

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

JIBBITZ, LLC, a Colorado limited liability company,

Plaintiff,

V.

SHOE CHARMS LLC, a Delaware limited liability company,

Defendant.

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C.A. No. _____

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

1. Jibbitz, LLC (“Jibbitz”) hereby alleges the following in support of its claims against Shoe Charms LLC:

NATURE OF THE ACTION

2. Crocs, Inc. (“Crocs”), the parent company of plaintiff Jibbitz, LLC (“Jibbitz”) is a widely recognized, world-wide manufacturer, distributor, and retailer of molded footwear. To protect its distinctive footwear from unfair competition, Crocs and Jibbitz have invested heavily in intellectual property rights, including patents that protect the design and functional features of Crocs footwear. These patents also protect innovative Jibbitz® shoe charms used with footwear. The Jibbitz® shoe charms have revolutionized apparel customizability, allowing customers to individually customize their shoes, accessories, and other wearable items. In recognition of the innovation developed by Jibbitz, the United States Patent and Trademark Office has issued to Jibbitz U.S. Patent Nos. 7,698,836 (“836 Patent”) (Ex. A), 8,122,519 (“519 Patent”) (Ex. B), and 8,782,814 (“814 Patent”) (Ex. C) (collectively “the Jibbitz Patents”). Rather than compete fairly with Jibbitz, Defendant Shoe Charms LLC has sought to capitalize on the success of Jibbitz’s innovations by marketing imitation charms (“the Accused Charms”), including those

shown in Exhibits D, E, and F, that are used in combination with molded shoes to infringe the Jibbitz Patents.

PARTIES

3. Plaintiff Jibbitz, LLC is a Colorado limited liability company, with a principal place of business at 13601 Via Varra, Broomfield, Colorado, 80020. Plaintiff Jibbitz, LLC is a wholly-owned subsidiary of Crocs, Inc.

4. Upon information and belief, Shoe Charms LLC is a Delaware limited liability company with a principal place of business at 3886 Pleasant Oaks Drive in Lawrenceville, Georgia, 30044. Mr. Eric Ponce (also known as “Eric Ponxe”) is the controlling owner and operator of Shoe Charms LLC. Shoe Charms LLC has marketed the Accused Charms at mall kiosks across the country, including in Washington, Oregon, California, Virginia, Florida, Texas, Maryland, North Carolina, Georgia, Alabama, Missouri, Tennessee, and Illinois.

JURISDICTION AND VENUE

5. This case arises under the patent laws of the United States of America, 35 U.S.C. §§ 100, *et seq.* The Court has subject matter jurisdiction over this case pursuant to 28 U.S.C. §§ 1331 and 1338(a).

6. This Court has personal jurisdiction over Shoe Charms LLC because (on information and belief) Shoe Charms LLC is a limited liability company registered with the State of Delaware. Shoe Charms LLC uses United States Corporation Agents, Inc., with an address of 221 N. Broad Street, Suite 3A in Middletown Delaware, 19709, as its registered Delaware agent.

7. Venue is proper over this civil action within the District of Delaware because Shoe Charms LLC is a limited liability company registered with the State of Delaware. Shoe Charms LLC thus “resides” in the State of Delaware under 28 U.S.C. § 1400(b).

FACTS COMMON TO ALL COUNTS OF INFRINGEMENT

8. At least as early as 2003, Crocs launched the marketing and distribution of its original clog style footwear in the United States. The unique characteristics of Crocs' footwear enabled Crocs to offer consumers a shoe unlike any other footwear available at the time.

9. In 2005, Jibbitz began manufacturing and selling the Jibbitz® shoe charms. Recognizing the innovative design of Jibbitz® shoe charms and the market potential, Crocs acquired Jibbitz and its intellectual property in 2006. The acquisition included the family of pending patent applications that gave rise to the asserted Jibbitz Patents. The Jibbitz® shoe charms allowed customers to customize their footwear products and other wearable items to their personal taste. Jibbitz® shoe charms are now sold through a wide range of distribution channels, including department stores, specialty footwear stores, sporting goods stores, and outdoor retailers. Jibbitz® shoe charms are also sold through a variety of specialty channels, including gift shops, uniform suppliers, independent bicycle dealers, specialty food retailers, and health and beauty stores. In addition, Jibbitz® shoe charms are sold on Crocs websites (e.g. www.crocs.com) as well as at Crocs stores throughout the United States. In recognition of the innovative shoe accessorizing systems developed by Jibbitz, the United States Patent and Trademark Office issued the Jibbitz Patents.

10. Jibbitz welcomes fair competition. But Shoe Charms LLC has not sought to fairly compete with Jibbitz. Shoe Charms LLC has instead wrongly sought to capitalize on the success of the Jibbitz innovation by directly and indirectly infringing the Jibbitz Patents. Jibbitz first learned of Shoe Charms LLC and its infringing activity in the first half of 2021, when Crocs employees began reporting that imitation charms ("Accused Charms") were being sold in kiosks at various malls throughout the United States. Upon investigating these reports, Jibbitz learned

that Shoe Charms LLC was selling the Accused Charms with the express purpose that customers integrate them with molded shoes to infringe the Jibbitz Patents. The Shoe Charms LLC kiosks include marketing displays with the Accused Charms integrated with molded shoes in a manner that infringes the Jibbitz Patents.

11. For example, Shoe Charms LLC maintains a kiosk in Grapevine Mills Mall in Grapevine, Texas. The Accused Charms are marketed for sale here under “Shoe Charms” branding as pictured in the following photograph:



12. Accused Charms integrated with molded shoes were also on display:



13. Shoe Charms LLC operates additional kiosks, selling and marketing the Accused Charms for integration with Crocs and other molded shoes throughout the country.¹

14. As explained in more detail in paragraphs 20-41, the kiosk marketing displays of the Accused Charms integrated with molded shoes are acts of infringing “uses” under 35 U.S.C. § 271(a) that directly infringe each Jibbitz Patent. Jibbitz is also informed and believes that Shoe Charms LLC demonstrates the Accused Charms during the sales process by demonstrating how the Accused Charms can be integrated within the holes of molded shoes. These acts of

¹ Crocs has identified Shoe Charms LLC kiosks located at malls in Pineville, North Carolina; Augusta, Georgia; Tallahassee, Florida; Naples, Florida; Hoover, Alabama; Atlanta, Georgia; St. Louis, Missouri; Lakeland, Florida; Northridge, California, Altamonte Springs, Florida; Pembroke Lakes, Florida; Lynwood, Washington; Happy Valley, Oregon; Riverside, California; Redding, California; Los Angeles, California; Temecula, California; Hayward, California; Bakersfield, California; Rancho Cucamonga; California, Visalia; California, Virginia Beach; Virginia, Columbia; Maryland, Towson; Maryland, Orlando; Florida, Sunrise, Florida; Nashville, Tennessee; Grapevine, Texas; Concord, North Carolina; Lawrenceville, Georgia; Buford, Georgia; Schaumburg, Illinois; Jacksonville, Florida; and Miami, Florida.

demonstration also amount to infringing “uses” under 35 U.S.C. § 271(a) that directly infringe the Jibbitz Patents.

15. Shoe Charms LLC has also actively induced customers to infringe the Jibbitz Patents under 35 U.S.C. § 271(b). In particular, Shoe Charms LLC uses displays of Accused Charms integrated with molded shoes, as seen in the photographs above, with the express purpose of encouraging customers to purchase and integrate the Accused Charms with molded shoes to directly infringe the Jibbitz Patents. In addition, Shoe Charms LLC’s paid employees provide verbal and physical instructions to customers, instructing them how to integrate the Accused Charms with molded shoes. These intentional acts induce direct infringement by customers.

16. Shoe Charms LLC received actual notice of the Jibbitz Patents and its infringing conduct based on communications with Crocs and Jibbitz. For example, as early as April 2, 2021, counsel for Shoe Charms LLC and Mr. Ponce acknowledged in a letter to Plaintiff’s counsel that Jibbitz accused Shoe Charms LLC of infringing U.S. Patent Nos. 7,698,836; 8,122,519; and 8,782,814. As a result, Shoe Charms LLC has been on notice of its infringing conduct prior to April 2, 2021. Nonetheless, Shoe Charms LLC still offers for sale the Accused Charms at multiple malls across the United States, and still encourages customers to infringe the Jibbitz Patents as described throughout the Complaint and in Exhibits D, E, and F.

17. Shoe Charms LLC has also committed acts of contributory infringement under 35 U.S.C. § 271(c). The Accused Charms are especially made or adapted so that customers integrate them with shoes in a manner that infringes the Jibbitz Patents. The Accused Charms are not staple articles or commodities of commerce suitable for substantial non-infringing use because the Accused Charms have unique features made for integration with molded shoes and

wearable items. They have no other known commercial purposes or value. As explained above, Shoe Charms LLC has also offered the Accused Charms with knowledge or reckless disregard that customers will use them to infringe the Jibbitz Patents.

18. Shoe Charms LLC also receives further notice of the Jibbitz Patents and its ongoing direct and indirect infringement upon service of this Complaint.

19. Shoe Charms LLC's acts of infringement have resulted in Jibbitz suffering damages, including lost revenue, lost sales, lost profits, and irreparable harm.

CLAIM FOR RELIEF - COUNT ONE

Infringement of U.S. Patent No. 7,698,836

20. Jibbitz hereby incorporates each of the preceding paragraphs 1-19 as if fully set forth herein.

21. On April 20, 2010 the U.S. Patent and Trademark Office issued U.S. Patent No. 7,698,836, titled "System and Method for Securing Accessories to Clothing," with Jibbitz, LLC as the assignee. Jibbitz, LLC is the sole owner of the '836 Patent, which is a valid patent. A true and correct copy of the '836 Patent is attached hereto as Exhibit A.

22. As described above in Paragraphs 1-19, Shoe Charms LLC has directly infringed the '836 Patent under § 271(a) by displaying (i.e. using) the Accused Charms with molded shoes at its kiosks for marketing purposes, as well as making the claimed systems with the Accused Charms and molded shoes. Shoe Charms LLC has thus directly infringed at least Claim 26. Claim 26 recites "[a] system for securing a decorative accessory, the system comprising: a shoe having at least one expandable hole in an upper portion of the shoe; a shaft having first and second ends; a first shoulder secured to the first end of the shaft, the first shoulder being configured for insertion through one of the at least one expandable hole and configured to

engage an inner surface of the upper portion of the shoe, the first shoulder being larger in diameter than the expandable hole through which it is inserted when that expandable hole is in its unexpanded state; and a second shoulder secured to the second end of the shaft, the second shoulder being configured to engage an outer surface of the upper portion of the shoe, the second shoulder comprising the decorative accessory.”

23. When an Accused Charm is integrated with a molded shoe, the resulting system satisfies all elements (and thus infringes) Claim 26. A photographic example of the Accused Charms integrated with a molded shoe follows, taken from a display at a Shoe Charms LLC kiosk at the Grapevine Mills Mall in Grapevine, Texas:



24. Exhibit D includes further detail and photographic evidence showing at least one example of how the Accused Charms infringe at least Claim 26 of the '836 Patent.

25. As explained above in Paragraphs 8-19 above, Shoe Charms LLC has also induced infringement of and contributorily infringed the '836 Patent under § 271(b) & (c). In particular, Shoe Charms LLC sells the Accused Charms at mall kiosks around the country for customer integration with molded shoes in a system that directly infringes Claim 26 as depicted in Exhibit D, despite knowledge (or reckless disregard) of the fact that such integration infringes the '836 Patent. And the Accused Charms are especially made to infringe the '836 Patent, are not staple articles of commerce, and have no substantial non-infringing uses. These facts show both active inducement infringement and contributory infringement.

26. Shoe Charms LLC's infringement is willful because Shoe Charms LLC has directly and indirectly infringed the '836 Patent despite knowledge (or reckless disregard) of the facts underlying the infringement.

27. As a result of the infringement, Jibbitz has suffered and will continue to suffer money damages, loss of revenue, lost sales, loss of profits, and irreparable harm.

CLAIM FOR RELIEF – COUNT TWO

Infringement of U.S. Patent No. 8,122,519

28. Jibbitz hereby incorporates each of the preceding paragraphs as if fully set forth herein.

29. Jibbitz is the owner of U.S. Patent No. 8,122,519, titled "System and Method for Securing Accessories to Wearable Items," which was duly and legally issued by the U.S. Patent and Trademark Office on February 28, 2012. Jibbitz, LLC is the sole owner of the '519 Patent,

which is a valid patent. A true and correct copy of the '519 Patent is attached hereto as Exhibit B.

30. As described above in Paragraphs 8-19, Shoe Charms LLC has directly infringed the '519 Patent under § 271(a) by displaying (i.e. using) the Accused Charms with molded shoes at its kiosks for marketing purposes, as well as making the claimed systems with the Accused Charms and molded shoes. Shoe Charms LLC has thus directly infringed at least Claim 27. Claim 27 recites “[a] system for attaching a decorative accessory to a wearable item, the system comprising: a wearable item having at least one expandable hole, the at least one expandable hole formed of a moldable foam material in a molded portion of the wearable item; a shaft having first and second ends; a first shoulder secured to the first end of the shaft, the first shoulder being configured for insertion through one of the at least one expandable hole and configured to engage an inner surface of the wearable item, the first shoulder being larger in diameter than the expandable hole through which it is inserted when the expandable hole is in its unexpanded state; and second shoulder secured to the second end of the shaft, the second shoulder being configured to engage an outer surface of the wearable item, the second shoulder comprising the decorative accessory.”

31. When an Accused Charm is integrated with a molded shoe, the resulting system satisfies all elements of (and thus infringes) Claim 27. A photographic example of the Accused Charms integrated with a molded shoe follows, taken from a display at a Shoe Charms LLC kiosk at the Grapevine Mills Mall in Grapevine, Texas:



32. Exhibit E provides additional detail and photographic evidence showing at least one example of how the Accused Charms infringe at least Claim 27 of the '519 Patent.

33. As explained above in Paragraphs 8-19, Shoe Charms LLC has also induced infringement and contributed to customer infringement of the '519 Patent under § 271(b) & (c). In particular, Shoe Charms LLC sells the Accused Charms at mall kiosks around the country for customer integration with molded shoes in a system that directly infringes Claim 27 as depicted in Exhibit E, despite knowledge (or reckless disregard) of the fact that such integration infringes the '519 Patent. The Accused Charms are especially made to infringe the '519 Patent, are not staple articles of commerce, and have no substantial non-infringing uses. These facts show both active inducement infringement and contributory infringement.

34. Shoe Charms LLC's infringement is willful because Shoe Charms LLC has directly and indirectly infringed the '519 Patent despite knowledge (or reckless disregard) of the facts underlying the infringement.

35. As a result of the infringement, Jibbitz has suffered and will continue to suffer money damages, lost revenue, lost sales, loss of profits, and irreparable harm.

CLAIM FOR RELIEF – COUNT THREE

Infringement of U.S. Patent No. 8,782,814

36. Jibbitz hereby incorporates each of the preceding paragraphs as if fully set forth herein.

37. Jibbitz is the owner of U.S. Patent No. 8,782,814, titled "System and Method for Securing Accessories to Clothing," which was duly and legally issued by the U.S. Patent and Trademark Office on July 22, 2014. Jibbitz, LLC is the sole owner of the '814 Patent, which is a valid patent. A true and correct copy of the '814 Patent is attached hereto as Exhibit C.

38. As explained above in paragraphs 8-19, Shoe Charms LLC has directly infringed the '814 Patent under § 271(a) by displaying (i.e. using) the Accused Charms with molded shoes at its kiosks for marketing purposes, as well as making the claimed systems with the Accused Charms and molded shoes. Shoe Charms LLC has thus directly infringed at least Claim 16. Claim 16 recites "[a] system for securing a decorative accessory, the system comprising: an article of clothing having an exterior surface, an interior surface and at least one expandable hole formed in a molded portion of the article of clothing, the expandable hole extending between and through the exterior surface and the interior surface of the article of clothing; a shaft having first and second ends; a first shoulder secured to the first end of the shaft, the first shoulder being configured for insertion through one of the at least one expandable hole and configured to

engage the interior surface of the article of clothing, the first shoulder being larger in diameter than the expandable hole through which it is inserted when the expandable hole is in its unexpanded state; and a second shoulder secured to the second end of the shaft, the second shoulder being configured to engage the exterior surface of the article of clothing, the second shoulder comprising the decorative accessory.”

39. When an Accused Charm is integrated with a molded shoe, the resulting system satisfies all elements of (and thus infringes) Claim 16. A photographic example of the Accused Charms integrated with a molded shoe follows, taken from a display at a Shoe Charms LLC kiosk at the Grapevine Mills Mall in Grapevine, Texas:



40. Exhibit F provides additional detail and photographic evidence showing at least one example of how the Accused Charms infringe at least Claim 16 of the '814 Patent.

41. As explained above in Paragraphs 8-19, Shoe Charms LLC has also induced infringement and contributed to customer infringement of the '814 Patent under § 271(b) & (c). In particular, Shoe Charms LLC sells the Accused Charms at mall kiosks around the country for customer integration with molded shoes in a system that directly infringes Claim 16 as depicted in Exhibit F, despite knowledge (or reckless disregard) of the fact that such integration infringes the '814 Patent. The Accused Charms are also especially made to infringe the '814 Patent, are not staple articles of commerce, and have no substantial non-infringing uses. These facts show both active inducement infringement and contributory infringement.

42. Shoe Charms LLC's infringement is willful because Shoe Charms LLC has directly and indirectly infringed the '814 Patent despite knowledge (or reckless disregard) of the facts underlying the infringement.

43. As a result of the infringement, Jibbitz has suffered and will continue to suffer money damages, lost revenue, lost sales, loss of profits, and irreparable harm.

PRAYER FOR RELIEF

WHEREFORE, Jibbitz asks that this Court grant the following relief:

(a) An injunction restraining Shoe Charms LLC, its officers, agents, servants, employees, attorneys, and those persons acting in concert with Shoe Charms LLC from making, displaying, using, offering to sell, selling, distributing, and/or importing shoe charms that infringe Jibbitz's rights in the '836, '519 and/or '814 Patents, and from inducing and contributing to the infringement of the '836, '519 and/or '814 Patents;

(b) An order that Shoe Charms LLC be required at the conclusion of this proceeding to destroy any and all remaining shoe charms and shoes or wearable items in its possession that the Court finds to violate Jibbitz's rights;

(c) An award of damages, including lost profits and a reasonable royalty;

(d) Exemplary damages in the amount up to three times actual damages as provided for Shoe Charms LLC's willful actions in violation of Jibbitz's intellectual property rights pursuant to 35 U.S.C. § 284;

(e) An award of attorney's fees and costs pursuant to federal law under 35 U.S.C. § 285; and

(f) Such further equitable and legal relief and damages as this Court deems just and proper.

JURY DEMAND

Plaintiff hereby demands a trial by jury on all issues so triable.

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Respectfully submitted,

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