between Plaintiff and Lotus & Windoware, Inc., by repeatedly making false and misleading statements regarding the ownership of, interest in, and rights to enforce the '547 patent,

and threatening patent infringement litigation against Plaintiff and Plaintiff's customers.

75. On information and belief, Defendant Elegant Windows, Inc. committed these acts willfully, intentionally, and with a conscious desire to prevent business relationships and/or contracts, or further, additional business relationships and/or contracts, between Plaintiff and Plaintiff's customers, including between Plaintiff and Lotus & Windoware, Inc.

76. Defendant Elegant Windows Inc.'s interference with and impairment of the business relationships between Plaintiff and Plaintiff's customers, including the business relationships between Plaintiff and Lotus & Windoware, Inc., have been the proximate cause of damage to Plaintiff. Defendant Elegant Windows Inc.'s interference with and impairment of the business relationships between Plaintiff and Plaintiff's customers, including the business relationships between Plaintiff and Lotus & Windoware, Inc., have prevented further business relationships between Plaintiff and Plaintiff's customers and have caused business activities under the business relationships and/or contracts to decrease. Defendant Elegant Windows Inc.'s interference with and impairment of the business relationships between Plaintiff and Plaintiff's customers, including the business relationships between Plaintiff and Lotus & Windoware, Inc., has caused Plaintiff's customers to end their business relationships and/or contracts with Plaintiff, to consider ending their business relationships and/or contracts with Plaintiff, or to threaten Plaintiff with ending their business relationships and/or contracts with Plaintiff. The true magnitude of Plaintiff's losses cannot be calculated because it is not possible for Plaintiff to know how many customers have declined to place orders based on Defendant Elegant Windows, Inc.'s false and misleading statements. Plaintiff estimates, however, that Defendant Elegant Windows, Inc.'s false and misleading statements have caused business activities under the business relationships and/or contracts to decrease by at least \$30 million in revenue to Plaintiff. Damages

continue to accrue. Further, Defendant Elegant Windows Inc.'s interference with and impairment of business relationships between Plaintiff and Plaintiff's customers, and Defendant Elegant Windows Inc.'s false and misleading statements to Plaintiff and Plaintiff's customers have diminished and chilled the business planning of Plaintiff in the relevant market for purchasers of cordless blinds, including cordless blinds having spring motors, preventing business relationships and/or contracts between Plaintiff and Plaintiff's customers from occurring and causing further and future damages to Plaintiff.

77. Defendant Elegant Windows Inc.'s interference with and impairment of the business relationships between Plaintiff and Plaintiff's customers, including Lotus & Windoware, Inc., has deprived Plaintiff of revenue and profits which would otherwise have been received, and will further deprive Plaintiff of revenue and profits expected under the business relationships and/or contracts and/or further business relationships and contracts.

78. Defendant Elegant Windows, Inc. knew or should have known that the threats and false and misleading statements and representations were false at the time they were made. Such threats and misleading statements and representations were fraudulent, malicious, in bad faith, and/or grossly negligent and constitute conduct for which Texas law allows the imposition of punitive or exemplary damages awarded to Plaintiff.

COUNT VI

COMMON LAW TORTIOUS INTERFERENCE WITH PROSPECTIVE BUSINESS RELATIONSHIPS AGAINST DEFENDANT ELEGANT WINDOWS, INC.

79. Plaintiff incorporates by reference the allegations contained in paragraphs 1 to 78 above.

80. This count is against Defendant Elegant Windows, Inc. for tortious interference with prospective business relationships under Texas State common law.

81. Plaintiff and Plaintiff's customers, including Lotus & Windoware, Inc., had prospective business relationships that were leading to the existence of future contracts regarding cordless blinds products.

82. On information and belief, Defendant Elegant Windows, Inc. knew of the prospective business relationships between Plaintiff and Plaintiff's customers, including Lotus & Windoware, Inc. For example, at least as early as May 17, 2019, Defendant Elegant Windows, Inc., by and through its counsel, Miku H. Mehta of the law firm Procopio, sent a letter to Lotus & Windoware, Inc. accusing it of infringing the '547 patent for its sale of cordless blinds provided by Plaintiff to Lotus & Windoware, Inc. (Ex. G at 1.)

83. On information and belief, Defendant Elegant Windows, Inc. interfered with and impaired the business relationships and prospective business relationships between Plaintiff and Plaintiff's customers, including Lotus & Windoware, Inc., by knowingly, intentionally, and repeatedly making false and misleading statements regarding about the ownership of, interest in, and rights to enforce the '547 patent, and threatening patent infringement litigation against Plaintiff and Plaintiff's customers.

84. Defendant Elegant Windows Inc.'s interference with and impairment of the business relationships and prospective business relationships between Plaintiff and Plaintiff's customers, including Lotus & Windoware, Inc., have been the proximate cause of damage to Plaintiff. Defendant Elegant Windows Inc.'s interference with and impairment of the business relationships and prospective business relationships between Plaintiff and Plaintiff's customers, including Lotus & Windoware, Inc., has caused Plaintiff's customers to end their business relationship and/or contracts with Plaintiff, to consider ending their business relationship and/or contracts with Plaintiff, or to threaten Plaintiff with ending their business relationship and/or

contracts with Plaintiff, thereby preventing business relationships and/or contracts between Plaintiff and Plaintiff's customers from occurring. Defendant Elegant Windows Inc.'s interference with and impairment of the business relationships and prospective business relationships between Plaintiff and Plaintiff's customers, including Lotus & Windoware, Inc., has deprived Plaintiff of revenue and profits which would otherwise have been received, and will further deprive Plaintiff of revenue and profits expected under the prospective business relationships.

85. Plaintiff's reputation and goodwill have been irreparably harmed by the actions of Defendant Elegant Windows Inc.

86. Defendant Elegant Windows, Inc. knew or should have known that the threats and false and misleading statements and representations were false at the time they were made. Such threats and misleading statements and representations were fraudulent, malicious, in bad faith, and/or grossly negligent and constitute conduct for which Texas law allows the imposition of punitive or exemplary damages awarded to Plaintiff.

COUNT VII

COMMON LAW BUSINESS DISPARAGEMENT AGAINST DEFENDANT ELEGANT WINDOWS, INC.

87. Plaintiff incorporates by reference the allegations contained in paragraphs 1 to 86 above.

88. This count is against Defendant Elegant Windows, Inc. for business disparagement under Texas State common law.

89. Defendant Elegant Windows, Inc. published disparaging words about Plaintiff's economic interests to third-parties, including at least Plaintiff's customers such as Lotus & Windoware, Inc.

90. On May 17, 2019, Elegant Windows, Inc., by and through its counsel, Miku H.

Mehta of the law firm Procopio, sent and published a letter to Michael Liu, President and CEO of Plaintiff's customer Lotus & Windoware, Inc. (Chino, CA). (Ex. G.) The May 17, 2019, letter included disparaging words about Plaintiff's economic interests, including that Plaintiff's cordless blinds products infringe the '547 patent, Defendant Elegant Window, Inc. has the necessary rights to and interest in the '547 patent to enforce that patent against others, and Defendant Elegant Window, Inc. will enforce the '547 patent against Plaintiff and Plaintiff's customer, Lotus & Windoware, Inc. (*Id.* at 1 ("Our client is aware of the existence of cordless blinds made by Union Winner International, which are imported into the United States and subsequently sold to end customers in the United States. More specifically, one or more models of the cordless blinds sold by your company in the United States, such as the products shown in Appendix 2, may include subject matter covered by the above referenced patent."); *id.* ("Our client takes it intellectual property rights very seriously, and is willing to take the necessary measures to defend those rights, should it become necessary.").)

91. On June 20, 2019, Elegant Windows, Inc., by and through its counsel, Miku H. Mehta of the law firm Procopio, sent and published a letter to Michael Liu, President and CEO of Plaintiff's customer Lotus & Windoware, Inc. (Chino, CA). (Ex. H.) The June 20, 2019, letter included disparaging words about Plaintiff's economic interests, including that Plaintiff's cordless blinds products infringe the '547 patent, Defendant Elegant Window, Inc. has the necessary rights to and interest in the '547 patent to enforce that patent against others, and Defendant Elegant Window, Inc. will enforce the '547 patent against Plaintiff and Plaintiff's customer, Lotus & Windoware, Inc. (*Id.* at 1 ("Independent of those business discussions, we remind you that any importation, use, sale, offer for sale or distribution of an infringing product may result in liability for your company, regardless of whether your company is aware of the inner workings of the

technology, or the origin of the design.”); *id.* (“Because our client continues to believe the claims of the ’547 patent are valid and infringed, we request that you please discontinue the US-based sales and distribution activities associated with the relevant Union Winner International products.”).)

92. On July 22, 2019, Elegant Windows, Inc., by and through its counsel, Miku H. Mehta of the law firm Procopio, sent and published a letter to Michael Liu, President and CEO of Plaintiff’s customer Lotus & Windoware, Inc. (Chino, CA). (Ex. I.) The July 22, 2019, letter included disparaging words about Plaintiff’s economic interests, including that Plaintiff’s cordless blinds products infringe the ’547 patent, Defendant Elegant Window, Inc. has the necessary rights to and interest in the ’547 patent to enforce that patent against others, and Defendant Elegant Window, Inc. will enforce the ’547 patent against Plaintiff and Plaintiff’s customer, Lotus & Windoware, Inc. (*Id.* at 1 (“This letter provides our comment and renewed request to immediately cease and desist the infringing activity of your company.”); *id.* (“[W]e remind you that under US patent law, your company can be held liable for infringement with respect to the importation, distribution, offer for sale and sale of the accused products – independent of Union Winner’s activities. More specifically, your importation, use, sale, offer for sale or distribution of the infringing Union Winner products. For example, we note the following activity that may expose your company to liability for infringement.”); *id.* at 2 (“Our client is an innovator in this field, and fully expects that distributors and retailers fully respect its intellectual property rights, just as our client respects the intellectual property rights of others. . . . Therefore, and because our client continues to believe that the claims of the ’547 patent are valid and infringed by at least the above noted activity, we request that you immediately cease and desist all activities associated with these products.”).)

93. Defendant Elegant Windows, Inc. sent similar letters and made similar accusations to other customers of Plaintiff, including Payless Décor LLC (Peachtree Corners, GA), A Better Blind, Inc. (Hialeah, FL), and Timber Blinds Metro Shade, Inc. (McKinney, TX).

94. The statements of Defendant Elegant Windows, Inc.'s published letters to Plaintiff's third-party customers, including at least Plaintiff's customer Lotus & Windoware, Inc. (Chino, CA) cast doubt on the existence, quality, or ownership of Plaintiff's cordless blinds products by suggesting to Plaintiff's customers that both Plaintiff and Plaintiff's customers were at risk of patent infringement from Defendant Elegant Windows, Inc. for the manufacture, sale, offer for sale, and/or import of Plaintiff's cordless blinds products, by suggesting to Plaintiff's customers that Plaintiff's cordless blinds products are unlawfully on the relevant market of cordless blinds due to the alleged infringement of the '547 patent, and by suggesting to Plaintiff's customers that Plaintiff's cordless blinds products may no longer be on the market after resolution of a patent infringement lawsuit brought by Defendant Elegant Windows, Inc. against Plaintiff and/or Plaintiff's customers. On information and belief, Defendant Elegant Windows, Inc. intended its statements to Plaintiff's third-party customers to cast doubt on the existence, quality, or ownership of Plaintiff's cordless blinds products. On information and belief Plaintiff's customers, including Plaintiff's customer Lotus & Windoware, Inc. (Chino, CA), reasonably understood Defendant Elegant Windows, Inc.'s statements to cast doubt on the existence, quality, or ownership of Plaintiff's cordless blinds products.

95. The statements of Defendant Elegant Windows, Inc.'s published letters to Plaintiff's third-party customers were false. Defendant Elegant Windows, Inc., which made the false and misleading statements and representations described herein, is neither an assignee nor an exclusive licensee of the '547 patent and, therefore, has no rights to enforce or assert infringement

of the '547 patent against others, including Plaintiff or Plaintiff's customers.

96. On information and belief, Defendant Elegant Windows, Inc. published the false and misleading statements and representations in the letters to Plaintiff's third-party customers in bad faith and with malice. On information and belief, Defendant Elegant Windows, Inc. knew its statements were false, acted with reckless disregard for the whether its statements were true, acted with ill will at least toward Plaintiff and Plaintiff's customers, and intended to interfere with Plaintiff's economic interests, including its commercial interests in the relevant market for cordless blinds.

97. The statements of Defendant Elegant Windows, Inc.'s published letters to Plaintiff's third-party customers were not privileged.

98. The statements of Defendant Elegant Windows, Inc.'s published letters to Plaintiff's third-party customers have been the proximate cause of special damages to Plaintiff. Defendant Elegant Windows, Inc.'s false and misleading published statements to Plaintiff's third-party customers, including Plaintiff's customer Lotus & Windoware, Inc. (Chino, CA), have caused business activities under the contracts between Plaintiff and Plaintiff's customers to decrease and have caused Plaintiff to lose orders. The true magnitude of Plaintiff's losses cannot be calculated because it is not possible for Plaintiff to know how many customers have declined to place orders based on Defendant Elegant Windows, Inc.'s false and misleading statements. Plaintiff estimates, however, that Defendant Elegant Windows, Inc.'s false and misleading statements have caused business activities under the contracts to decrease by at least \$30 million in revenue to Plaintiff. Damages continue to accrue. Further, Defendant Elegant Windows, Inc.'s false and misleading published statements to Plaintiff's third-party customers, including Plaintiff's customer Lotus & Windoware, Inc. (Chino, CA), have diminished and chilled the business

planning of Plaintiff in the relevant market for purchasers of cordless blinds, including cordless blinds having spring motors, causing further and future damages to Plaintiff.

COUNT VIII

**COMMON LAW PRODUCT DISPARAGEMENT
AGAINST DEFENDANT ELEGANT WINDOWS, INC.**

99. Plaintiff incorporates by reference the allegations contained in paragraphs 1 to 98 above.

100. This count is against Defendant Elegant Windows, Inc. for product disparagement under Texas State common law.

101. Defendant Elegant Windows, Inc. published disparaging and derogatory words about Plaintiff's products and Plaintiff's business in general to third-parties, including at least Plaintiff's customers such as Lotus & Windoware, Inc.

102. On May 17, 2019, Elegant Windows, Inc., by and through its counsel, Miku H. Mehta of the law firm Procopio, sent and published a letter to Michael Liu, President and CEO of Plaintiff's customer Lotus & Windoware, Inc. (Chino, CA). (Ex. G.) The May 17, 2019, letter included disparaging and derogatory words about Plaintiff's products and Plaintiff's business in general, including that Plaintiff's cordless blinds products infringe the '547 patent, Defendant Elegant Window, Inc. has the necessary rights to and interest in the '547 patent to enforce that patent against others, and Defendant Elegant Window, Inc. will enforce the '547 patent against Plaintiff and Plaintiff's customer, Lotus & Windoware, Inc. (*Id.* at 1 ("Our client is aware of the existence of cordless blinds made by Union Winner International, which are imported into the United States and subsequently sold to end customers in the United States. More specifically, one or more models of the cordless blinds sold by your company in the United States, such as the products shown in Appendix 2, may include subject matter covered by the above referenced

patent.”); *id.* (“Our client takes it intellectual property rights very seriously, and is willing to take the necessary measures to defend those rights, should it become necessary.”).)

103. On June 20, 2019, Elegant Windows, Inc., by and through its counsel, Miku H. Mehta of the law firm Procopio, sent and published a letter to Michael Liu, President and CEO of Plaintiff’s customer Lotus & Windoware, Inc. (Chino, CA). (Ex. H.) The June 20, 2019, letter included disparaging and derogatory words about Plaintiff’s products and Plaintiff’s business in general, including that Plaintiff’s cordless blinds products infringe the ’547 patent, Defendant Elegant Window, Inc. has the necessary rights to and interest in the ’547 patent to enforce that patent against others, and Defendant Elegant Window, Inc. will enforce the ’547 patent against Plaintiff and Plaintiff’s customer, Lotus & Windoware, Inc. (*Id.* at 1 (“Independent of those business discussions, we remind you that any importation, use, sale, offer for sale or distribution of an infringing product may result in liability for your company, regardless of whether your company is aware of the inner workings of the technology, or the origin of the design.”); *id.* (“Because our client continues to believe the claims of the ’547 patent are valid and infringed, we request that you please discontinue the US-based sales and distribution activities associated with the relevant Union Winner International products.”).)

104. On July 22, 2019, Elegant Windows, Inc., by and through its counsel, Miku H. Mehta of the law firm Procopio, sent and published a letter to Michael Liu, President and CEO of Plaintiff’s customer Lotus & Windoware, Inc. (Chino, CA). (Ex. I.) The July 22, 2019, letter included disparaging and derogatory words about Plaintiff’s products and Plaintiff’s business in general, including that Plaintiff’s cordless blinds products infringe the ’547 patent, Defendant Elegant Window, Inc. has the necessary rights to and interest in the ’547 patent to enforce that patent against others, and Defendant Elegant Window, Inc. will enforce the ’547 patent against

Plaintiff and Plaintiff's customer, Lotus & Windoware, Inc. (*Id.* at 1 (“This letter provides our comment and renewed request to immediately cease and desist the infringing activity of your company.”); *id.* (“[W]e remind you that under US patent law, your company can be held liable for infringement with respect to the importation, distribution, offer for sale and sale of the accused products – independent of Union Winner’s activities. More specifically, your importation, use, sale, offer for sale or distribution of the infringing Union Winner products. For example, we note the following activity that may expose your company to liability for infringement.”); *id.* at 2 (“Our client is an innovator in this field, and fully expects that distributors and retailers fully respect its intellectual property rights, just as our client respects the intellectual property rights of others. . . . Therefore, and because our client continues to believe that the claims of the ’547 patent are valid and infringed by at least the above noted activity, we request that you immediately cease and desist all activities associated with these products.”).)

105. Defendant Elegant Windows, Inc. sent similar letters and made similar accusations to other customers of Plaintiff, including Payless Décor LLC (Peachtree Corners, GA), A Better Blind, Inc. (Hialeah, FL), and Timber Blinds Metro Shade, Inc. (McKinney, TX).

106. The statements of Defendant Elegant Windows, Inc.’s published letters to Plaintiff’s third-party customers, including at least Plaintiff’s customer Lotus & Windoware, Inc. (Chino, CA) were derogatory and cast doubt on the existence, quality, or ownership of Plaintiff’s cordless blinds products by suggesting to Plaintiff’s customers that both Plaintiff and Plaintiff’s customers were at risk of patent infringement from Defendant Elegant Windows, Inc. for the manufacture, sale, offer for sale, and/or import of Plaintiff’s cordless blinds products, by suggesting to Plaintiff’s customers that Plaintiff’s cordless blinds products are unlawfully on the relevant market of cordless blinds due to the alleged infringement of the ’547 patent, and by

suggesting to Plaintiff's customers that Plaintiff's cordless blinds products may no longer be on the market after resolution of a patent infringement lawsuit brought by Defendant Elegant Windows, Inc. against Plaintiff and/or Plaintiff's customers. On information and belief, Defendant Elegant Windows, Inc. intended its statements to Plaintiff's third-party customers to be derogatory and cast doubt on the existence, quality, or ownership of Plaintiff's cordless blinds products. On information and belief Plaintiff's customers, including Plaintiff's customer Lotus & Windoware, Inc. (Chino, CA), reasonably understood Defendant Elegant Windows, Inc.'s statements to cast doubt on the existence, quality, or ownership of Plaintiff's cordless blinds products.

107. The statements of Defendant Elegant Windows, Inc.'s published letters to Plaintiff's third-party customers were false. Defendant Elegant Windows, Inc., which made the false and misleading statements and representations described herein, is neither an assignee nor an exclusive licensee of the '547 patent and, therefore, has no rights to enforce or assert infringement of the '547 patent against others, including Plaintiff or Plaintiff's customers.

108. On information and belief, Defendant Elegant Windows, Inc. published the false and misleading statements and representations in the letters to Plaintiff's third-party customers in bad faith and with malice. On information and belief, Defendant Elegant Windows, Inc. knew its statements were false, acted with reckless disregard for the whether its statements were true, acted with ill will at least toward Plaintiff and Plaintiff's customers, and intended to interfere with and cause harm to Plaintiff's economic and pecuniary interests, including its commercial interests in the relevant market for cordless blinds.

109. The statements of Defendant Elegant Windows, Inc.'s published letters to Plaintiff's third-party customers were not privileged.

110. The statements of Defendant Elegant Windows, Inc.'s published letters to

Plaintiff's third-party customers have been the proximate cause of special damages to Plaintiff. Defendant Elegant Windows, Inc.'s false and misleading published statements to Plaintiff's third-party customers, including Plaintiff's customer Lotus & Windoware, Inc. (Chino, CA), have caused business activities under the contracts between Plaintiff and Plaintiff's customers to decrease and have caused Plaintiff to lose orders. The true magnitude of Plaintiff's losses cannot be calculated because it is not possible for Plaintiff to know how many customers have declined to place orders based on Defendant Elegant Windows, Inc.'s false and misleading statements. Plaintiff estimates, however, that Defendant Elegant Windows, Inc.'s false and misleading statements have caused business activities under the contracts to decrease by at least \$30 million in revenue to Plaintiff. Damages continue to accrue. Further, Defendant Elegant Windows, Inc.'s false and misleading published statements to Plaintiff's third-party customers, including Plaintiff's customer Lotus & Windoware, Inc. (Chino, CA), have diminished and chilled the business planning of Plaintiff in the relevant market for purchasers of cordless blinds, including cordless blinds having spring motors, causing further and future damages to Plaintiff.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Union Winner International Co., Ltd. requests that the Court enter judgment for Plaintiff and against Defendants Hsien-Te Huang, Anli Spring Co., Ltd., and Elegant Windows, Inc. and enter the following relief:

- A. A judgment that Plaintiff has not and does not infringe any claim of the '547 patent;
- B. An order issuing temporary, preliminary, and permanent injunctive relief restraining Defendants, their officers, employees, agents, affiliates, parents, and subsidiaries, and all other persons who act in concert with them from making false or misleading statements or representations about the '547 patent, including false or misleading statements about the ownership

of, interest in, and rights to enforce the '547 patent against Plaintiff, Plaintiff's customers, or any user of purchaser or user of Plaintiff's cordless blinds products;

C. Damages in an amount to be proved at trial under 15 U.S.C. § 1117, but in no event less than Plaintiff's lost profits, based on, among other things, at least \$30 million of lost business revenues from Plaintiff's current and prospective customers who purchased other cordless blinds products after receiving, or otherwise learning of, false and misleading statements and representations of Defendant Elegant Windows, Inc.;

D. An accounting to determine the profits Defendant Elegant Windows, Inc. has made in connection with its services provided to customers who were diverted from Plaintiff to Defendant Elegant Windows, Inc. or its affiliates by Defendant Elegant Windows Inc.'s false and misleading statements and representations;

E. A determination that Defendant Elegant Windows, Inc.'s actions have been willful;

F. A determination that this is an exceptional case under 35 U.S.C. § 285 and 15 U.S.C. § 1117;

G. An order awarding Plaintiff three times the damage sustained by Plaintiff or Defendant Elegant Windows Inc.'s profits, whichever amount is greater;

H. An order awarding Plaintiff pecuniary losses of the contracts between Plaintiff and Plaintiff's customers or their prospective relations;

I. An order awarding Plaintiff consequential losses of the contracts between Plaintiff and Plaintiff's customers or their prospective relations;

J. An order awarding Plaintiff damages for emotional distress or actual harm to Plaintiff's reputation;

K. An order awarding Plaintiff restitution in an amount no less than Defendant Elegant

Windows Inc.'s profits from its unjust enrichment;

- L. An order awarding Plaintiff punitive or exemplary damages;
- M. An order awarding Plaintiff attorneys' fees in this action;
- N. An order awarding Plaintiff costs and expenses in this action; and
- O. Such other and further relief in law or in equity as this Court deems just and proper.

JURY DEMAND

Plaintiff respectfully requests a jury trial on all issues so triable.

Respectfully submitted,

s/Steven Callahan

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*To move for *pro hac vice* admission

Dated: November 27, 2019