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**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

PARAGON WATER SYSTEMS, INC.,
a Florida corporation

Plaintiff,

v.

CASE NO. 8:02CV2260-T-26 MAP

DAVID K. FARLEY, and
SPRITE INDUSTRIES, INC.,
a California corporation.

**COMPLAINT FOR DECLARATORY
JUDGMENT OF NON-INFRINGEMENT
OF PATENT**

Plaintiff, PARAGON WATER SYSTEMS, INC., by and through its undersigned attorneys, make this Complaint against Defendants David K. Farley ("FARLEY") and Sprite Industries, Inc. ("SPRITE"), seeking a declaratory judgment that a certain water filter showerhead product of PARAGON does not infringe Defendants' United States Utility Patent No. 6,325,930 (hereinafter "the '930 patent"). In support of this Complaint, PARAGON states as follows:

THE PARTIES

1. Plaintiff PARAGON is a corporation organized and existing under the laws of the State of Florida and has its principal place of business at 1400 53rd Way North, Clearwater, FL 33760.

2. Upon information and belief, Defendant FARLEY is a resident of the State of California, and is the record owner of said '930 patent.

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3. Upon information and belief, Defendant SPRITE is a corporation organized and existing under the laws of the State of California and located in Corona, California.

JURISDICTION AND VENUE

4. This action arises under the Declaratory Judgment Act, 28 U.S.C. §§2201-02; Rule 57, Federal Rules of Civil Procedure; and the Patent Laws of the United States, 35 U.S.C. §§1 *et seq.* This is an action to resolve an actual and justiciable controversy that now exists between the parties within the jurisdiction of this Court.

5. This Court has jurisdiction over the subject matter of this Complaint pursuant to 28 U.S.C. §§1331, 1332(a), 1338(a) and 2201.

6. Venue is proper in this judicial district pursuant to 28 U.S.C. 1391(b) and Defendants' contacts with this forum, inclusive of continued threatening acts against Plaintiff have occurred within this judicial district.

GENERAL ALLEGATIONS

7. Since about January 2001, Plaintiff has undertaken research and development relative to a showerhead product having a water filter media therein. A vertical axial cross-sectional view thereof is attached as Exh. A herewith.

8. At the time of commencement of such research and development, Plaintiff obtained an opinion of counsel with regard to whether its proposed showerhead design would infringe the '930 patent. Patent counsel for Plaintiff advised it would not.

9. At a point in time during 2002, Defendants learned of Plaintiff's initial production of the product of Exh. A.

10. On or about November 16, 2002, patent counsel for Plaintiff received the enclosed letter from James G. O'Neill, Esq. of KLEIN, O'NEILL & SINGH, patent counsel for Defendants (See Exh. B herewith), therein accusing Plaintiff of infringement of the '930 patent.

11. Defendants thereby accused Plaintiff's said product of infringement of the '930 patent. As such, an actual and justiciable controversy now exists between the parties, which is within the jurisdiction of this Court.

12. Plaintiff wishes to commence marketing in the United States of its accused showerhead with internal filter. However, given the threats and demands of Defendants, reflected in the last paragraph of Page 2 of Exh. B herewith, it cannot freely do so in the absence of a determination that Plaintiff's product of Exh. A does not infringe the '930 patent.

COUNT I
DECLARATORY JUDGMENT

PARAGON specifically repeats and realleges the allegations of ¶¶1 thru 12 of this Complaint, as though fully set forth at length herein.

13. The Defendants, including said FARLEY, the owner of said '930 patent, have alleged that Plaintiff is infringing said patent.

14. Plaintiff has not infringed and does not infringe the '930 patent.

15. Upon information and belief, Defendants knew, or should have known, that Plaintiff's product of Exh. A does not infringe the '930 patent.

16. The Defendants' assertions, made knowing that the '930 patent is not infringed, constituted an intentional misuse of said patent and, thus, render said patent unenforceable.

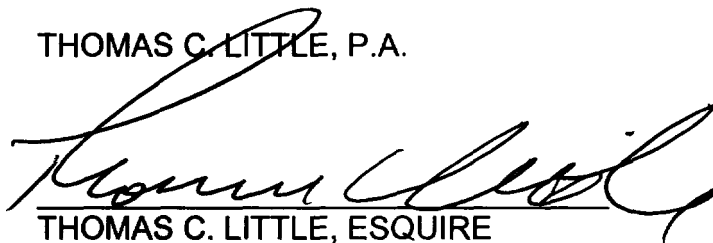
RELIEF REQUESTED

WHEREFORE, Plaintiff PARAGON respectfully requests that:

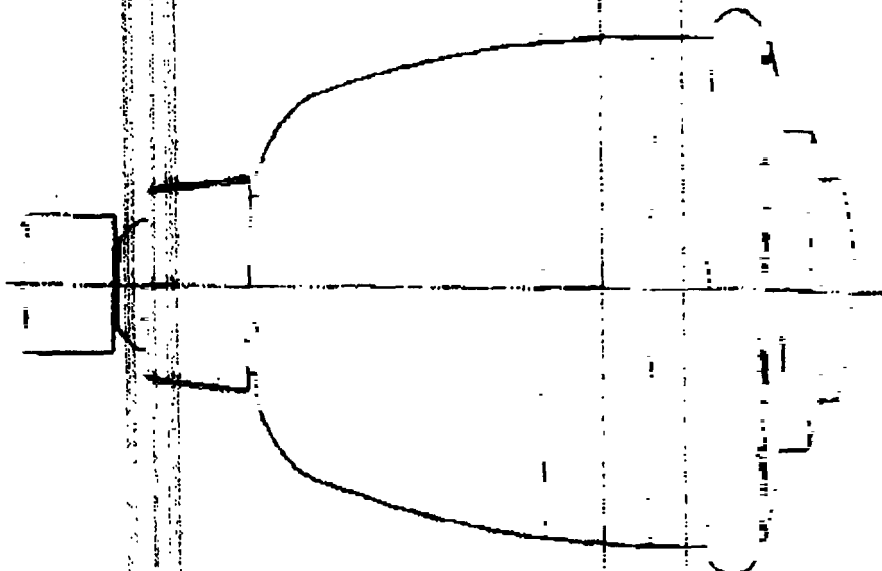
- (a) The Court enter a declaratory judgment that PARAGON, in the product reflected in Exh. A herewith, does not infringe the '930 patent;
- (b) The Court enter an order finding the '930 patent unenforceable;
- (c) The Court award PARAGON its attorneys fees and costs in bringing this action; and
- (d) The Court award such other and further relief as it may deem just and proper.

Dated this 9th day of December 2002.

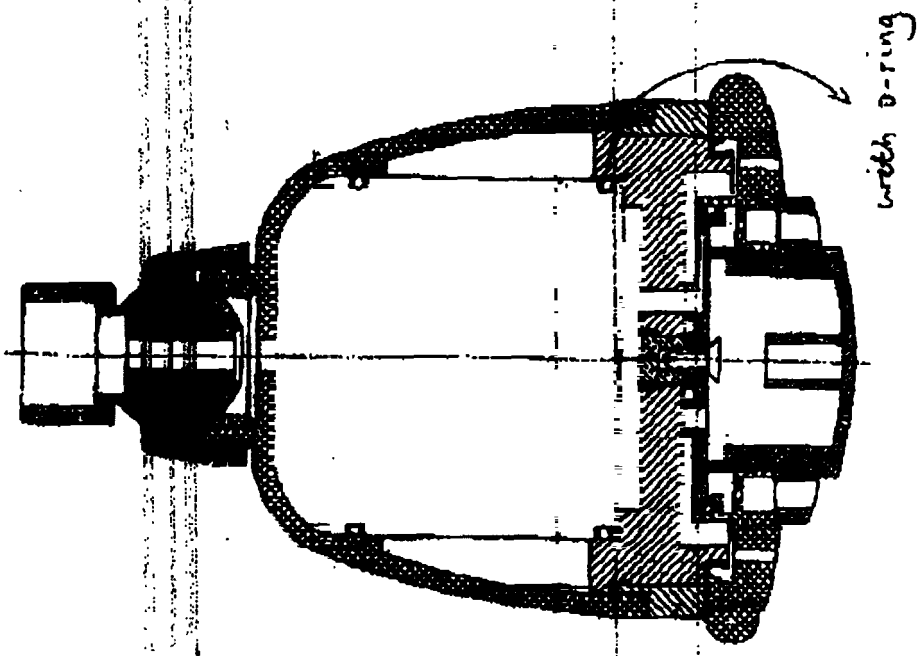
THOMAS C. LITTLE, P.A.



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November 15, 2002

Melvin K. Silverman, Esq.
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Ft. Lauderdale, FL 33308

COPY VIA FACSIMILE
(954) 492-0074
ORIGINAL VIA MAIL

Re: Infringement of Farley/Sprite Industries'
U.S. Patent No 6,325,930
Our File No: 719-04-PJ-3

Dear Mr. Silverman,

As you might be aware, our firm represents Mr. David K. Farley and Sprite Industries, Inc. of Corona California ("Sprite") in Intellectual Property matters. Sprite is the exclusive licensee under U.S. Utility Patent No. 6,325,930 ("930"), copy enclosed, as well as other applications and patents covering filtered shower heads and shower filter media, solely manufactured and sold by Sprite.

Your client has contacted my client about manufacturing shower filters in China. See attached copy of an e-mail dated September 16, 2002.

My client had requested that your client send them a sample of the filtered shower head shown in one of the pictures attached to the September 16th e-mail.

My client recently received this sample filtered shower head, and I have been asked to compare this filtered shower head to the claims of the '930 patent. Based on this comparison, it is my opinion that this shower head infringes claims 1-4 of the '930 patent and would confuse the average consumer into believing it was purchasing Sprite's shower head.

In the '930 patent, claims 1, 2, 3, and 4, are the only claims. Of these claims 1, 3 and 4 are independent, with claim 1 being drawn to a shower head with the following combination of elements:

1. a single body containing a pivotable inlet, a shower filter and a shower spray outlet;
2. the single body comprised of a top hollow mating half having the pivotable inlet therein and a bottom hollow mating half having the shower spray outlet therein;
3. the top hollow mating half and the bottom hollow mating half being held together by matching threads formed at mating ends thereof to form a hollow internal chamber; and

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4. a water filter assembly having a plurality of inlet openings and a plurality of exit openings and a filter media therein; the water filter assembly being secured in the hollow internal chamber.

It is my opinion that the Paragon filtered shower head has each and every one of these elements 1-4, and, therefore, literally infringes this claim.

However, even if it can somehow be argued that the top hollow mating half having the pivotable inlet therein and the bottom hollow mating half having the shower spray outlet therein are of different construction or are held together by matching threads formed at mating ends thereof to form the hollow internal chamber, I believe that claim 1 would be infringed equivalently (under the Doctrine of Equivalents). The multipiece body of the Paragon filtered shower head has essentially the same elements that act in the same way to produce the same results as claim 1 of the '930 patent.

Claim 2 is dependent on claim 1 and contains the further limitation that the internal chamber includes means for directing flow of water from the pivotable inlet through the water filter and out of the shower spray outlet. The Paragon filtered shower head obviously directs water from the inlet through the filter cartridge by the internal annular wall and this water then flows out the spray outlet. Therefore, the Paragon filtered shower head contains "means" to direct flow of water and is also believed to literally infringe claim 2, or alternatively under the Doctrine of Equivalents.

The Paragon filtered shower head is also believed to infringe independent claims 3 and 4 of the '930 patent under the Doctrine of Equivalents.

On behalf of our client, demand is made that your client not offer for sale or market their filtered shower head. Or, if they are offering for sale or marketing this product to immediately cease and desist the manufacture and/or offer of sale of this filtered shower head or substantially similar shower heads covered by the claims of the '930 or other patents owned by Mr. Farley in the U.S. At the same time, demand is made that you provide us with an accounting of the quantity of such filtered shower heads sold and/or supplied by your client to others in the U.S., as well as the names of all entities who manufacture the filtered shower heads for your client or to whom your client sells such shower heads for resale in the U.S.

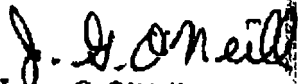
McIven K. Silverman, Esq.
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Please let us have your written response within ten 10 days of receipt of this letter.

In view of the seriousness of this matter, we hereby specifically reserve for our client all rights and remedies available to them in connection with this or any other matter.

Sincerely,

Klein O'Neill & Singh, LLP



James G. O'Neill
JON/RD

Enclosures

c. David Farley, Sprite Industries
Bruce Brunda, Esq.