

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

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KRAKEN SPORTS, Inc.)
67 Wharncliffe Road North)
London, Ontario N6H 2A5)
Canada)
	Plaintiff,)
v.) Civil Action No.: 3:21-cv-00227 DJN
)
EASYDIVE DI FABIO BENVENUTI,)
Montaletto di Cervia)
Italy 48015)
)
and)
)
FABIO BENVENUTI (an individual))
Montaletto di Cervia)
Italy 48015)
	Defendants)
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**AMENDED
COMPLAINT FOR DECLARATORY JUDGMENT UNDER 28 USC 2201 and 2202
AND FOR FALSE MARKING UNDER 35 USC 292 AND FOR
FALSE THREATS, FALSE STATEMENTS, UNFAIR COMPETITION
AND TORTIOUS INTERFERENCE WITH CONTRACTS**

Plaintiff Kraken Sports, Inc. (“Kraken”) files this Complaint for False Marking and for Declaratory Judgment of invalidity and for False Threats, False Statements, Unfair Competition and Tortious Interference With Contracts against Defendants Easydive di Fabio Benvenuti (“EasyDive”) and Fabio Benvenuti (“Benvenuti”). Kraken seeks declaratory relief pursuant to 28 U.S.C. §§ 2201 and 2202, declaring that United States Patent No. 10,261,395 is not infringed by any product sold by Kraken and is invalid and is unenforceable. Kraken also seeks damages caused by Defendants acts of false threats, false statements, unfair competition and tortious interference with contracts.

PARTIES

1. Plaintiff Kraken is a Canadian corporation with its principal place of business at 67 Wharncliffe Road North, London Ontario N6H 2A5, Canada.

2. Upon information and belief, Defendant EasyDive is an unincorporated entity with its sole place of business in Montaletto di Cervia Italy.

3. Upon information and belief, Defendant Benvenuti is an individual residing in Montaletto di Cervia Italy. Defendant Benvenuti is believed to be the sole owner of Defendant EasyDive.

JURISDICTION AND VENUE

4. This Court has subject matter jurisdiction over Kraken's assertion of false marking under 35 USC 292 and for Kraken's request for a declaratory judgment under 28 U.S.C. §§ 2201 and 2202. This action arises under the patent laws of the United States, 35 U.S.C. §§ 100 et seq., which are within the subject matter jurisdiction of this Court under 28 U.S.C. §§ 1331 and 1338(a). This Court has ancillary and pendent jurisdiction to hear the related claims of unfair competition and tortious interference, which arise out of the same set of facts and circumstances.

5. Beginning in or about August 2019, Defendant began sending letters and other communications to Plaintiff, to Plaintiff's customers and to Plaintiff's supplier, asserting ownership of U.S. Patent 10,262,395, falsely claiming that certain of Defendants' products were covered by the '395 patent and accusing one of Plaintiff's products, the "Kraken Smart Housing" of infringement of U.S. Patent 10,262,395. Defendants included copies of Complaints prepared for various judicial districts within the United States and have asserted that suits would be filed

if Plaintiff, Plaintiff's customers and Plaintiff's supplier did not cease sales. Due to the threats of Defendants, certain customers have returned product to Plaintiff and others have questioned the issue of continued sales. The allegations made by Defendant give rise to an actual and justiciable controversy over the noninfringement and invalidity of the '395 patent. Plaintiff filed suit in the District of Columbia on October 28, 2019. Defendants sought to evade having their actions judged in a court of law by moving to dismiss the DC suit. In or about January of 2021, while the DC suit was pending, prior to its transfer into this district, Defendants began additional improper activities, falsely accusing the developer of software enabled for use with Kraken's product, of infringement (Defendants have a patent on a physical case, Defendants do not have a software patent). Defendants also contacted Apple and demanded the takedown of the Kraken enabled software app from the Apple store using false assertions, false statements and false pretenses. Apple removed the app from its store, tortiously interfering with Kraken's relationship with software developers, curtailing the sale of software enabled for use with Kraken's product and causing significant damages to Kraken. On March 24, 2021, this matter was transfer from the District of Columbia to the Eastern District of Virginia. Defendant's continue to seek to evade responsibility through renewal of their motion to dismiss.

6. Defendants' false marking, draft lawsuits, infringement allegations, false threats, false statements, unfair competition and tortious interference have caused damage and continue to threaten real and imminent injury to Plaintiff that can be redressed by judicial relief and that injury is of sufficient immediacy and reality to warrant the issuance of a declaratory judgment. Absent a declaration of noninfringement, invalidity and/or unenforceability, and a finding of unfair competition and tortious interference with damages, Defendants will continue their

wrongful activities and Defendants' continued wrongful assertions including assertions of infringement against Plaintiff's product will cause Plaintiff continued harm.

7. Defendants are foreign nationals and thus subject to general and specific personal jurisdiction in this judicial district.

8. Venue is proper in this Court under 28 U.S.C. § 1391 because Plaintiff has made sales in this judicial district and both parties are subject to personal jurisdiction within this judicial district.

FACTUAL BACKGROUND

9. Plaintiff Kraken is a developer, manufacturer, and seller of photography and videography accessories for divers, including diving lights and diving cases for still cameras, video cameras and smart phones. Kraken's products are distributed world wide through direct sales and resellers, on-line and through retail stores and dive shops.

10. Defendant Benvenuti is believed to be the owner of Defendant EasyDive. EasyDive is also a manufacturer and seller of photography and videography equipment for divers. It is understood that EasyDive's products are also distributed in numerous countries.

11. Kraken and EasyDive are direct competitors.

12. Defendant Benvenuti is the named inventor on United States Patent No. 10,262,395. Defendant EasyDive has asserted ownership of the '395 patent.

13. The '395 Patent is entitled "Underwater Case for Digital Cameras and Video Cameras." The '395 patent issued on April 16, 2019. The '395 patent discloses a case for housing a standard configuration digital camera. Standard digital cameras include a threaded hole to accommodate tripod mount on the bottom of the camera body and also have a lens

extending from the front of the camera body. The '395 patent does not disclose a housing designed to fit a smartphone. The single embodiment disclosed in the '395 patent would not support a smartphone. The '395 patent includes a typical tripod head plate and screw for mounting a digital camera into the housing using the standard threaded hole in the bottom of the digital camera body. The '395 claims all recite the specific language ". . . the adaptation base comprising a first bracket and a second bracket, said second bracket being slidably coupled with said first bracket, . . ." which limits the claims to the plate and screw mounting found on a typical digital camera and is not present on a cell phone. In addition to the specifically limiting disclosure and the statements regarding the inventive concept, significant aspects of the prosecution of the patent claims, including distinctions made over prior art all confirm that the claim limitations exclude smart phone cases.

14. EasyDive sells two smartphone cases referred to as the "Leo3Smart" and the "DiveShot." EasyDive also sells a tablet case referred to as the "DivePad." All three Both of these cases are flat with interiors designed to accommodate smartphone and tablets which are also flat. Neither the Leo3Smart, the DiveShot nor the DivePad can accommodate a standard configuration digital camera.

15. EasyDive also sells a line of digital camera cases including the "Leo3," the "Leo3Wi" and the "Leo3 Plus." These camera cases are designed to accommodate digital cameras, are shaped to accommodate the thickness of a digital camera body and to accommodate the extending lens, and include a typical tripod head plate and screw for mounting a digital camera into the housing using the standard threaded hole in the bottom of the digital camera body. The '395 patent claims are directed to this type of housing.

16. Plaintiff Kraken sells a smartphone case referred to as the "Kraken Smart Housing." The Kraken Smart Housing cannot accommodate a standard configuration digital camera. The Kraken Smart Housing which competes directly with the "Leo3Smart" and the "DiveShot" housings. All three products are designed to enclose a smart phone so that it can be used to capture photographs and videos while diving.

17. Neither the Leo3Smart, the DiveShot, the DivePad nor the Kraken Smart Housing embody the claimed invention of the '395 Patent. However, Defendants have mismarked their Leo3Smart, DivePad and DiveShot products as "patented" and have incorrectly accused the Kraken Smart Housing of infringement of the '395 Patent.

18. Plaintiff's Kraken Smart Housing does not infringe the '395 patent because several of the elements of the claims of the '395 patent which are directed to digital cameras and are wholly inapplicable to smartphones, are not found in the Kraken Smart Housing. For example, the Kraken Smart Housing does not have the claimed "an adaption base". It does not have the claimed "first bracket." It does not have the claimed "second bracket." It does not have the claimed ". . . an adaptation base comprising a first bracket and a second bracket, said second bracket being slidably coupled with said first bracket,. . ." It does not have " said first bracket, wherein said first bracket comprises said connection module in wireless mode." It does not have ". Numerous other elements from the dependent claims are also not found in the Kraken product.

19. The '395 patent does not teach or disclose anything which is not found in the prior art. The '395 patent discloses a common well known idea of communicating with a digital camera in a waterproof case over a wireless connection. Wireless communication with a digital

camera was well known long before the filing of the '395 patent and including such communication in a waterproof case was also well known.

20. The '395 patent also discloses a common two part mounting bracket for a digital camera. Such mounting was well know for use in digital cameras with a body adapted for a tripod type mount. The disclosure of watertight O-ring seals and magnetic keys was also well known. There is nothing novel in the '395 patent.

21. The '395 patent is invalid under 35 USC 101 as anticipated by prior art, is invalid under 35 USC as obvious over prior art.

22. The '396 patent fails to disclose critical information regarding both the single disclosed embodiment and the alluded to but undisclosed embodiments (i.e. "TV camera . . . mobile telephones, smartphones, tablets and the like. . .") and is thus invalid under 35 USC 112 for failing to make a proper disclosure. In addition, the inventor was not in possession of sufficient knowledge at the time of the filing to accomplish the undisclosed embodiments and thus are not part of the scope of the '395 patent.

23. Defendants have sent numerous letters and other communications to Plaintiff, to Plaintiff's customers and to Plaintiff's supplier, asserting ownership of U.S. Patent 10,262,395. These letters also included the direct statement that Defendants products, the DiveShot and the Leo3Smart are "covered by US Patent 10,261,395." Defendants knew and/or should have known through reasonable diligence that the DiveShot and the Leo3Smart are not covered by any of the claims of the '395 patent. These knowingly false statements were made in conjunction with the accusations of infringement and were communicated to the industry for the specific purpose and intent to deceive the public and to profit off of the '395 patent. In addition, Defendants'

advertising and packaging materials, including Defendants' web site includes the false and deceptive assertion that these products are patented. The actions of Defendants constitute patent misuse and render the '395 patent unenforceable. In addition, these actions of Defendants are false marking in violation of 35 USC 292 and Plaintiff is entitled to damages.

24. In or about January of 2021, Defendants began additional improper activities. Defendants contacted Apple Corporation and falsely accused software which was enabled for use with Kraken's product, of infringement. Defendants stated that the software application infringed their patent rights. Defendants have a patent, the '395 patent for a physical case. Defendants do not have a software patent. Defendants demanded that Apple takedown the software application from the Apple Store and remove any functionality for the Kraken products. Defendants assertions of infringement where and are knowingly false. Because of the knowingly false assertions, false statements and false pretenses, Apple removed the app from its store, tortiously interfering with Kraken's relationship with the software provider and with its customers who rely on the software enablement and functionality to operate Kraken's products. Numerous customers of Kraken were without any software functionality for an extended period of time in February, March and April 2021. Kraken has suffered significant damage to its good will and reputation as a result of these continued activities. Kraken was forced to develop replacement software and to distribute this software to the effected customers. To date, Kraken has paid more then \$20,000 for the development of alternative software and anticipates an additional \$30,000 in costs for full replacement of the functionality improperly denied by the improper actions of Defendants. Kraken has suffered significant quantifiable and unquantifiable damages.

COUNT I
DECLARATORY JUDGMENT OF NONINFRINGEMENT OF THE '395 PATENT

25. All of the foregoing paragraphs are incorporated by reference as though set forth fully herein.

26. No claim of the '395 Patent has been or is infringed, either directly or indirectly, by Kraken or by any of Kraken's products, including the Kraken Smart Housing.

27. As a result of the acts described in the foregoing paragraphs, there exists a substantial controversy of sufficient immediacy between EasyDive, Benvenuti and Kraken to warrant the issuance of a declaratory judgment that Kraken has not infringed, and does not infringe, directly or indirectly, any valid claim of the '395 Patent.

COUNT II
DECLARATORY JUDGMENT OF INVALIDITY OF THE '395 PATENT

28. All of the foregoing paragraphs are incorporated by reference as though set forth fully herein.

29. The claims of the '395 Patent are invalid for failure to comply with the requirements of patentability as specified in 35 U.S.C. §§ 1 et seq., including, without limitation, 35 U.S.C. §§ 102, 103, and/or 112, and/or based on other judicially-created bases for invalidation.

30. As a result of the acts described in the foregoing paragraphs, there exists a substantial controversy of sufficient immediacy between EasyDive, Benvenuti and Kraken to warrant the issuance of a declaratory judgment that the claims of the '395 Patent are invalid.

COUNT III
DECLARATORY JUDGMENT OF UNENFORCABILITY OF THE '395 PATENT

31. All of the foregoing paragraphs are incorporated by reference as though set forth fully herein.

32. Defendants have misused the '395 by marking products which are not covered by the '395 patent as "patented", by holding out to the public that products not covered by the '395 patent are "patented" and by specifically and intentionally threatening competitors through letters and other communications which include the assertion that non-covered products are actually protected by the '395 patent.

33. As a result of the acts described in the foregoing paragraphs, there exists a substantial controversy of sufficient immediacy and reality between Defendants and Kraken to warrant the issuance of a declaratory judgment that the '395 Patent is unenforceable.

COUNT IV
FALSE MARKING IN VIOLATION OF 35 USC 292

34. All of the foregoing paragraphs are incorporated by reference as though set forth fully herein.

35. Defendants have falsely marked products which are not covered by the '395 patent or any other patent as "patented", by holding out to the public that products not covered by the '395 patent or any other patent are "patented" and by specifically and intentionally threatening competitors through letters and other communications which include the assertion that non-covered products are actually protected by the '395 patent.

36. As a result of the acts described in the foregoing paragraphs, Defendants have

falsely marked in violation of 35 USC 292, Plaintiff has been damaged by this false marking and Plaintiff is entitled to damages.

**COUNT V
UNFAIR COMPETITION**

37. All of the foregoing paragraphs are incorporated by reference as though fully set forth herein.

38. Defendants' false assertions of infringement, including letters and draft Complaints sent to Kraken's customers, which have resulted in the removal of product from sale by distributors and the return of product to Kraken, are acts of unfair competition which were done in subjective and objective bad faith and were knowingly false.

39. Defendants' false assertions of infringement of patent and/or intellectual property rights conveyed to Apple which resulted in damages to Kraken are also acts of unfair competition, which were done in subjective and objective bad faith and were knowingly false.

40. Plaintiff Kraken has suffered damages in excess of \$30,000 in direct and indirect costs, and continues to incur direct costs, in excess of an additional \$30,000 as well as damage to Plaintiff's reputation, as a result of the unfair competition actions of Defendants.

41. Plaintiff Kraken is entitled to damages and other compensation as a result of Defendants actions.

**COUNT VI
TORTIOUS INTERFERENCE WITH CONTRACTS
AND PROSPECTIVE CONTRACTS**

42. All of the foregoing paragraphs are incorporated by reference as though fully set forth herein.

43. Defendants' false assertions of infringement, including letters and draft

Complaints sent to Kraken's customers, which have resulted in the removal of product from sale by distributors and the return of product to Kraken, are acts of Tortious interference which were done in subjective and objective bad faith and were knowingly false.

39. Defendants' false assertions of infringement of patent and/or intellectual property rights conveyed to Apple which resulted in damages to Kraken are also acts of tortious interference, which were done in subjective and objective bad faith and were knowingly false.

40. Kraken has valid and existing contractual relationships and/or business expectancies with each of its distributors, with its customers for functionality of the devices and with software developers for compatibility and functionality. Defendants had and continue to have knowledge of these contractual relationships and business expectancies, as clearly evidenced by the direct contact and direct interference aimed at the effected third parties. Defendants intentionally interfered with these contractual relationships and further did so in an improper manner, causing breaches of the relationships and/or expectancies. Kraken has sustained and continues to sustain resultant damage due to the disruption of the contractual relationships and/or business expectancies.

41. Plaintiff Kraken has suffered damages in excess of \$30,000 in direct and indirect costs, and continues to incur direct costs, in excess of an additional \$40,000 as well as damage to Plaintiff's reputation, as a result of the tortious interference of Defendants.

42. Plaintiff Kraken is entitled to damages and other compensation as a result of Defendants actions.

PRAYERS FOR RELIEF

WHEREFORE, Kraken prays for:

- (a) A declaration that the Kraken Smart Housing has not infringed and does not infringe, either directly or indirectly, any claim of the '395 Patent;
- (b) A declaration that each claim of the '395 Patent is invalid;
- (c) A declaration that the '395 Patent is unenforceable for patent misuse;
- (d) Judgement against Defendants for False Marking under 35 USC 292 and an award of damages to Plaintiff;
- (e) An Order that Defendants and each of their officers, employees, agents, attorneys, and any persons in active concert or participation with them are restrained and enjoined from further asserting or threatening assertion or communicating threats of assertion to others claiming that the Kraken Smart Housing infringes the '395 Patent;
- (f) An Order that Defendants and each of their officers, employees, agents, attorneys, and any persons in active concert or participation with them are restrained and enjoined from further false marking of its products.
- (g) Judgement against defendants for unfair competition.
- (h) Judgement against Defendants for tortious interference
- (i) An award of damages for unfair competition and/or for tortious interference
- (j) A declaration that this is an exceptional case under 35 U.S.C. § 285;
- (k) An award to Kraken of its costs and attorneys' fees;
- (l) Such other relief as this Court or a jury may deem proper and just under the circumstances.

JURY DEMAND

Kraken demands a trial by jury on all issues so triable.

Dated: May 6, 2021

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