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U.S. DISTRICT COURT

2004 JAN 26 P 10 59

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

NEWSPRING INDUSTRIAL CORPORATION,  
  
Plaintiff,

vs.

SUN GEM PLASTICS ENTERPRISE CO.,  
LIMITED, GREAT BARONY INDUSTRIAL  
COMPANY LIMITED, SENSE ROAD  
INDUSTRIAL COMPANY LIMITED and  
BIING RONG HSIU,  
  
Defendants.

CIVIL ACTION NO. 02-2326 (WHW)

**SECOND AMENDED COMPLAINT**

1. Patent Infringement
2. Trade Dress Infringement
3. Unfair Competition
4. Product Disparagement

Plaintiff, NEWSPRING INDUSTRIAL CORPORATION ("**Newspring**"),  
by and for its First Amended Complaint in the above-captioned matter,  
states as follows:

**NATURE OF THE ACTION**

1. This is an action for patent infringement of  
Newspring's design patents, U.S. Patent No. D439159 S (the "**'159  
Patent**") and U.S. Patent No. D415420 (the "**'420 Patent**"), and utility  
patents, U.S. Patent Nos. 6,056,138 (the "**'138 Patent**") and 6,196,404  
B1 (the "**'404 Patent**"); trade dress infringement under the Lanham Act,

15 U.S.C. § 1125; and New Jersey state law unfair competition. The '159 Patent and '420 Patent designs are incorporated in plastic containers used primarily for food storage. The '138 and '404 Patents claim a sealing device that is effective at preventing food from leaking out of plastic food containers. Newspring is the assignee of each of these patents. Newspring has invested substantial sums of money in developing the designs protected by the '159 Patent and the '420 Patent, developing the technology claimed by the '138 and '404 Patents, and marketing its plastic food containers under the brand "the VERSAtainer®". Through these efforts, the VERSAtainer® has become a popular and innovative product in the specialized market for plastic food containers. The design of the VERSAtainer® also constitutes protectible trade dress under federal and state law, and it has acquired secondary meaning through the market's recognition of this successful product line.

2. Defendants NEW MAYLINE CO. INC., MAYLINE ENTERPRISES, INC., SUN GEM PLASTICS ENTERPRISE CO., LIMITED (a/k/a SANG RONG PLASTIC PRODUCT, INC.), GEORGE LI, JEN-HSIEN LIU, GREAT BARONY INDUSTRIAL COMPANY LIMITED (a/k/a BIING RONG MIN), SENSE ROAD INDUSTRIAL COMPANY LIMITED and BIING RONG HSIU (collectively hereinafter "**THE NEW MAYLINE DEFENDANTS**"), illegal competitors with Newspring's VERSAtainer® line, are now manufacturing, importing into the United States, distributing, offering for sale and selling imitation "knock-offs" of the VERSAtainer®. These activities constitute infringement of Newspring's '159 Patent, '420 Patent, '138 Patent and '404 Patent; trade dress infringement; product disparagement, and unfair competition under state and federal law.

THE PARTIES

3. Newspring is a corporation organized and existing under the laws of the State of New Jersey in the business of inventing, patenting, manufacturing and selling plastic food service containers, with its principal place of business located at 35 O'Brien Street, Kearny, New Jersey 07032.

4. On information and belief, defendant NEW MAYLINE CO. INC. ("**NEW MAYLINE CO.**") is a corporation organized and existing under the laws of the State of New Jersey and whose principal place of business is located at 88 Broadway, Jersey City, New Jersey 07306. On information and belief, New Mayline Co. has been a distributor of VERSAtainer® products for several years.

5. On information and belief, defendant Mayline Enterprises, Inc. ("**MAYLINE ENTERPRISES**") is a corporation organized and existing under the laws of the State of New York and whose principal place of business is located at 133-36 Blossom Avenue, Flushing, New York 11355. On information and belief, Mayline Enterprises is an affiliate of New Mayline Co. and is an importer of New Mayline's infringing products.

6. On information and belief, defendant SUN GEM PLASTICS ENTERPRISES CO., LIMITED ("**SUN GEM**"), also known as San Rong Plastic Product, Inc., is a Taiwanese company located in the Province of Taiwan within the People's Republic of China. On information and belief, Sun Gem manufactures and imports into the United States and sells and distributes in the United States New Mayline's infringing products.

7. On information and belief, defendant GREAT BARONY INDUSTRIAL COMPANY LIMITED ("**GREAT BARONY**"), also known as Bing Rong Min, is a Taiwanese company located in the Province of Taiwan within the People's Republic of China. On information and belief, Sun Gem manufactures and imports into the United States and sells and distributes in the United States New Mayline's infringing products.

8. On information and belief, defendant SENSE ROAD INDUSTRIAL COMPANY LIMITED ("**SENSE ROAD**") is a Taiwanese company located in the Province of Taiwan within the People's Republic of China. On information and belief, Sun Gem manufactures and imports into the United States and sells and distributes in the United States New Mayline's infringing products.

9. On information and belief, defendant GEORGE LI is a President of New Mayline Co. and an officer, director and shareholder of New Mayline Co. and Mayline Enterprises. Upon information and belief, New Mayline Co. and Mayline Enterprises are closely held corporations.

10. On information and belief, defendant Jen-Hsien Liu is an officer, director and/or controlling shareholder of New Mayline Co. and Mayline Enterprises.

11. On information and belief, defendant Bing Rong Hsiu is an officer, director and/or controlling shareholder of Sun Gem, Great Barony Industrial Co. Ltd. and Sense Road Industrial Co. Ltd. On information and belief, Bing Rong Hsiu's resides at 7F-3 No. 151 Wuchuan 5<sup>th</sup> Street, West District Taichung City, Taiwan, Republic of China.

**JURISDICTION AND VENUE**

12. This Court has subject matter jurisdiction in this patent infringement matter pursuant to 28 U.S.C. §§ 1331 and 1338.

13. Under 28 U.S.C. §§ 1391(b), 1391(c) and 1400(b), venue is appropriate in this district, as New Jersey is a place where the New Mayline Defendants are subject to personal jurisdiction, and therefore, is a place where the New Mayline Defendants reside.

14. Upon information and belief, the New Mayline Defendants have committed acts of patent infringement in this district, including, but not limited to, making, having made, using, causing others to use, offering for sale, importing into the United States, selling and marketing patented methods, products and systems in and to the district, and having carried out such acts in a willful manner in such a way as to cause injury and damage to Newspring in this district.

#### **BACKGROUND**

15. Newspring was founded in 1988 by Jeffrey Chen ("**Jeffrey Chen**"), its President, as an unincorporated business entity, and incorporated in 1993 to develop, manufacture and market plastic disposable items for the food service industry such as plates, cutlery and containers.

16. Active in the business with Jeffrey Chen is his brother, Corey Chen ("**Corey Chen**"), who is Newspring's Vice-President of Sales.

17. Since 1988, Newspring has grown to a substantial business enterprise with nearly 100 employees.

18. Since 1988, Newspring has developed a reputation in this highly competitive field as a company who reliably delivers products of higher than typical quality at a competitive price.

19. Newspring began by selling plastic soup containers to the Chinese take-out restaurant trade, but has since grown to service a wide range of food service providers.

20. Newspring's sales are made solely to distributors and re-distributors who resell Newspring's products to so-called "end users".

21. End users for Newspring products include restaurants, educational and government institutions with food-service programs, and food processors.

22. Prior to the end of 1996, Jeffrey Chen and his brother, Corey Chen, identified a market need for an improved quality container for the food service industry.

23. Specifically, Jeffrey and Corey Chen concluded that end users lacked a container that would present food in a more elegant, "up-scale" and visually pleasing manner than was then possible in existing food containers.

24. Having identified this marketing opportunity, in late 1996 and early 1997, Jeffrey Chen created a design for a new container that would eventually be marketed under the registered trademark VERSAtainer® ("VERSAtainer®").

**A. NEWSPRING'S DESIGN AND UTILITY PATENTS**

25. On February 11, 1997, Jeffrey Chen applied to the U.S. Patent and Trademark Office ("PTO") for a design patent, application number 29/066,299.

26. On June 16, 1999, the PTO issued a Notice of Allowability. The '420 Patent was issued on October 19, 1999. Pursuant to an assignment filed by Jeffrey Chen, the '420 Patent as issued lists Newspring as the inventor's assignee.

27. Newspring is the sole owner of the '420 Patent and all of the rights appurtenant thereto existing under the laws of the United States.

28. The specifications and claim of the application consist of drawings of the container with the '420 Patent design on it. These drawings disclose a round container with a lip set outward from the body of the container itself. The lip is joined to the lid of the container with a series of short "spokes." The main body of the lid rises nearly straight up to a flat top, the circumference of which has an embossed or raised ring around it. Inside the raised outer ring is a flat portion, and then another embossed ring around the center of the lid. The very center has a dimple inward terminating in a point. The bottom of the lid also has a central ring. Because the lid is transparent, the ring on the bottom of the container is seen to echo the rings on the lid, giving an overall impression of overlapping rings within rings.

29. Certain other features of the VERSAtainer are relevant to Newspring's trade dress claim, although not part of the '420 Patent, specifically that the opaque plastic bottom is available either in black or white and the weight and feel of the plastic used.

30. Jeffrey Chen chose black because it is a traditional color for the bottoms of food containers in this industry, and white for exactly the opposite reason: that it was non-traditional and made a statement about the innovative nature of the VERSAtainer's design.

31. The '420 Patent covers the purely ornamental and visual aspects of the VERSAtainer's design as disclosed in the drawings submitted to the PTO and further described in this Complaint.

32. On December 23, 1997, Jeffrey Chen applied to the U.S. Patent and Trademark Office ("PTO") for a design patent, application number 29/081,160.

33. On June 28, 2000, the PTO issued a Notice of Allowability. The '159 Patent was issued on March 20, 2001. Pursuant to an assignment filed by Jeffrey Chen, the '159 Patent as issued lists Newspring as the inventor's assignee.

34. Newspring is the sole owner of the '159 Patent and all of the rights appurtenant thereto existing under the laws of the United States.

35. Certain features of the VERSAtainer® are relevant to Newspring's trade dress claim, although not part of the '159 Patent, specifically that the opaque plastic bottom is available either in black or white and the weight and feel of the plastic used.

36. Jeffrey Chen chose black because it is a traditional color for the bottoms of food containers in this industry, and white for exactly the opposite reason: that it was non-traditional and made a statement about the innovative nature of the VERSAtainer®'s design.

37. Jeffrey Chen invented a better sealing device for containers, one that would prevent food leakage and prevent contaminants from seeping into the containers from the outside. Jeffrey Chen worked extensively on developing such a sealing device.

38. On July 22, 1998, Jeffrey Chen applied to the U.S. Patent and Trademark Office ("PTO") for a utility patent on a sealing device to be used with its plastic containers, application number 09/120,985, and filed an assignment of this invention to Newspring.



39. On November 19, 1999, the PTO issued a Notice of Allowability. On May 2, 2000, the '138 Patent was issued to Jeffrey Chen and named Newspring as the assignee.

40. On January 14, 2000, Jeffrey Chen also applied to the PTO for a utility patent on a variation of the sealing device disclosed and claimed in the '138 Patent, application number 09/483,350, and filed an assignment of this invention to Newspring.

41. On August 7, 2000, the PTO issued a Notice of Allowability on this second sealing device patent application. On May 6, 2001, the '404 Patent was issued to Jeffrey Chen and named Newspring as the assignee. Newspring is the sole owner of the '404 Patent.

**B. NEWSPRING'S INVESTMENT AND INDUSTRY RECOGNITION**

42. Very substantial investment was necessary from Newspring to realize the Chens' concept of an improved food container, including, inter alia, extensive market research, personal interviews of end users, Jeffrey Chen's time in creating the design and engineering of the container, expenses to prepare professional drawings and prototypes, and to create a mold for the first VERSAtainer® product.

43. Newspring's investment in developing the VERSAtainer® represented a risk that could have bankrupted Newspring had the VERSAtainer® been a marketing failure.

44. Newspring's VERSAtainer® product line consists of numerous models. Round containers come in small white, small black, large white and large black versions. There are two rectangular models, one white and one black.

45. The market for food containers is conservative, and very slow to accept an innovative product.

46. When Corey Chen began to market the VERSAtainer®, he encountered resistance to the new product, which has only been overcome by substantial effort over the years since the VERSAtainer®'s introduction.

47. Newspring overcame this initial resistance through persistent sales activities, including the distribution of substantial amounts of free samples, sales visits to distributors, and distribution of printed materials and advertisements to end users and distributors.

48. Eventually, the VERSAtainer® gained acceptance and Newspring's investment and risk were rewarded.

49. The market has recognized that the reason for the success of the VERSAtainer® is its "look" and presentation of food.

50. The marketplace of distributors and commercial end users has recognized the VERSAtainer® and the '159 and '420 patented designs as new and innovative design products in the marketplace for disposable food containers, with valuable benefits not available in previous products and that recognition is due, in substantial part, to the improved look and appearance of the '159 and '420 designs as incorporated in the VERSAtainer®.

51. The relevant market for Newspring is limited to approximately two thousand customers who buy large quantities of containers for use in the food service industry, and is characterized by purchasers aware of differences in product design and who associate certain designs with certain manufacturers such as Newspring.

52. Distributors and commercial end users recognize the VERSAtainer®, with its distinctive look, design and appearance, as the product of Newspring.

53. The design of the VERSAtainer®, including those elements that are the subject of the '159 and '420 Patents, and also including the black and white color of the container bottoms, has acquired a secondary meaning in that it signifies to the purchasing distributor or commercial end user that the product emanates from Newspring and carries with it Newspring's reputation for quality.

54. In the wholesale market for commercial food containers, products are typically known industry-wide by their model numbers, and secondary meaning attaches to those model numbers as indicators of source, manufacturer and commercial affiliation of the product.

55. Newspring's two more prominent models of the VERSAtainer are Model No. 723 (the "723") and Model No. 729 (the "729").

56. The food container industry knows and readily recognizes the 723 and the 729 as distinctive and innovative products of Newspring and associates the numeric designations with Newspring as the source of manufacture and commercial affiliation of the product.

57. 723 and 729, when applied to plastic food containers and within the wholesale market for commercial food containers, have acquired secondary meaning.

58. Another of Newspring's most prominent models of the VERSAtainer® is Model No. 868 (the "868").

59. The food container industry knows and readily recognizes the 868 as distinctive and innovative products of Newspring and associates

the numeric designations with Newspring as the source of manufacture and commercial affiliation of the product.

60. 868, when applied to plastic food containers and within the wholesale market for commercial food containers, has acquired secondary meaning.

**C. DEFENDANTS' INFRINGING ACTIVITIES**

61. The New Mayline Defendants sell food supplies to customers within New Jersey.

62. For several years, New Mayline has been a distributor of Newspring's VERSAtainer® products. As a result, New Mayline has benefited in the industry by becoming recognized as a provider of Newspring's reputable patented products.

63. Moreover, as a consequence of acting as Newspring's distributor, New Mayline has made inroads into Newspring's sales and distribution channels that, without the benefit of Newspring's product development and marketing investment, New Mayline would not have otherwise been able to develop. Thus, consumers of Newspring's products have come to reasonably rely upon New Mayline as a source of legitimate Newspring patented products.

64. The New Mayline Defendants are offering for sale and selling products that employ the design claimed in the '159 and '420 Patents and the technology claimed by the '138 and '404 Patents.

65. In or about mid-April 2002, Newspring corporate officers became aware that the New Mayline Defendants had begun manufacturing, importing into the United States, marketing and selling a product with Model No. 868 (the "**infringing product**"), which virtually duplicates Newspring Model No. NC-868. The New Mayline Defendants' infringing activities are ongoing and continuing.

66. The New Mayline Defendants' infringing product is virtually identical to the design of Newspring's VERSAtainer®, as the New Mayline Defendants have copied the design claimed in the '159 Patent

and the model number and colors used by Newspring, and use the sealing device covered by the '138 and '404 Patents.

67. On or about May 16, 2002, Newspring employees viewed round container products within the New Mayline warehouse at 88 Broadway in Jersey City, New Jersey that, upon information and belief, utilize Newspring's '420, '138, and '404 Patents and are knock-offs of Newspring's Model Nos. 723 and 729 VERSAtainer®. Based upon this newfound evidence, Newspring has information and belief that the New Mayline Defendants are manufacturing, importing into the United States, marketing and selling products with Model Nos. 723 and 729 (the "**additional infringing products**"), which virtually duplicate Newspring Model Nos. NC-723 and NC-729. The New Mayline Defendants' infringing activities are ongoing and continuing.

68. On or about May 16, 2002, Newspring further learned that Defendants are also marking its purchasing with Newspring's proprietary model numbers, and further that Defendants are packaging their knock-off products in the unique manner in which Newspring has historically packaged its VERSAtainer® products, a package manner which has also gained secondary meaning in the industry and become widely known and recognized by the industry as being associated with Newspring only. Defendants' actions in that regard are also intended to gain a "free ride" on Newspring's investment, goodwill, reputation and proprietary rights in the industry.

69. On information and belief, defendant George Li is an officer, director, and/or controlling principal of New Mayline Co. and Mayline Enterprises. George Li, by himself and acting in concert with the New Mayline Defendants, is aware of every act of infringement

committed by the New Mayline Defendants; controls one or more of the companies that constitute the New Mayline Defendants; and has caused, induced and continues to induce the New Mayline Defendants to commit the acts complained of in this Complaint; and has individually committed each of the acts alleged in this Complaint as committed by the New Mayline Defendants.

70. On information and belief, defendant Jen-Hsien Liu is an officer, director, and/or controlling principal of New Mayline Co. and Mayline Enterprises. Jen-Hsien Liu, by himself and acting in concert with the New Mayline Defendants, is aware of every act of infringement committed by the New Mayline Defendants; controls one or more of the companies that constitute the New Mayline Defendants; and has caused, induced and continues to induce the New Mayline Defendants to commit the acts complained of in this Complaint; and has individually committed each of the acts alleged in this Complaint as committed by the New Mayline Defendants.

71. On information and belief, defendant Biing Rong Hsiu is an officer, director, and/or controlling principal of Sun Gem, Great Barony Industrial Co. Ltd. and Sense Road Industrial Co. Ltd. Biing Rong Hsiu, by himself and acting in concert with the New Mayline Defendants, is aware of every act of infringement committed by the New Mayline Defendants; controls one or more of the companies that constitute the New Mayline Defendants; and has caused, induced and continues to induce the New Mayline Defendants to commit the acts complained of in this Complaint; and has individually committed each of the acts alleged in this Complaint as committed by the New Mayline Defendants.

72. On information and belief, the New Mayline Defendants' importing, manufacturing, packaging, marketing and sale of the infringing product and the additional infringing products is intentional and intended to misappropriate Newspring's rights under the '159 Patent and the '138 and '404 Patents, and wrongfully diverts Newspring's goodwill, including the secondary meaning embodied in the VERSAtainer®'s trade dress to the New Mayline Defendants' own profit.

73. On information and belief, defendants have approached persons or entities in the market for plastic food containers, including Newspring's customers for the VERSAtainer®, offered to sell these customers the infringing product and the additional infringing products, and represented to those customers that the infringing product and the additional infringing products are identical to the VERSAtainer®, but cheaper.

74. On information and belief, other persons or entities in the market for plastic containers, including Newspring's existing customers for the VERSAtainer®, have purchased the infringing product and the additional infringing products instead of Newspring's VERSAtainer® product.

75. On information and belief, the New Mayline Defendants' use in commerce of the trade dress of the VERSAtainer® is intended to, is likely to and has confused, deceived, or caused mistake with respect to the source of manufacture and affiliation of the infringing product and the additional infringing products.

76. Since the New Mayline Defendants began importing, manufacturing and selling the infringing products and the additional infringing products, Newspring has encountered resistance from buyers



to an extent not encountered before, particularly with respect to price.

77. On information and belief, Newspring has lost or is likely to lose sales, and has suffered or will suffer a reduction in its profit margin with respect to the VERSAtainer® as a result of the New Mayline Defendants' manufacturing, importing and selling the infringing products and the additional infringing products.

78. Due to the New Mayline Defendants' free ride on Newspring's investment in inventing, producing and marketing the VERSAtainer®, Newspring's reputation as a successful innovator in the field of plastic food containers has been harmed.

79. Also, the infringing products and the additional infringing products have an inferior look, appearance and customer appeal to the VERSAtainer® due, inter alia, to the inferior plastic of the infringing product's lid.

80. Due to the inferior quality of the infringing products and the additional infringing products, Newspring's reputation and goodwill in the market place and the reputation and goodwill associated with the VERSAtainer® have been damaged and will continue to be damaged by defendants' manufacturing, importing, marketing and selling the infringing product.

81. Due to the New Mayline Defendants' actions, Newspring has lost control over its trade dress, namely the design of the VERSAtainer®, as well as the model numbers and colors used by Newspring.

82. Newspring has been placed at a competitive disadvantage relative to the New Mayline Defendants and other participants in the

industry, because Newspring has absorbed the cost of creating the '159 and '420 patent designs, prosecuting its patents, establishing the VERSAtainer® in the marketplace, and the substantial risk in developing this new product, whereas Newspring's competitors, including the New Mayline Defendants, are now exploiting Newspring's intellectual property without incurring such costs.

**COUNT I-PATENT INFRINGEMENT**

83. Newspring repeats and realleges each of the allegations in paragraphs 1 through 80 and incorporates them by reference as though fully set forth here.

84. The New Mayline Defendants, acting individually and in concert with each other, have made, imported, used, marketed, sold and offered to sell products that infringe the '159 Patent, the '420 Patent, the '138 Patent and the '404 Patent.

85. The New Mayline Defendants' acts, whether individually or in concert with each other, are in violation of Newspring's rights under the Patent laws of the United States.

86. Notice to the public of Newspring's rights under the '159 Patent, the '420 Patent, the '138 Patent and the '404 Patent has been given in accordance with 35 U.S.C. § 287.

87. On information and belief, the New Mayline Defendants' acts of infringement were and continue to be intentionally and knowingly in violation of the rights of Newspring under the Patent laws of the United States and the '159 Patent, the '420 Patent, the '138 Patent and the '404 Patent.

88. The New Mayline Defendants' wrongful acts of patent infringement are continuing and ongoing.

89. On information and belief, the New Mayline Defendants will not cease committing the wrongful acts alleged in this Complaint without the intervention and injunction of this Court.

90. Newspring has suffered and continues to suffer irreparable harm due to the wrongful acts of patent infringement by the New Mayline Defendants for which Newspring has no remedy at law.

91. Newspring has suffered monetary damages due to the wrongful acts of patent infringement by the New Mayline Defendants, including sales unfairly lost and/or diverted to them, all to the detriment of Newspring.

**COUNT II-INDUCEMENT TO INFRINGE**  
**(GEORGE LI, JEN-HSIEN LIU and BIING RONG HSIU)**

92. Newspring repeats and realleges each and every allegation contained in paragraphs 1 through 89 as if fully set forth herein.

93. Upon information and belief, at all material times herein, defendants George Li, Jen-Hsien Liu and Biing Rong Hsiu have been principal decision-makers for and officers of each company constituting the New Mayline Defendants and have been moving forces behind the design, development, implementation, advertising, importing, marketing, offering for sale and sale of the New Mayline Defendants' infringing plastic food containers bearing Model No. 868.

94. Upon information and belief, with knowledge of the '159 Patent, the '420 Patent, the '138 Patent and the '404 Patent, George Li, Jen-Hsien Liu and Biing Rong Hsiu have exercised control over the design, development, implementation, importation, advertising, marketing, offering for sale and sale of the New Mayline Defendants' infringing plastic food containers bearing Model Nos. 868, 723, and 729, and have aided and abetted the New Mayline Defendants in

infringing upon the '159 Patent, the '420 Patent, the '138 Patent and the '404 Patent.

95. Upon information and belief, George Li, Jen-Hsien Liu and Bing Rong Hsiu have participated in, directed or controlled the design, development, implementation, advertising, marketing, offering for sale and sale of the New Mayline Defendants' infringing plastic food containers bearing Model Nos. 868, 723 and 729, knowing and intending that these actions would cause infringement upon the '159 Patent, the '420 Patent, the '138 Patent and the '404 Patent.

96. Upon information and belief, George Li, Jen-Hsien Liu and Bing Rong Hsiu have knowingly and willfully aided and abetted, induced, and directed the New Mayline Defendants to infringe upon the '159 Patent, the '420 Patent, the '138 Patent and the '404 Patent, in violation of 35 U.S.C. § 271(b).

**COUNT III-TRADE DRESS INFRINGEMENT (Lanham Act)**

97. Newspring repeats and realleges each of the allegations in paragraphs 1 through 94 and incorporates them by reference as though fully set forth here.

98. The look of the VERSAtainer®, including its configuration and design, color, transparent lid, model numbers and other elements of its appearance, and the unique manner in which Newspring has historically packaged its products, constitute a trade dress protectable under the trademark laws of the United States, 15 U.S.C. § 1125.

99. Defendants, whether individually or in concert with each other, have used in commerce Newspring's trade dress for the VERSAtainer® in a manner that has caused actual confusion and is

likely to continue to cause confusion, mistake or to deceive another person as to the source, origin or affiliation of the New Mayline Defendants' commercial activities and the New Mayline Defendants' infringing product and the additional infringing products.

100. The acts of the New Mayline Defendants, whether individually or in concert with each other, constitute trade dress infringement in violation of 15 U.S.C. § 1125.

101. Defendants' wrongful acts of trade dress infringement are continuing and ongoing.

102. On information and belief, the New Mayline Defendants acted with knowledge that Newspring had created the VERSAtainer®, that Newspring had made a substantial investment in the development, marketing and creation of secondary meaning in the VERSAtainer®'s design, and the New Mayline Defendants acted intentionally to deceive or confuse others with respect to the source of the infringing and additional infringing products and/or affiliation with the VERSAtainer® and Newspring and to divert the value of Newspring's investment to themselves, and to wrongfully appropriate the benefit of it.

103. On information and belief, the New Mayline Defendants' acts of infringement were and continue to be intentionally and knowingly in violation of the rights of Newspring under the trademark laws of the United States.

104. On information and belief, the New Mayline Defendants will not cease committing the wrongful acts alleged in this Complaint without the intervention and injunction of this Court.

105. Newspring has suffered and continues to suffer substantial irreparable harm due to the wrongful acts of trademark infringement by New Mayline Defendants for which Newspring has no remedy at law, including damage to the valuable reputation and goodwill of Newspring and the valuable reputation and goodwill in the marketplace of Newspring's VERSAtainer® product.

106. Newspring has suffered and will continue to suffer monetary damages due to the wrongful acts of trademark infringement by defendants, including sales unfairly lost and/or diverted to the New Mayline Defendants, all to the detriment of Newspring.

**COUNT IV--UNFAIR COMPETITION (New Jersey State Law)**

107. Newspring repeats and realleges each of the allegations in paragraphs 1 through 104 and incorporates them by reference as though fully set forth here.

108. The New Mayline Defendants, individually and in concert with each other, have copied the look, appearance, model numbers and design of Newspring's VERSAtainer® and its packaging manner, and used the copy in commerce anticipating and intending that purchasers would use the infringing product or the additional infringing products instead of and as a substitute for the VERSAtainer®, and that purchasers and other consumers would be confused as to the source.

109. The New Mayline Defendants, individually and in concert with each other, have appropriated to themselves the trade dress, reputation and goodwill of Newspring and its VERSAtainer® product.

110. The New Mayline Defendants, individually and in concert with each other have used, sold, offered for sale, distributed and advertised and advertised in this State a reproduction, counterfeit,

copy, or colorable imitation of the VERSAtainer®'s trade dress on their infringing goods in a manner likely to cause confusion or mistake or to deceive as to the source of origin of the infringing goods.

111. The New Mayline Defendants, individually and in concert with each other, have diluted the trade dress of the VERSAtainer®.

112. On information and belief, both the New Mayline Defendants' acts alleged in this Complaint were intentional and with knowledge of the damage to and unfair appropriation of Newspring's rights.

113. The New Mayline Defendants' acts, whether individually or in concert with each other, constitute trafficking in a counterfeit mark.

114. The New Mayline Defendants' acts, whether individually or in concert with each other, constitute unauthorized imitation and passing off, trafficking in counterfeit marks and dilution of Newspring's trade dress in violation of N.J.S.A. 56:4-1, N.J.S.A. 56:3-13, and the common law of New Jersey.

115. On information and belief, The New Mayline Defendants acted with knowledge that Newspring had created the VERSAtainer®, that Newspring had made a substantial investment in the development, marketing and creation of secondary meaning in the VERSAtainer®'s design, and defendants acted intentionally to divert the value of this investment to themselves, and to wrongfully appropriate the benefit of it.

116. On information and belief, the New Mayline Defendants' acts of infringement were and continue to be intentionally and knowingly in violation of the rights of Newspring under the laws of the State of New Jersey.

117. On information and belief, the New Mayline Defendants will not cease committing the wrongful acts alleged in this Verified Complaint without the intervention and injunction of this Court.

118. Newspring has suffered and continues to suffer substantial irreparable harm due to the wrongful acts constituting state-law unfair competition by the New Mayline Defendants for which Newspring has no remedy at law, including damage to the valuable reputation and goodwill of Newspring and the valuable reputation and goodwill in the marketplace of Newspring's VERSAtainer® product.

119. Newspring has suffered and will continue to suffer monetary damages due to the wrongful acts of the New Mayline Defendants constituting state-law unfair competition, including sales unfairly lost and/or diverted to defendants, all to the detriment of Newspring.

**COUNT V--PRODUCT DISPARAGEMENT**

120. Newspring repeats and realleges each of the allegations in paragraphs 1 through 117 and incorporates them by reference as though fully set forth here.

121. The New Mayline Defendants have disseminated the infringing product and the additional infringing products into the marketplace and caused distributors and end users to confuse the infringing product and the additional infringing products with Newspring's patented plastic food containers.

122. The New Mayline Defendants' infringing actions have impugned the quality of Newspring's VERSAtainer® product line.

123. Due to the New Mayline Defendants' infringing activities, Newspring has suffered damage to its corporate reputation and the



VERSAtainer® line of products has been cheapened in the minds of distributors and end users.

124. Newspring has suffered and will continue to suffer monetary damages due to the acts of the New Mayline Defendants constituting product disparagement, including sales unfairly lost and/or diverted to defendants, all to the detriment of Newspring.

**WHEREFORE**, Newspring respectfully requests and demands judgment as follows:

a. That the New Mayline Defendants and their agents, employees, assigns, and all persons acting under their control, be permanently enjoined from manufacturing, using, selling, attempting to sell, purchasing, importing, distributing, brokering, promoting, storing, shipping, receiving, maintaining in their possession or otherwise exploiting in commerce the infringing product, the additional infringing products or any other product that (1) infringes the '159 Patent, the '420 Patent, the '138 Patent and the '404 Patent, (2) is confusingly similar in trade dress or otherwise to the VERSAtainer® or Newspring's packaging, or (3) constitutes an unauthorized imitation of the VERSAtainer® or passing off of such an imitation as the VERSAtainer® product;

b. That the New Mayline Defendants be ordered to deliver all of the infringing product, all of the additional infringing products and all machinery or equipment, including without limitation any and all molds, that have been or could be used in the manufacture of the infringing or the additional infringing products in their possession to Newspring within three

days of the judgment of this Court to be destroyed at Newspring's direction and at the expense of the New Mayline Defendants, for which expense each of the New Mayline Defendants shall be jointly and severally liable.

c. That plaintiff Newspring be awarded its actual and consequential damages in an amount necessary to compensate Newspring for the damages caused by the New Mayline Defendants' conduct in violation of law and equity, including the patent infringement, trade dress infringement and unfair competition committed by defendants.

d. That plaintiff Newspring be awarded the profits of each and all of the defendants related to the infringing and additional infringing products, pursuant to 15 U.S.C. § 1117.

e. That plaintiff Newspring be awarded treble damages pursuant to 35 U.S.C. § 284 and 15 U.S.C. § 1117.

f. That the Court declare this an exceptional case and that plaintiff Newspring be awarded its costs and attorneys fees of this action pursuant to 35 U.S.C. § 285 and 15 U.S.C. § 1117.

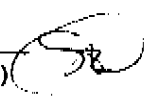
g. That the sum and aggregate of all monetary awards to Newspring, whether attributable to an award of profits, actual damages, statutory damages, expenses, fees, costs or otherwise, shall be the joint and several liability of each of the New Mayline Defendants.

h. That the New Mayline Defendants be required to make accounting of all of their profits derived from their

wrongful acts as alleged and that all such profits be subject to a constructive trust for the benefit of Newspring.

i. That Newspring be awarded such further relief as the Court shall find just and equitable.

**GIBBONS, DEL DEO, DOLAN,  
GRIFFINGER & VECCHIONE**  
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Newark, New Jersey 07102-5497  
(973) 596-4500  
Attorneys for Plaintiff,  
Newspring Industrial Corporation

By: David E. De Lorenzi   
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**VINCENT E. MCGEARY (VEM-1742)**  
**TIMOTHY S. SUSANIN (TSS-1577)**  
**SHEILA F. MCSHANE (SFM-6051)**

Dated: January 26, 2004  
Newark, New Jersey

**JURY DEMAND**

Pursuant to Rule 38(b), plaintiff Newspring Industrial Corporation hereby demands a jury trial on all issues.

**GIBBONS, DEL DEO, DOLAN,  
GRIFFINGER & VECCHIONE**  
One Riverfront Plaza  
Newark, New Jersey 07102-5497  
(973) 596-4500  
Attorneys for Plaintiff,  
Newspring Industrial Corporation

By: David E. DeLorenzi  
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**SHEILA F. MCSHANE (SFM-6051)**

Dated: January 26, 2004  
Newark, New Jersey

**LOCAL CIVIL RULE 11.2 CERTIFICATION**

I, **DAVID E. DE LORENZI**, attorney for plaintiff Newspring Industrial Corporation, do certify pursuant to Local Civil Rule 11.2 that the matter in controversy is not the subject of any other action pending in any other court of law or of any arbitration or administrative proceeding.

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

*David E DeLorenzi*

**DAVID E. DE LORENZI**



DATED: January 26, 2004  
Newark, New Jersey

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# GIBBONS, DEL DEO, DOLAN, GRIFFINGER & VECCHIONE

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DAVID E. DE LORENZI

Director

(973) 596-4743

January 26, 2004

**VIA HAND DELIVERY**

William T. Walsh, Clerk  
United States District Court  
for the District of New Jersey  
50 Walnut Street  
Newark, New Jersey 07101

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U.S. DISTRICT COURT  
2004 JAN 26 PM 4:59

**Re: Newspring Industrial Corp. v. Sun Gem Plastics Enterprise Co.,  
Civil Action No. 02-2326 (WHW)**

Dear Mr. Walsh:

We represent Plaintiff Newspring Industrial Corporation in the above referenced matter. We enclose for filing in the above-referenced matter an original and three (3) copies of a Second Amended Complaint in this action.

This Second Amended Complaint is filed pursuant to Judge Wigenton's Order of July 2, 2003, which is attached as Exhibit 1. That Order stated that "Newspring shall have the right to amend without leave its First Amended Complaint to join as defendants all said parties identified by defendant's counsel, without prejudice to Newspring's right to join additional defendants based upon the outcome of ongoing discovery."

At the June 17, June 18 and October 30, 2003 depositions of Biing Rong Hsui, he identified additional defendants which are companies that have manufactured and imported the infringing goods in issue. Therefore, since the outcome of discovery yielded the identification of additional defendants, Newspring amends without leave its First Amended Complaint naming additional defendants in this matter.

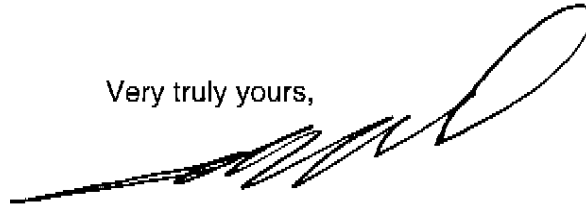
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GIBBONS, DEL DEO, DOLAN, GRIFFINGER & VECCHIONE

William T. Walsh  
January 26, 2004  
Page 2

Kindly mark the original and copies "filed" and return one of the copies in the enclosed self-addressed envelope. Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'David E. De Lorenzi', with a long horizontal stroke extending to the left.

David E. De Lorenzi

Enclosures

cc: Benjamin Xue, Esq.  
(Via express mail)

The Honorable Susan Wigenton  
(Via hand delivery)

The Honorable William H. Walls  
(Via hand delivery)





HH

David E. De Lorenzi (DED-2692)  
Timothy S. Susanin (TSS-1577)  
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Newspring Industrial Corporation

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UNITED STATES  
DISTRICT COURT

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UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

NEWSPRING INDUSTRIAL CORPORATION,

Plaintiff,

vs.

SUN GEM PLASTICS ENTERPRISE CO.,  
LIMITED and BIING RONG HSIU,

Defendants.

CIVIL ACTION NO. 02-2326 (WHW)

ORDER

**WHEREAS** on June 17 and 18, 2003, plaintiff Newspring Industrial Corporation ("Newspring") commenced the deposition of defendant Biing Rong Hsiu ("Hsiu"); and

**WHEREAS**, based upon the Hsiu deposition, on June 25, 2003, Newspring filed with the Court a Motion to Compel and Motion for Costs and Sanctions (the "Motion"); and

**WHEREAS**, on June 25, 2003, the Court conducted a status conference in this action, during which the Court and counsel discussed Newspring's Motion; and for good cause shown;

IT IS on this 2<sup>ND</sup> day of July, 2003

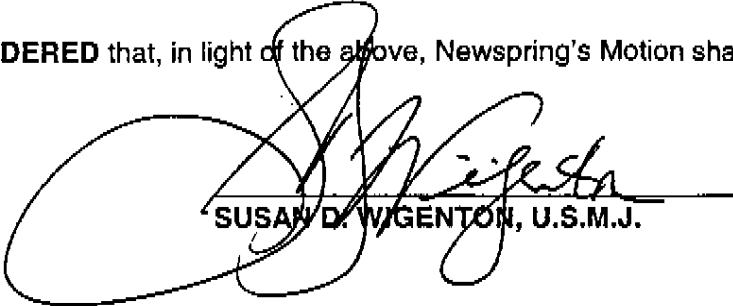
**ORDERED** that within thirty (30) days hereof, Hsiu shall appear for the continuation of his deposition at the Martin Luther King, Jr. Federal Building and United States Courthouse, Room 2037; and

*[Handwritten signature]*

**IT IS FURTHER ORDERED** that Hsiu shall provide responsive answers to all questions propounded on him at his continued deposition, without waiving his right to make any appropriate and lawful objections; and

**IT IS FURTHER ORDERED** that, as counsel for Hsiu has provided in writing to counsel for Newspring the complete and accurate name of the institutional client represented by defendants' counsel in this action, Newspring shall have the right to amend without leave its First Amended Complaint to join as defendants all said parties identified by defendants' counsel, without prejudice to Newspring's right to join additional defendants based upon the outcome of ongoing discovery.

**IT IS FURTHER ORDERED** that, in light of the above, Newspring's Motion shall be withdrawn without prejudice.




SUSAN D. WIGENTON, U.S.M.J.

**CERTIFICATE OF SERVICE**

I, Sheila F. McShane, hereby certify that today, January 26, 2004, a copy of the Second Amended Complaint was served by Federal Express upon:

Benjamin Xue  
Law Offices of Raymond Wong Law  
150 Broadway  
Suite 1588  
New York, New York 10038

  
\_\_\_\_\_  
Sheila F. McShane

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