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RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND
ADR (14)

7 UNITED STATES DISTRICT COURT
8 NORTHERN DISTRICT OF CALIFORNIA

9
10 CHARCOAL COMPANION,
11 INCORPORATED,

12 Plaintiff,

13 v.

14 BIT BARBECUE LLC,

15 Defendant.

Case. No.

C11-02855

COMPLAINT FOR
DECLARATORY JUDGMENT

(JURY TRIAL DEMANDED)

16 Plaintiff, Charcoal Companion, Incorporated ("CCI"), for its complaint for
17 declaratory relief against defendant, Bit Barbecue LLC ("Bit Barbecue"), alleges as
18 follows:

19 NATURE OF ACTION

20 1. This is a civil action for a declaratory judgment of non-infringement and/or
21 invalidity of United States Patent Nos. 5,740,724 (the "724 patent) and 5,970,856 (the
22 "856 patent") (collectively the "Patents-in-Suit"). CCI further seeks a declaratory
23 judgment concerning the rights and obligation of CCI under the terms of a license
24 agreement entered into between CCI and Bit Barbecue pertaining to the Patents-in-Suit,
25 including CCI's obligation to pay royalties thereunder.

26 JURISDICTION AND VENUE

27 2. This action arises under the patent laws of the United States, 35 U.S.C.
28

1 §100, *et seq.*, . This Court has subject matter jurisdiction over this action pursuant to 28
2 U.S.C. §§ 2201-2202 (the Declaratory Judgment Act), and 28 U.S.C. §§1331 and
3 1338(a).

4 3. This Court has personal jurisdiction over Bit Barbecue based on its
5 contacts with this forum, including seeking and maintaining license relationships with
6 residents of the State of California and this district, and enforcing and threatening to
7 enforce the Patents-in-Suit against residents in this district, including against plaintiff.

8 4. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b)
9 and (c).

10 INTRADISTRICT ASSIGNMENT

11 5. This case is exempt from intradistrict assignment pursuant to Civil L. R. 3-
12 2(c) because it includes intellectual property claims.

13 PARTIES

14 6. Plaintiff CCI is a California corporation having its principal business offices
15 located at 5905 Christie Avenue, Emeryville, California 94608. CCI does business under
16 the names "Charcoal Companion" and "The Companion Group," and is well known for
17 outdoor living consumer products, which are sold through various retail outlets and the
18 on-line stores of retail outlets.

19 7. On information and belief, Bit Barbecue is a District of Columbia limited
20 liability company having offices located at 5149 Tilden Street, N.W., Washington, DC
21 20036.

22 FACTUAL BACKGROUND

23 8. U.S. Patent No. 5,740,724 entitled "Device for Cooking or Grilling Small
24 Pieces of Food and Method of Use" issued to Marvin Fabrikant and Patricia Fabrikant on
25 April 21, 1998.

26 9. U.S. Patent No. 5,970,856 also entitled "Device for Cooking or Grilling
27 Small Pieces of Food and Method of Use" issued to Marvin Fabrikant and Patricia
28 Fabrikant on October 26, 1999.

1 10. The '724 and '856 patents relate to products commonly called cooking or
2 grilling baskets used for cooking or grilling foods.

3 11. On information and belief, Marvin Fabrikant and Patricia Fabrikant have
4 assigned all of their right, title and interest in the '724 and '856 patents to defendant, Bit
5 Barbecue LLC.

6 12. On information and belief, Marvin Fabrikant and Patricia Fabrikant own or
7 have a controlling interest in Bit Barbecue, and license and enforce the '724 and '856
8 patents throughout the United States, including in this district, through the Bit Barbecue
9 entity.

10 13. Plaintiff CCI designs, markets, and distributes barbecue and outdoor
11 cooking accessories products, including grilling and cooking baskets of various styles
12 and designs. In or about 2002, CCI entered into a written (undated) patent license
13 agreement ("Patent Licensing Agreement") with Marvin and Patricia Fabrikant, the
14 subject of which were the Patents-in-Suit. Since before 2002 to the present date, CCI
15 has paid the owners of the '724 and '856 patents royalties on a line of its grilling/cooking
16 baskets ("Original CCI Baskets") allegedly covered by one or more claims of the '724 and
17 '856 patents. These royalty payments were paid under the Patent License Agreement
18 and predecessor agreements with the Fabrikants.

19 14. Recently, CCI has launched and is now selling new basket product lines
20 consisting of stainless wire mesh baskets ("New CCI Baskets"), which Mr. Fabrikant
21 asserts are covered by either or both of the '724 and '856 patents, and for which Mr.
22 Fabrikant has demanded royalties from CCI.

23 15. CCI has responded and communicated to Mr. Fabrikant its position that the
24 New CCI Baskets are not covered by any valid or enforceable claim of the '724 or '856
25 patents. Despite CCI position, Mr. Fabrikant has maintained his demand that CCI pay
26 royalties on the New CCI Baskets.

27 16. CCI also takes the position that the Original CCI Baskets are not covered
28 by any valid or enforceable claim of the '724 or '856 patents, and that any claims of the

1 '724 or '856 patents that purportedly cover the Original CCI Baskets are invalid.

2 **FIRST CLAIM FOR RELIEF: DECLARATORY JUDGMENT OF**
3 **NON-INFRINGEMENT OF THE PATENTS-IN-SUIT**

4 17. CCI repeats and incorporates by reference the allegations set forth in
5 paragraphs 1-16 as if fully set forth herein.

6 18. An actual controversy has arisen and now exists between the parties
7 concerning whether the Original and New CCI Baskets, or any of them, infringe any valid
8 and enforceable claim of the Patents-in-Suit.

9 19. CCI hereby seeks a declaratory judgment under 28 U.S.C. §§ 2201-2202
10 that the Original and New CCI Baskets do not infringe any valid or enforceable claim of
11 the Patents-in-Suit.

12 **SECOND CLAIM FOR RELIEF: DECLARATORY JUDGMENT OF**
13 **INVALIDITY OF THE PATENTS-IN-SUIT**

14 20. CCI repeats and incorporates by reference the allegations set forth in
15 paragraphs 1-19 as if fully set forth herein.

16 21. An actual controversy has arisen and now exists between the parties
17 concerning the validity of the Patents-in-Suit.

18 22. CCI hereby seeks a declaratory judgment under 28 U.S.C. §§ 2201-2202
19 that any claims of the Patents-in-Suit that might cover the Original and New CCI Baskets,
20 or any of them, or any other grilling or cooking basket product of CCI, are invalid.

21 **THIRD CLAIM FOR RELIEF:**

22 23. CCI repeats and incorporates by reference the allegations set forth in
23 paragraphs 1-22 as if fully set forth herein.

24 24. An actual controversy has arisen and now exists between the parties
25 concerning the rights and obligations of CCI under the Patent License Agreement.
26 Under the Patent License Agreement CCI is obligated to pay royalties for products
27 imported, made, used or sold by CCI which are covered by the Patents-in-Suit. No
28 royalties would be owed under the Patent License Agreement if this Court were to issue

1 a declaratory judgment of invalidity and/or non-infringement of each claim of the Patents-
2 in-Suit that Bit Barbecue alleges cover a CCI product.

3 25. CCI hereby seeks a declaratory judgment under 28 U.S.C. §§ 2201-2202
4 that no royalties are owed by CCI under the Patent License Agreement for sales of any
5 CCI product, including the Original and New CCI Baskets.

6 **PRAYER FOR RELIEF**

7 WHEREFORE, plaintiff requests that this Court enter judgment in its favor against
8 defendant Bit Barbecue and grant relief as follows:

9 1. A declaratory judgment that U.S. Patent Nos. 5,740,724 and 5,970,856 are
10 invalid;

11 2. A declaratory judgment that the grill baskets sold by plaintiff do not infringe
12 any valid or enforceable claim of the Patents-in-Suit;

13 3. A declaratory judgment that no royalties are owed by CCI under the Patent
14 License Agreement for sales of the New CCI Baskets;

15 4. A declaratory judgment that no royalties are owed by CCI under the Patent
16 License Agreement for sales of the Original CCI Baskets or any other CCI basket
17 product;

18 5. A preliminarily and permanently injunction enjoining defendant, and its
19 respective officers, directors, agents, employees, parents, and subsidiaries, and all
20 others acting or controlled by or through defendant, or acting in concert or participating
21 with defendant, from asserting the Patents-in-Suit, or either of them, against CCI or any
22 of CCI's customers;

23 6. A determination that this case to be exceptional within the meaning of 35
24 U.S.C. 285;

25 7. An award of attorney fees, costs and expenses that it incurs in connection
26 with this action; and

27 8. Such further and additional relief as this Court deems just and proper.
28

DEMAND FOR JURY TRIAL

Pursuant to Fed. R. Civ. P. 38(b), plaintiff CCI hereby demands a trial by jury on all claims asserted herein.

CERTIFICATION OF INTERESTED ENTITIES OR PARTIES

Pursuant to Civil L.R. 3-16, the undersigned certifies that as of this date, other than the named parties, there is no such interest to report.

Date: June 10, 2011

Respectfully Submitted,

BEESON SKINNER BEVERLY, LLP

By


Donald L. Beeson
Attorneys for Plaintiff
Charcoal Companion, Incorporated