

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

MOLO DESIGN, LTD.,

Plaintiff,

v.

CHANEL, INC.,

Defendant.

Civil Action No.: 21-cv-1578

Jury Trial Demanded

COMPLAINT

Plaintiff Molo Design, Ltd. (“Molo” or “Plaintiff”) brings this action for patent infringement against Chanel, Inc. (“Chanel” or “Defendant”).

THE PARTIES

1. Plaintiff Molo is a Canadian limited liability company having its principal place of business at 1470 Venables Street, Vancouver BC V5L 2G7.

2. Upon information and belief, defendant Chanel is a New York corporation with its principal place of business at 9 West 57th Street, New York, NY, 10019.

JURISDICTION

3. This is a civil action for patent infringement under the patent laws of the United States, 35 U.S.C. §§ 1, *et seq.* This Court has original jurisdiction over the subject matter of this Complaint under 28 U.S.C. §§ 1331 and 1338(a).

4. Upon information and belief, this Court has personal jurisdiction over Chanel because, *inter alia*, Chanel is incorporated in New York and maintains its principal place of business in New York; has substantial, continuous, and systematic contacts within the State of

New York; markets, sells, and/or distributes products to residents of the State of New York; and enjoys substantial income from sales of its products in the State of New York. In addition, Chanel has infringed one or more claims of the Asserted Patents in this judicial district.

VENUE

5. Venue is proper in this Judicial District under 28 U.S.C. §§ 1400 and 1391, at least because Chanel is incorporated in the State of New York, maintains its principal place of business and registered offices in this District, and/or has a regular and established place of business in this district and has committed acts of infringement in this district. Accordingly, Chanel resides in New York and in this District pursuant to 28 U.S.C. §1400(b).

BACKGROUND

6. Molo incorporates and realleges the foregoing paragraphs as though fully set forth herein.

7. Molo is a design and production studio, based in Vancouver, Canada, that is led by Stephanie Forsythe and Todd MacAllen. Ms. Forsythe and Mr. MacAllen first began working together in architecture school, going on to win a number of accolades for design projects and conceptual ideas, including the Grand Prize in the Aomori Northern Style Housing Competition in Japan. Throughout their careers, Ms. Forsythe and Mr. MacAllen have also been inspired by the concept of smaller, tactile objects having true potency in the experience of space.

8. Drawing on these experiences, Ms. Forsythe and Mr. MacAllen formed Molo to explore how furniture can heighten the sense of human scale and experience, as well as how furniture and product design can benefit from thinking in the larger context of place and space making. Molo follows these principles in making a variety of products that are balanced between the realms of art, design, and architecture. Among other products, Molo makes award-winning

flexible space partitions—known as softwall + softblock products—that exemplify its exploration of experiential space making. Examples of these products are illustrated below:



9. Examples of these products used by Molo's customers are illustrated below:

Bottega Veneta Store



**Repetto brand products at
Le Bon Marche Store**



10. Thanks to Ms. Forsythe's and Mr. MacAllen's constant search for innovation and remarkable creativity, Molo has collected, in the almost two decades since its foundation, an impressive list of orders, successes and awards. Molo's designs have been recognized in the design industry for their poetic beauty and pragmatic innovation. Among other accolades, Molo has been honored with the Gold Award at the 2015 Awards for Design Excellence; the Best of NeoCon Award for Architectural Products; the prestigious Danish INDEX award; and has been commended in the 2012 World Architecture News Awards for "Lighting Product of the Year."

11. Leading retailers and design companies, including Dior, Louis Vuitton, and Hermes recognize Molo's design and innovation and have purchased Molo's softwall + softblock products.

United States based clients that have also purchased Molo softwall + softblock products include at least Nike, Estee Lauder, Levi Strauss & Co, Calvin Klein, Tommy Hilfiger, Vanity Fair, Condé Nast, NASA, MasterCard, Google, Facebook, Instagram, and Ebay. Molo's softwall + softblock products can also be seen in retail settings, showrooms, commercial spaces, offices and exhibitions across the world, including in New York, Chicago, Las Vegas, Austin, Detroit, Los Angeles, San Francisco, Toronto, Vancouver, Paris, Barcelona, Milan, Berlin, London, Copenhagen, Shanghai, and Tokyo.

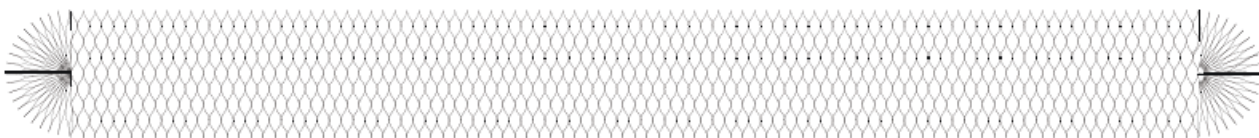
12. Molo also invests in and ensures the quality and safety of their softwall + softblock products with fire ratings, electrical certifications, and Forestry Stewardship Council certifications in their use of paper.

13. On information and belief, Molo and Chanel have had discussions and exchanges since at least 2014, when a Chanel employee expressed interest in Molo's collection, including its black textile softwall + softblock products. Subsequently, in 2016, one of Chanel's executive directors visited Molo at the International Contemporary Furniture Fair ("ICFF") in New York City. The following year, the same executive director ordered samples of Molo's softwall + softblock product.

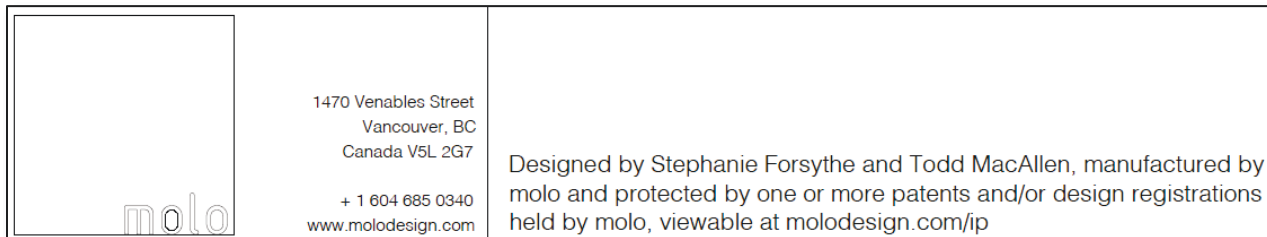
14. In or around October 2020, Substrate—a company that, on information and belief, specializes in retail window displays, architectural interiors, and display rollouts—contacted Molo regarding the use of its softwall + softblock products in an upcoming retail rollout for Chanel. Substrate provided concept materials for the rollout and indicated that it would involve window displays in at least 26 Chanel stores across the United States. Substrate confirmed that Chanel was interested in Molo's softwall + softblock flexible product with both white and black colors, as well as Molo's softwall + softblock products with integrated LED lighting. Substrate even remarked

to Molo that, in regards to the Chanel project, “it seems like Molo was made exactly for this retail rollout!”

15. In response to Substrate’s inquiry, Molo provided detailed information regarding its softwall + softblock products, including links to image galleries of its products used in retail settings and showrooms all around the world. In addition, Molo provided technical specifications, certifications, and use guides for its softwall + softblock products. Notably, as illustrated below, Molo’s specifications not only confirm that its softwall + softblock products are protected by one or more patents, but they specifically direct customers to Molo’s virtual marking website at <https://molodesign.com/ip/>.



plan view · open softwall + softblock



16. Given its understanding that Chanel’s anticipated rollout was imminent—and in view of several other large product orders pending from other Molo customers—Molo followed up with Substrate over the ensuing weeks regarding Chanel’s needs. Subsequently, on or around November 17, 2020, Substrate informed Molo that the project was on hold due to other priorities, but advised Molo to check in again in December. After doing so, Molo’s individual contact at Substrate indicated on or around December 15, 2020, that they were no longer working on the project.

17. During this period, Molo was also contacted by InLuce, which on information and belief is a visual merchandising agency in Europe, regarding similar advertising displays for Chanel in Europe. As it did with Substrate, Molo provided detailed information regarding its softwall + softblock products to InLuce, including technical specifications, certifications, and user guides. InLuce responded by providing estimated quantities of softwall + softblock products that would be needed for the rollout, in both white and black paper.

18. After additional discussions, InLuce subsequently informed Molo that Chanel had pushed InLuce to use another supplier instead of Molo. In response, Molo specifically pointed out to InLuce that its designs were patented. Molo also explained that its products were superior to other products and reproductions in the marketplace.

19. A few short months later, in or around February 2021, Molo became aware that Chanel stores in the United States—including multiple stores in New York City—had installed displays using materials that copied its patented softwall + softblock products. A Molo client walking by a Chanel store even thought that Molo's softwall + softblock products were used in the Chanel window display, and congratulated Molo without knowing that the display materials are actually unsanctioned copies of Molo's patented products. Molo has also been made aware of Chanel stores in other cities and countries around the world that are using products that copy Molo's patented softwall + softblock products. None of these copies are authorized by Molo. As illustrated below, these displays were placed at least in Chanel stores in the Upper East Side, Midtown Manhattan, and Soho.

Window Display
Chanel Store in Upper East Side



Window Display
Chanel Store in Midtown Manhattan



**Window Display
Chanel Store in Soho**



20. Molo was shocked and hurt when it learned that infringing copies of its products had been authorized by Chanel, who Molo presumed shared the same values regarding, design, creativity and innovation. Molo has been damaged at least financially and in brand value by the copied material in Chanel stores in the United States and around the world.

21. As described below, these reproductions infringe one or more claims of Molo's patents for its softwall + softblock products.

22. On information and belief, Molo alleges that, all times relevant hereto, Substrate Fabrication and InLuce were agents for Chanel and acted within the scope of their agency, or otherwise acted at Chanel's direction and on Chanel's behalf. Further, on information and belief, Molo alleges that Chanel actively participated in, ratified, and/or adopted each of the acts alleged herein with full knowledge of all facts or circumstances, including full knowledge of Molo's patents and each violation of Molo's patent rights.

COUNT I: INFRINGEMENT OF U.S. PATENT NO. 7,866,366

23. Molo incorporates and realleges the foregoing paragraphs as though fully set forth herein.

24. On January 12, 2011, the USPTO duly and legally issued United States Patent No. 7,866,366 (“the ’366 Patent”), entitled “Flexible Furniture System.” A true and correct copy of the ’366 Patent is attached as Exhibit A.

25. Molo is the owner, by assignment, of the ’366 Patent. Molo holds all right, title, and interest in and to the ’366 Patent, including the right to enforce the ’366 Patent and sue and recover damages for infringement thereof.

26. Claim 1 of the ’366 Patent recites: “An article of flexible furniture having a core formed from a plurality of laminar panels of a flaccid material and each panel having a pair of oppositely directed major faces, adjacent faces of said panels being inter-connected to provide a cellular structure upon movement of abutting faces away from each other, a pair of supports at opposite ends of said core and connected to respective ones of said faces, said supports being self-supporting to provide rigidity to said core whereby said supports may be moved apart to expand said cellular structure and extend the length of said core and flexible so as to be foldable into a tubular configuration about an axis parallel to said major faces, and a plurality of fasteners on each of said supports to secure said supports in said tubular configuration and to permit connection to an adjacent support of another similar article.”

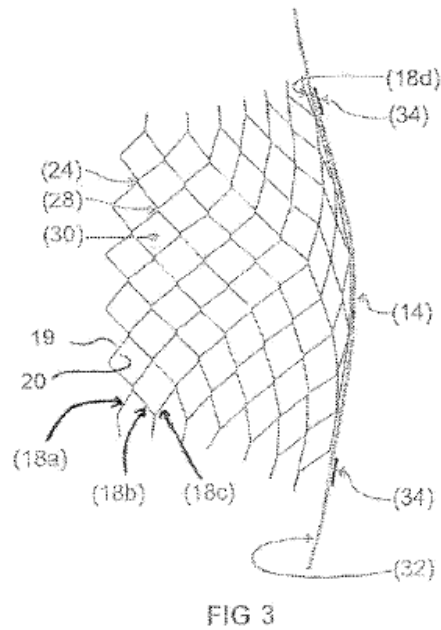
27. On information and belief, and pursuant to 35 U.S.C. § 271(a), Defendants have been and are now directly infringing, literally and/or under the doctrine or equivalents, at least claim 1 of the ’366 Patent by making, using, offering to sell, selling (directly or through intermediaries), and/or importing, in this District and elsewhere in the United States, flexible softwall displays.

28. On information and belief, and as illustrated in the figures below, Defendants' softwall displays are articles of flexible furniture having a core formed from a plurality of laminar panels, in which each panel has a pair of oppositely directed major faces. Specifically, Defendants' softwall displays comprise a core formed by a plurality of laminar panels, made of paper, in which each panel has a pair of oppositely directed major faces. On information and belief, and as illustrated in the figure below, the adjacent faces of these panels are inter-connected to provide a cellular structure upon movement of abutting faces away from each other.

Interconnected Paper Core forming a Cellular Structure in Defendants' Softwall Display



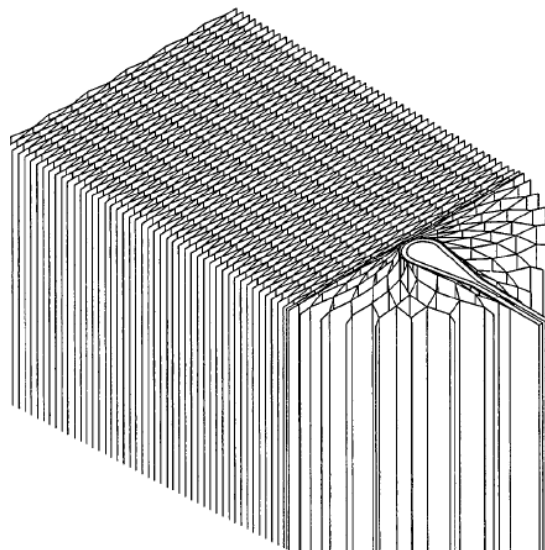
Figures of the '366 Patent Illustrating Cellular Structure of Interconnected Paper Core



**Interconnected Paper Core
forming a Cellular Structure
in Defendants' Softwall Display**



**Figures of the '366 Patent
Illustrating Cellular Structure of
Interconnected Paper Core**



(b)

FIG 5

29. Upon information and belief, and as illustrated below, Defendants' softwall displays also include a pair of supports at opposite ends of the core, which are connected to the faces.

Supports At End of Core In Defendants' Softwall Displays



Illustrations of Supports At End of Core in the '366 Patent

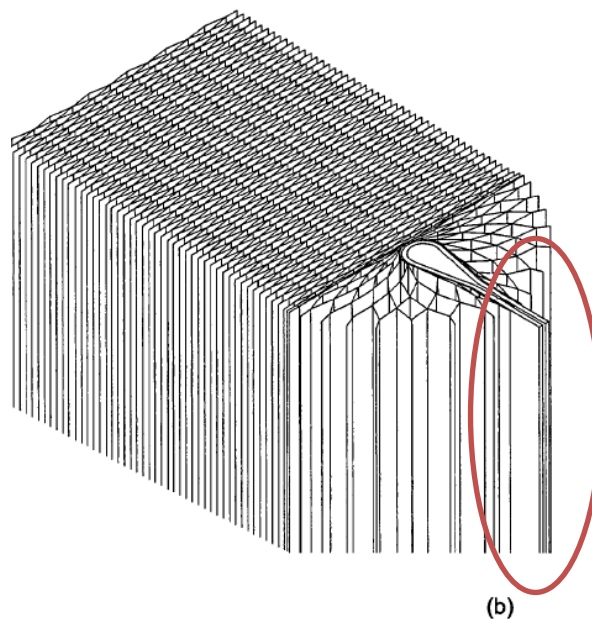
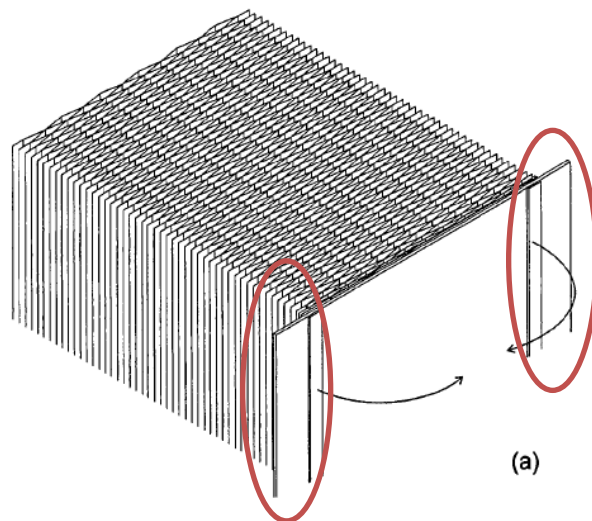
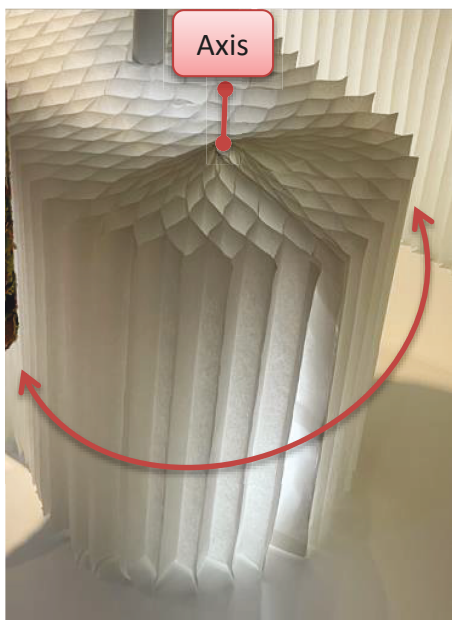
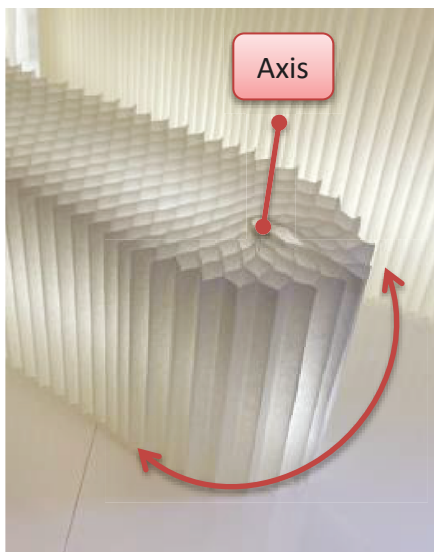


FIG 5

30. Upon information and belief, and as illustrated below, the supports in Defendants' softwall displays provide rigidity and may be moved apart to expand the cellular structure and extend the length of the core. Further, upon information and belief, the supports are also flexible so as to be foldable into a tubular configuration about an axis parallel to the panel faces.

**Supports Foldable in Tubular Configuration
In Defendants' Softwall Display**



**Illustration of a Tubular
Configuration in the '366 Patent**

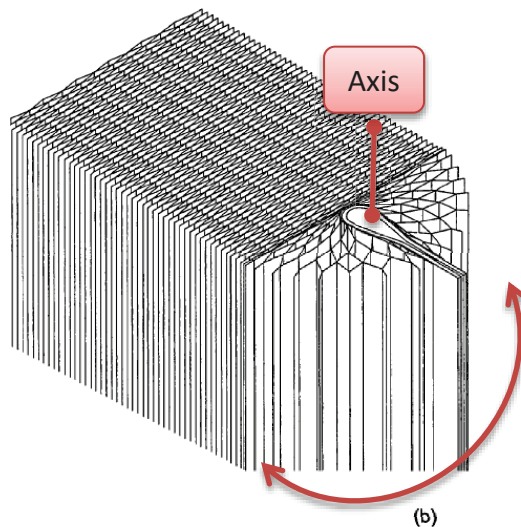
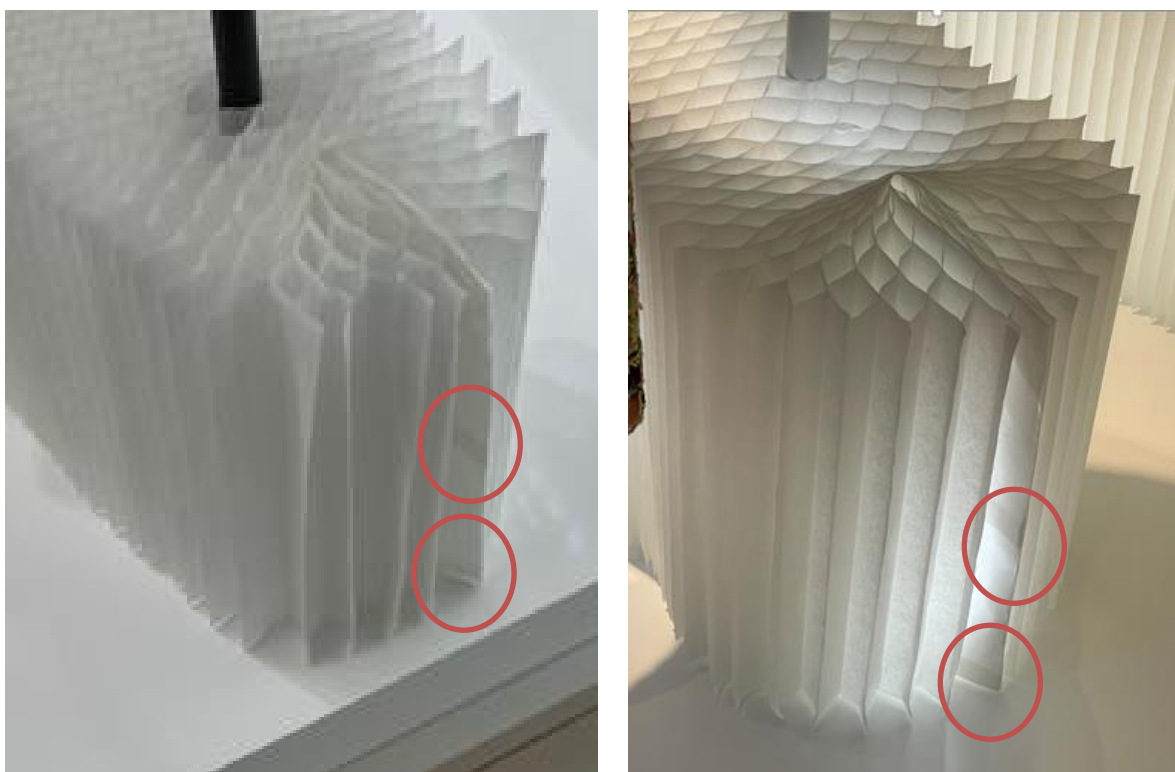


FIG 5

31. Upon information and belief, and as illustrated below, Defendants' softwall displays also include a plurality of fasteners on each of the supports to secure them in a tubular configuration and to permit connection to an adjacent support. For example, on information and belief, Defendants' softwall displays use at least a plurality of pieces of tape to secure the tubular configuration.

**Supports Secured by Tape in Defendants' Softwall Display
(circled below)**



32. Accordingly, for at least these reasons, Defendants have infringed, and continue to infringe, one or more claims of the '366 Patent.

33. Moreover, Defendants' infringement of the '366 Patent has been willful, deliberate, and in reckless disregard of Molo's patent rights. On information and belief, Chanel has been aware of Molo and its products since at least 2014, when a Chanel employee expressed interest in Molo's collection. Subsequently, in 2016, one of Chanel's executive directors visited Molo at the

International Contemporary Furniture Fair (“ICFF”) in New York City. The following year, the same executive director ordered Molo’s softwall + softblock product that, on information and belief, was virtually marked with Molo’s patent numbers.

34. Moreover, Molo’s website contains a virtual marking page confirming that its softwall + softblock product is covered by the ’366 Patent. See <https://molodesign.com/ip/>. Molo’s specification for the softwall + softblock product, which is available on its website, also confirms that the products are covered by one or more patents and directs customers to Molo’s virtual marking website:



35. While Molo’s patent markings are openly available for anyone to see, during its discussions with Substrate Molo also sent numerous links to its website, including links to the specifications for the softwall + softblock product. As noted above, those specifications not only confirm that the softwall + softblock products are covered by one or more patents, but they direct customers to Molo’s patent marking webpage, which specifically identifies the ’366 Patent.

36. Thus, on information and belief, both Chanel and Substrate had knowledge of the ’366 Patent and knew that their use of reproduction softwalls, which are not authorized by Molo, constituted infringement of the ’366 Patent. Alternatively, both Chanel and Substrate were willfully blind regarding their infringement of the ’366 Patent. On information and belief,

Chanel's and Substrate's infringement of the '366 Patent has thus been egregious, willful, wanton, malicious, in bad faith, deliberate, consciously wrongful, flagrant, and characteristic of a pirate.

37. Molo has been damaged by Defendants' infringement of the '366 Patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Defendants are permanently enjoined from infringing the '366 Patent.

COUNT II: INFRINGEMENT OF U.S. PATENT NO. 8,561,666

38. Molo incorporates and realleges the foregoing paragraphs as though fully set forth herein.

39. On October 22, 2013, the USPTO duly and legally issued United States Patent No. 8,561,666 ("the '666 Patent"), entitled "Flexible Furniture System." A true and correct copy of the '666 Patent is attached as Exhibit B.

40. Molo is the owner, by assignment, of the '666 Patent. Molo holds all right, title, and interest in and to the '666 Patent, including the right to enforce the '666 Patent and sue and recover damages for infringement thereof.

41. Claim 21 of the '666 Patent recites: "An article of flexible furniture having a core formed from a plurality of laminar panels of a flaccid material and each panel having a pair of oppositely directed major faces, adjacent faces of said panels being inter-connected to provide a cellular structure upon movement of abutting faces away from each other, opposite ends of said core terminating in a pair of end panels whereby said panels may be move apart to expand said cellular structure and extend the length of said core, a passage extending in a direction between said end panels and intersecting said cellular structure, and a light source located within said passage and operable to illuminate said core from the interior thereof."

42. On information and belief, and pursuant to 35 U.S.C. § 271(a), Defendants have been and are now directly infringing, literally and/or under the doctrine or equivalents, at least

claim 21 of the '666 Patent by making, using, offering to sell, selling (directly or through intermediaries), and/or importing, in this District and elsewhere in the United States, flexible softwall structures.

43. On information and belief, and as illustrated below, Defendants' softwall displays are an article of flexible furniture having a core formed from a plurality of laminar panels of a flaccid material and each panel having a pair of oppositely directed major faces. In particular, Defendants softwall displays have a flexible core formed by laminar panels made of paper. On information and belief, and as illustrated below, Defendants' softwall displays also comprise adjacent faces, wherein the panels are inter-connected to provide a cellular structure upon movement of abutting faces away from each other.

Flexible Paper Core With Interconnected Panels to Provide a Cellular Structure in Defendants' Softwall Display



Illustration of Flexible Core with Interconnected Paper Panels to Provide a Cellular Structure in the '666 Patent

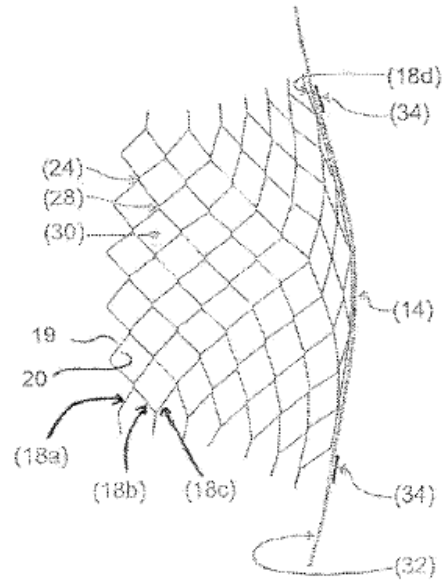
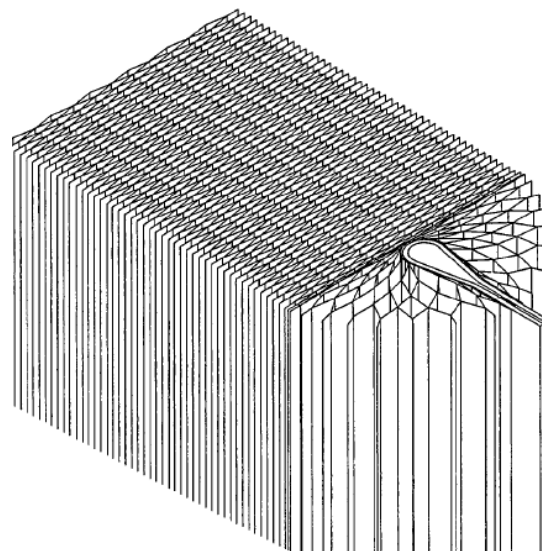


FIG 3

**Flexible Paper Core With
Interconnected Panels to Provide a Cellular
Structure in Defendants' Softwall Display**



**Illustration of Flexible Core with
Interconnected Paper Panels to Provide
a Cellular Structure in the '666 Patent**



(b)

FIG 5

44. On information and belief, and as illustrated below, the opposite ends of the core in Defendants' softwall display structures also terminate in a pair of end panels, which may be moved apart to expand the cellular structure and extend the length of said core.

Opposite Ends Of The Core Terminating in End Panels, Which Are Moved Apart to Expand the Cellular Structure In Defendants' Softwall Displays



45. On information and belief, Defendants' softwall displays also comprise a light source that is operable to illuminate the interior of the core. Specifically, as the images below confirm, the softwall displays are illuminated from the inside along the length of the core. On information and belief, this light source is located within a passage extending in a direction between the end panels and intersecting the cellular structure.

Internal Illumination in the Cores In Defendants' Softwall Displays

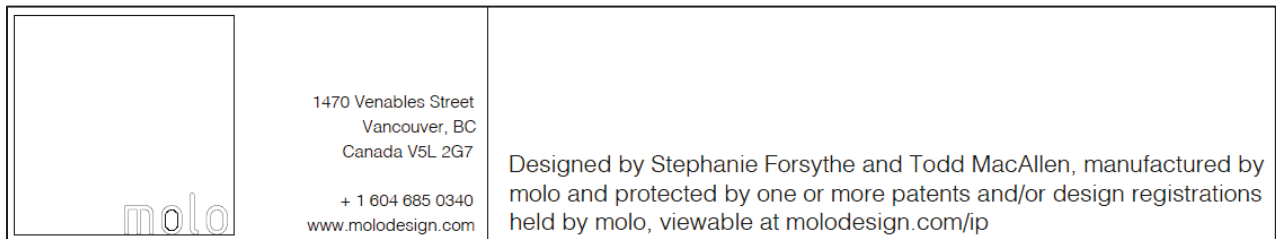
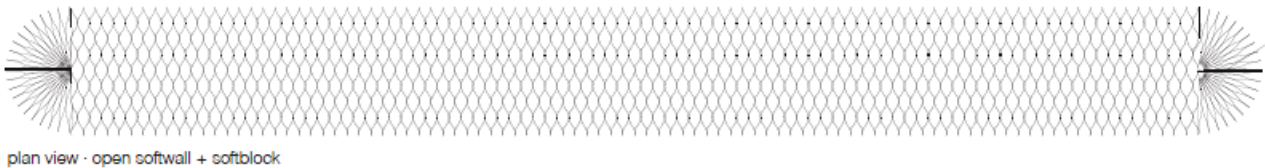


46. Accordingly, for at least these reasons, Defendants have infringed, and continue to infringe, one or more claims of the '666 Patent

47. Moreover, Defendants' infringement of the '666 Patent infringement has been willful, deliberate, and in reckless disregard of Molo's patent rights. On information and belief, Chanel has been aware of Molo and its products since at least 2014, when a Chanel employee expressed interest in Molo's collection. Subsequently, in 2016, one of Chanel's executive directors visited Molo at the ICFE in New York City. The following year, the same executive director ordered Molo's softwall + softblock product that, on information and belief, was virtually marked with Molo's patent numbers.

48. Moreover, Molo's website contains a virtual marking page confirming that its softwall + softblock product with interior lighting is covered by the '666 Patent. *See*

<https://molodesign.com/ip/>. Molo's specification for the softwall + softblock product, which is available on its website, also confirms that the products are covered by one or more patents and directs customers to Molo's virtual marking website:



49. While Molo's patent markings are openly available for anyone to see, during its discussions with Substrate Molo also sent numerous links to its website, including links to the specifications for the softwall + softblock product. As noted above, those specifications not only confirm that the softwall + softblock product are covered by one or more patents, but they direct customers to Molo's patent marking webpage, which specifically identifies the '666 Patent.

50. Thus, on information and belief, both Chanel and Substrate had knowledge of the '666 Patent and knew that their use of reproduction softwalls, which are not authorized by Molo, constituted infringement of the '666 Patent. Alternatively, both Chanel and Substrate were willfully blind regarding their infringement of the '666 Patent. On information and belief, Chanel's and Substrate's infringement of the '666 Patent has thus been egregious, willful, wanton, malicious, in bad faith, deliberate, consciously wrongful, flagrant, and characteristic of a pirate.

51. Molo has been damaged by Defendants' infringement of the '666 Patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Defendants are permanently enjoined from infringing the '666 Patent.

COUNT III: INFRINGEMENT OF U.S. PATENT NO. 9,689,161

52. Molo incorporates and realleges the foregoing paragraphs as though fully set forth herein.

53. On June 27, 2017, the United States Patent and Trademark Office (“USPTO”) duly and legally issued United States Patent No. 9,689,161 (“the ’161 Patent”), entitled “Flexible Furniture System.” A true and correct copy of the ’161 Patent is attached as Exhibit C.

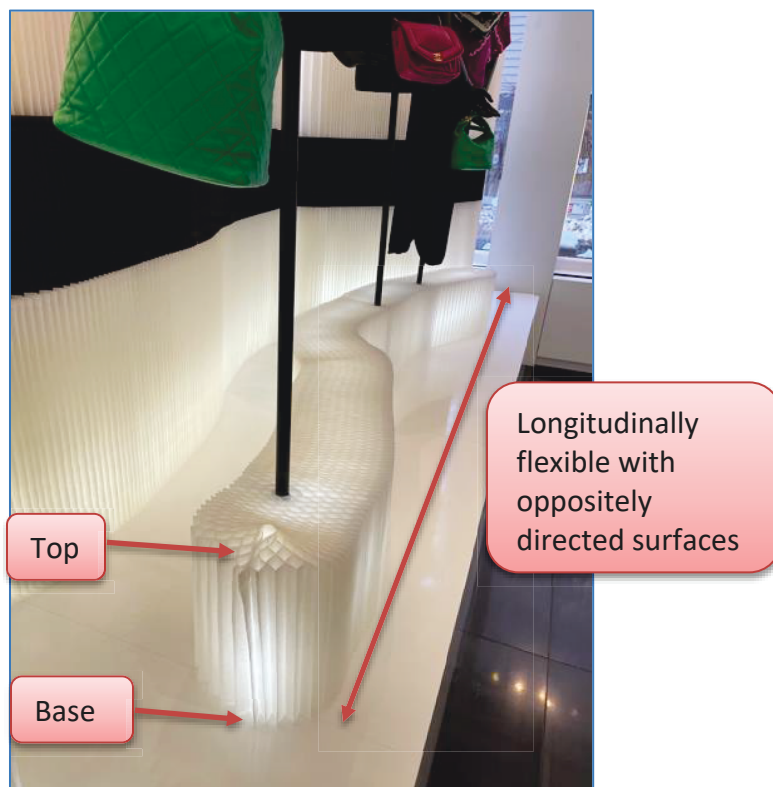
54. Molo is the owner, by assignment, of the ’161 Patent. Molo holds all right, title, and interest in and to the ’161 Patent, including the right to enforce the ’161 Patent and sue and recover damages for infringement thereof.

55. Claim 22 of the ’161 Patent recites: “A longitudinally flexible and extensible wall for partitioning an area of a room, said wall having a base, a top, oppositely directed surfaces extending between said base and said top, said base, top and surfaces defining a core, said core comprising a cellular structure having multiple voids extending from said base to said top upon movement of said opposite directed surfaces away from each other, said base having a width of at least 10 centimeters and placed on a floor, whereby opposite ends of said core may be moved apart to expand said cellular structure and extend the length of said core and to form at least a substantially straight freestanding wall configuration, whilst maintaining its vertical extent, at least two vertical supports, each comprising a base that is placed on the floor and dowel extending upwards from the base, and said dowels of said at least two vertical supports positioned in their respective void in said core to temporarily flex said wall into an expanded serpentine configuration.”

56. On information and belief, and pursuant to 35 U.S.C. § 271(a), Defendants have been and are now directly infringing, literally and/or under the doctrine or equivalents, at least claim 22 of the ’161 Patent by making, using, offering to sell, selling (directly or through

intermediaries), and/or importing, in this District and elsewhere in the United States, flexible softwall structures.

57. Specifically, on information and belief, and as illustrated below, Defendants' softwall displays comprise a longitudinally flexible and extensible wall for partitioning an area of room, which has a base, a top, and oppositely directed surfaces extending between the base and top. The base, top, and oppositely directed surfaces define a core.



58. On information and belief, and as illustrated below, the core of Defendants' softwall displays also comprises a cellular structure having multiple voids extending from the base to the top upon movement of the oppositely directed surfaces away from each other.

Paper Core With a Cellular Structure Having Multiple Voids Upon Movement of Opposite Surfaces in Defendants' Softwall Display



Illustration of Core With a Cellular Structure Having Multiple Voids Upon Movement of Opposite Surfaces in the '161 Patent

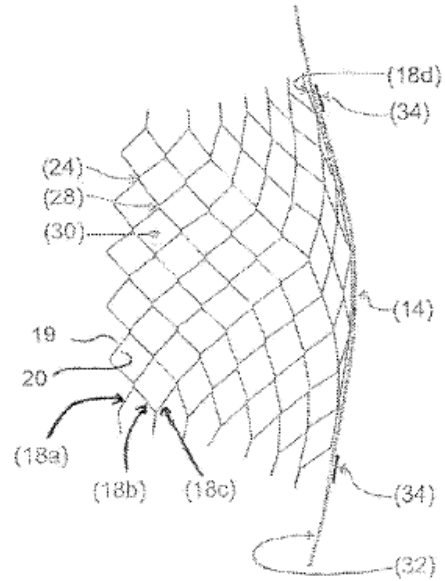


FIG 3

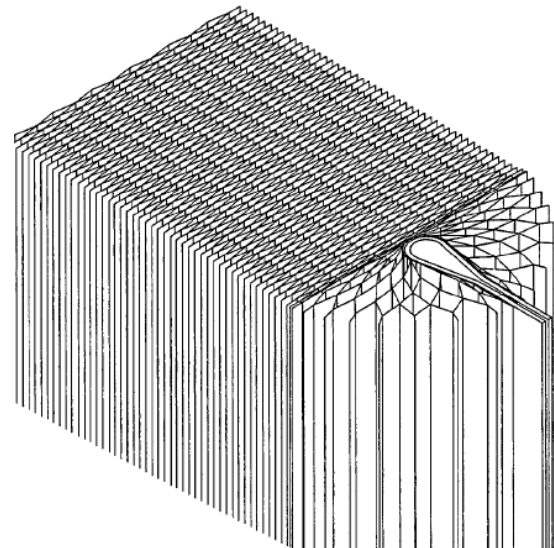
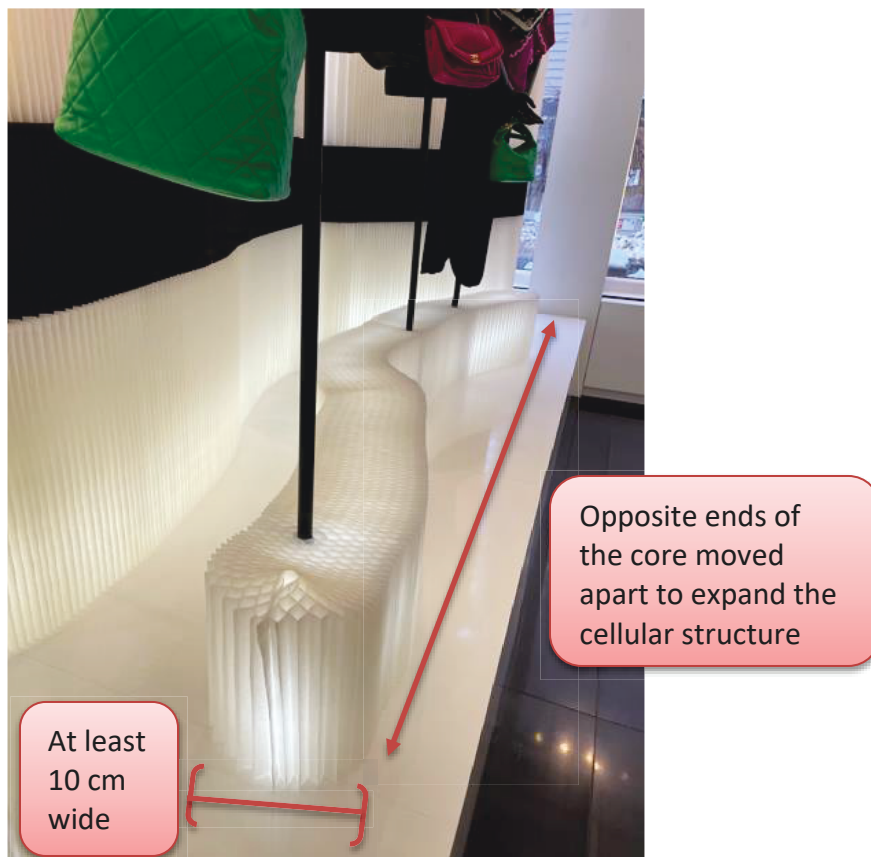


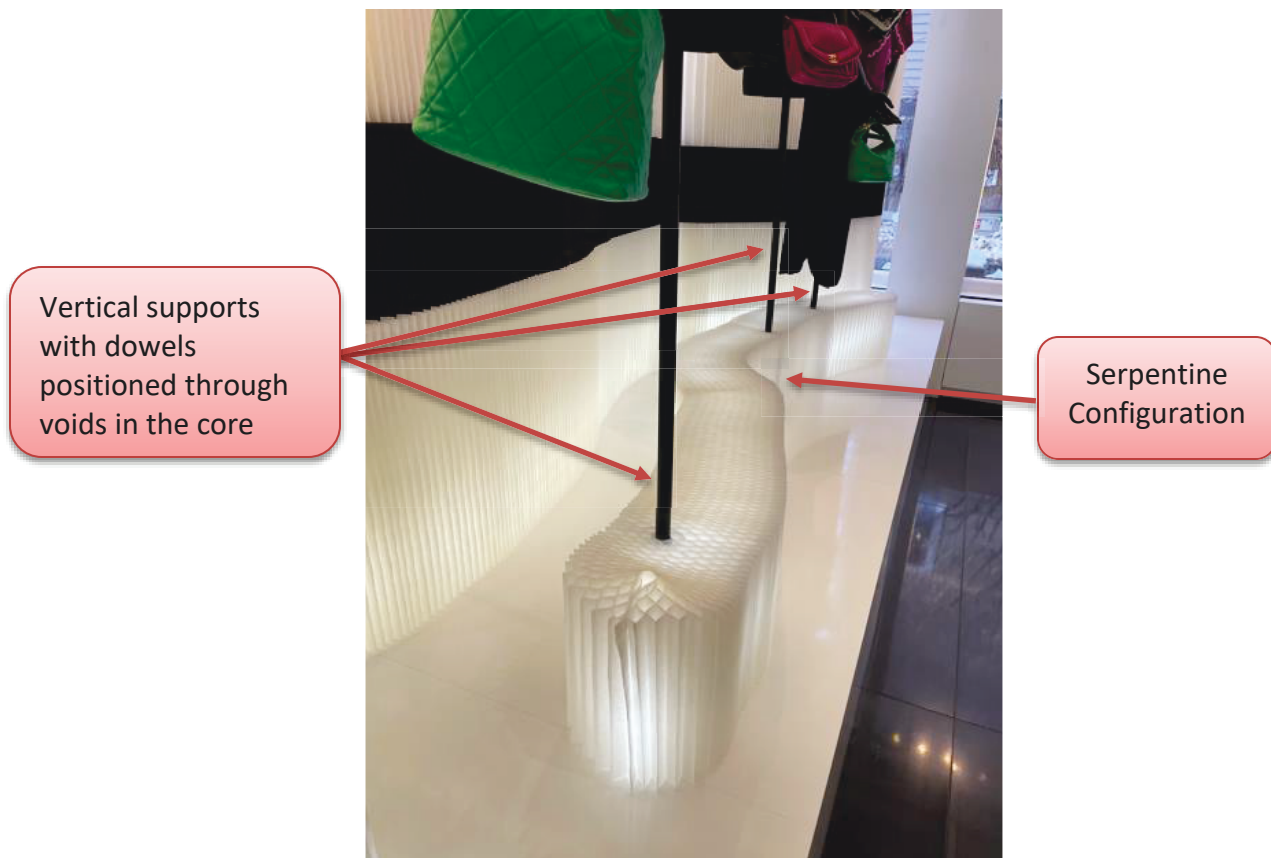
FIG 5

(b)

59. On information and belief, and as illustrated below, the base of Defendants' softwall displays have a width of at least 10 centimeters. Further, the opposite ends of the core may be moved apart to expand the cellular structure and extend the length of the core to form at least a substantially straight freestanding wall configuration.



60. On information and belief, and as illustrated below, Defendants' softwall displays also have at least two vertical supports, each comprising a base that is placed on the floor and a dowel extending upwards from the base. The dowels used to support Defendants' softwall displays are also positioned in voids in the core to flex the softwall in an expanded serpentine configuration.

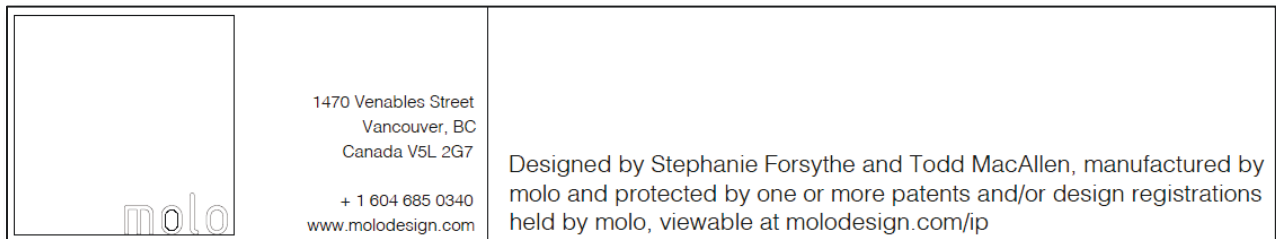


61. Accordingly, for at least these reasons, Defendants have infringed, and continue to infringe, one or more claims of the '161 Patent.

62. Moreover, Defendants' infringement of the '161 Patent has been willful, deliberate, and in reckless disregard of Molo's patent rights. On information and belief, Chanel has been aware of Molo and its products since at least 2014, when a Chanel employee expressed interest in Molo's collection. Subsequently, in 2016, one of Chanel's executive directors visited Molo at the ICFF in New York City. The following year, the same executive director ordered Molo's softwall + softblock product that, on information and belief, was virtually marked with Molo's patent numbers.

63. Moreover, Molo's website contains a virtual marking page confirming that the softwall + softblock product with interior lighting is covered by the '161 Patent. *See*

<https://molodesign.com/ip/>. Molo's specification for the softwall + softblock products, which is available on its website, also confirms that the products are covered by one or more patents and directs customers to Molo's virtual marking website:



64. While Molo's patent markings are openly available for anyone to see, during its discussions with Substrate Molo also sent numerous links to its website, including links to the specifications for the softwall + softblock product. As noted above, those specifications not only confirm that the softwall + softblock product are covered by one or more patents, which specifically identifies the '161 Patent.

65. Thus, on information and belief, both Chanel and Substrate knew of the '161 Patent and knew that their use of reproduction softwalls, which are not authorized by Molo, constituted infringement of the '161 Patent. Alternatively, both Chanel and Substrate were willfully blind regarding their infringement of the '161 Patent. On information and belief, Chanel's and Substrate's infringement of the '161 Patent has thus been egregious, willful, wanton, malicious, in bad faith, deliberate, consciously wrongful, flagrant, and characteristic of a pirate.

66. Molo has been damaged by Defendants' infringement of the '161 Patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Defendants are permanently enjoined from infringing the '161 Patent.

COUNT IV: INFRINGEMENT OF U.S. PATENT NO. 9,797,134

67. Molo incorporates and realleges the foregoing paragraphs as though fully set forth herein.

68. On October 24, 2017, the USPTO duly and legally issued United States Patent No. 9,797,134 (“the ’134 Patent”), entitled “Flexible Furniture System.” A true and correct copy of the ’134 Patent is attached as Exhibit D.

69. Molo is the owner, by assignment, of the ’134 Patent. Molo holds all right, title, and interest in and to the ’134 Patent, including the right to enforce the ’134 Patent and sue and recover damages for infringement thereof.

70. Claim 1 of the ’134 Patent recites: “A flexible article having a core formed from a plurality of laminar panels of a flaccid material that are inter-connected to provide an expandable structure upon movement of the panels away from each other, opposite ends of the core terminating in a pair of end panels whereby the end panels may be moved apart to expand the expandable structure, a passage extending in a direction between the end panels and intersecting the panels, and a light source located within the passage and operable to illuminate the core from the interior thereof.”

71. On information and belief, and pursuant to 35 U.S.C. § 271(a), Defendants have been and are now directly infringing, literally and/or under the doctrine or equivalents, at least claim 1 of the ’134 Patent by making, using, offering to sell, selling (directly or through intermediaries), and/or importing, in this District and elsewhere in the United States, flexible softwall structures.

72. On information and belief, and as illustrated below, Defendants’ softwall displays are flexible articles having a core formed from a plurality of laminar panels of a flaccid material that are interconnected to provide an expandable structure upon movement of the panels away

from each other. Specifically, Defendants' softwall displays comprise a core formed by a plurality of laminar panels made of paper. These flexible, interconnected paper panels provide an expandable structure when the panels are moved.

Flexible and Expandable Structure Formed by a Plurality of Interconnected Laminar Paper Panels in Defendants' Softwall Display

Illustrations of Flexible and Expandable Structure Formed by a Plurality of Interconnected Laminar Paper Panels in the '134 Patent

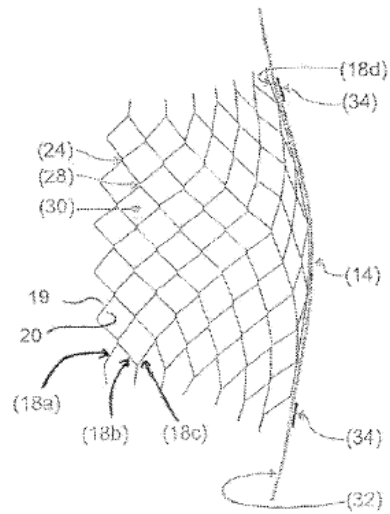


FIG 3

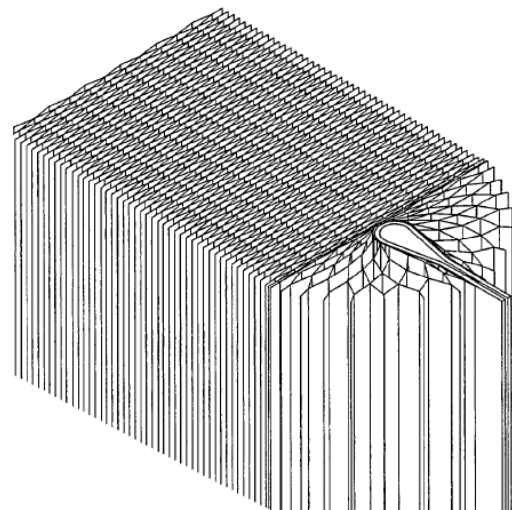


FIG 5

(b)

73. Upon information and belief, the opposite ends of the cores in Defendants' softwall displays also terminate in a pair of end panels that may be moved apart to expand the expandable structure.

Opposite Ends Of The Core Terminating in End Panels, Which Are Moved Apart to Expand the Expandable Structure In Defendants' Softwall Displays



74. On information and belief, Defendants' softwall displays also comprise a light source that is operable to illuminate the core from the interior. More specifically, as illustrated below, the softwall displays are illuminated from the inside. On information and belief, the light source is located within a passage extending in a direction between the end panels and intersecting panels.

Internal Illumination in the Cores In Defendants' Softwall Displays

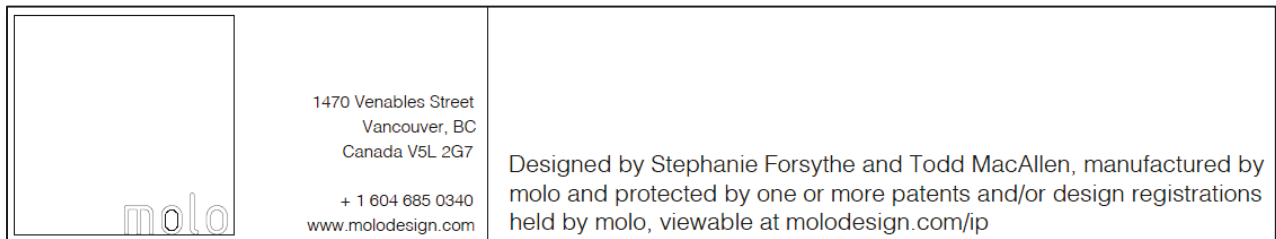


75. Accordingly, for at least these reasons, Defendants have infringed, and continue to infringe, one or more claims of the '134 Patent

76. Moreover, Defendants' infringement of the '134 Patent has been willful, deliberate, and in reckless disregard of Molo's patent rights. On information and belief, Chanel has been aware of Molo and its products since at least 2014, when a Chanel employee expressed interest in Molo's collection. Subsequently, in 2016, one of Chanel's executive directors visited Molo at the ICFF in New York City. The following year, the same executive director ordered Molo's softwall + softblock product that, on information and belief, was virtually marked with Molo's patent numbers.

77. Moreover, Molo's website contains a virtual marking page confirming that the softwall + softblock product with interior lighting is covered by the '134 Patent. *See*

<https://molodesign.com/ip/>. Molo's specification for the softwall + softblock product, which is available on its website, also confirms that the products are covered by one or more patents and directs customers to Molo's virtual marking website:



78. While Molo's patent markings are openly available for anyone to see, during its discussions with Substrate Molo also sent numerous links to its website, including links to the specifications for the softwall + softblock product. As noted above, those specifications not only confirm that the softwall + softblock product are covered by one or more patents, but they direct customers to Molo's patent marking webpage for further information, which specifically identifies the '134 Patent.

79. Thus, on information and belief, both Chanel and Substrate had knowledge of the '134 Patent and knew that their use of reproduction softwalls, which are not authorized by Molo, constituted infringement of the '134 Patent. Alternatively, both Chanel and Substrate were willfully blind regarding their infringement of the '134 Patent. On information and belief, Chanel's and Substrate's infringement of the '134 Patent has thus been egregious, willful, wanton, malicious, in bad faith, deliberate, consciously wrongful, flagrant, and characteristic of a pirate.

80. Molo has been damaged by Defendants' infringement of the '134 Patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Defendants are permanently enjoined from infringing the '134 Patent

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests the following relief:

(a) a finding that the '366 Patent, the '666 Patent, the '161 Patent, and the '134 Patent are valid, enforceable, and have been infringed by Defendants;

(b) a judgment that Defendants' infringement of the '366 Patent, the '666 Patent, the '161 Patent, and the '134 Patent is willful;

(c) an award of Plaintiff's damages or other monetary relief to adequately compensate Plaintiff for Defendants' infringement of the '366 Patent, the '666 Patent, the '161 Patent, and the '134 Patent ;

(d) a judgment that Plaintiff's damages be trebled under 35 U.S.C. §284, with pre-judgment and post-judgment interest as allowed by law;

(e) a judgment that this is an exceptional case under 35 U.S.C. § 285 and awarding Plaintiff its attorneys' fees, expert witness fees, costs, and all expenses incurred in this action, with interest;

(f) an award of any further and additional relief to Plaintiff as this Court deems just and proper.

JURY DEMAND

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

Dated: February 22, 2021

By: /s/ Grace Condro

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