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10	pro hac vice pending
10	pro nac vec prismo
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11	UNITED STATES DISTRICT COURT
12	
	FOR THE DISTRICT OF NEVADA
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TRUSEAL TECHNOLOGIES, INC., Plaintiff,

JEFFREY A. SILVESTRI, ESQ.

Nevada Bar No. 5779

v.

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BEIJING HUALI ARCHITECTURE DECORATION CO., LTD.,

Defendant.

Case No. 2:08-cv-01338-JCM-(GWF)

AMENDED COMPLAINT FOR PATENT INFRINGEMENT, AND FOR TRADE DRESS INFRINGEMENT UNDER THE LANHAM ACT AND THE NEVADA DECEPTIVE TRADE PRACTICES ACT

(Jury Demand)

For its Amended Complaint against Beijing Huali Architecture Decoration Co., Ltd., Plaintiff Truseal Technologies, Inc. states as follows:

## JURISDICTION AND VENUE

- 1. Count I of this action arises under the Patent Laws of the United States, Title 35, United States Code. This Court has jurisdiction over Count I under 28 U.S.C. § 1338(a).
- 2. Count II of this action arises under the Lanham Act, Title 15, United States Code. This Court has jurisdiction over Count II under 28 U.S.C. §§ 1331(a) and 1338(b).

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- Count III of this action arises under the Nevada Deceptive Trade Practices Act, 3. NRS Chapter 598. This Court has supplemental jurisdiction over Count III pursuant to 28 U.S.C. § 1367(a) in that Count III is so related to the other counts so as to form part of the same case or controversy, and under 28 U.S.C. § 1338(b) in that Count III alleges a form of unfair competition that is related to a claim for patent infringement.
  - Venue is proper in this district under 28 U.S.C. §§ 1391(d) and 1400(b). 4.

#### THE PARTIES

- Plaintiff Truseal Technologies, Inc. ("Truseal") is a corporation organized and 5. existing under the laws of the State of Delaware, and has a principal place of business located at 6880 Parkland Boulevard, Solon, Ohio 44139. Truseal regularly does business in this judicial district including selling, advertising and marketing its products within in this district, as well as maintaining display booths at trade shows held in this district. Truseal is a wholly-owned subsidiary of Quanex, Building Products Corporation Inc. Truseal is in the business of designing, developing and manufacturing insulating glass sealant spacer systems.
- Truseal is the owner of U.S. Patent No. 6,355,328 ("the '328 Patent") and the trade 6. dress associated with its Edgetherm product line in the United States of America.
- Defendant Beijing Huali Architecture Decoration Co., Ltd ("Huali") is a foreign 7. corporation organized and existing under the laws of the Peoples Republic of China, having, on information and belief, its headquarters and principal place of business at Dongxiaying Private Industrial Park, Tongzhou District 101116, Beijing, China. Huali regularly does business in this judicial district by selling and offering products for sale in this district, advertising its products for sale in this district, and maintaining a display booth at a trade show in this district where it sells (or sold) and offers (or offered) for sale its products.

### FACTUAL BACKGROUND

Plaintiff Truseal is one of the world's leading developers and manufacturers of 8. insulating glass sealant spacer systems for windows and doors. Among its product offerings, Truseal developed the revolutionary insulating glass sealant spacer known as "Edgetherm", patented technology that allows window manufacturers to reduce production time, cut labor costs

- 9. Truseal has established its place in the market by investing in research, obtaining protection for its intellectual property, requiring a rigorous quality assurance program, having the foremost warranty program in the industry and ensuring continuous customer service. Truseal not only provides its customers with market and technology information, but also works directly with its customer base at their sites to train and educate its customers in its processes.
- 10. Truseal and its Edgetherm product line are recognized throughout the industry as a leading sealant/spacer system. Truseal has been selling Edgetherm for almost a decade. In one iteration, Edgetherm has a unique and arbitrary color scheme that includes a black core and a gray sightline in an all-in-one (unitary) construction. Edgetherm is easily recognized by customers due to its distinctive color scheme in a unitary construction.
- 11. The black core and gray sightline color scheme is the foundation for Truseal's entire family of sealant/spacer system products. When window manufacturers see the unitary black and gray flexible spacer/sealant system, they immediately recognize it as being a Truseal product. Truseal also uses this distinctive black and gray color combination in its Duraseal and Duralite products.
- 12. Truseal's customers, as well as the entire market, know that Truseal is synonymous with products of the highest quality backed by a strong warranty. Truseal backs all of its products with the best warranty available in the industry. The distinctive gray and black color scheme does not simply signal a Truseal product—it also carries the hallmark of Truseal's outstanding customer service. Truseal has won industry awards for its customer-service as well its innovation. Therefore, Truseal's color scheme is uniquely intertwined with its marketing, service and reputation. Accordingly, when a window manufacturer sees a gray and black spacer warm edge sealant/spacer system, the customer knows that the system is a high quality, well

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constructed system from a sole source—Truseal. Unfortunately, this means that any time customers have a black core/gray sightline sealant/spacer system that fails in the field, they will automatically assume it is a Truseal product based solely on its appearance.

- Huali is attempting to co-opt Truseal's technology and reputation for its own 13. benefit. At the September 2007 GlassBuild show in Atlanta, Georgia, Truseal first discovered Huali's efforts to sell an infringing product. At that show, Huali was calling the product both HualiSeal and Swiggle, Swiggle being Truseal's well-known former name for Edgetherm. At its booth, Huali freely distributed samples of HualiSeal—its Edgetherm knock-off. The sample comprised two-paned windows using the HualiSeal sealant/spacer system. By all outward appearances, HualiSeal had simply copied Truseal's patented Edgetherm product and its distinctive color scheme. In response, Truseal informed Huali at the show that it was infringing Truseal's intellectual property and requested immediate cessation.
- In September 2008, however, Huali and its infringing product resurfaced, this time 14. being sold under the name "EdgeMax Seal". In September 2008, Truseal learned that one of its former salesmen had teamed with a Texas-based distributor to sell the Huali product to Truseal's customers. Truseal obtained a Huali EdgeMax Seal sample and took pictures of a Huali box.
- EdgeMax Seal is exactly the same as HualiSeal—just renamed. Truseal tested the 15. Huali samples in September 2008. Specifically, Truseal tested the September 2008 Huali samples to determine if the samples contained each of the (1) metal spacer, (2) core and (3) longitudinal adhesive claimed in the '328 Patent. Using a standard thermogravimetric analysis and a visual inspection, Truseal discovered that the samples incorporate the above three components.
- Huali is using materials for its EdgeMax Seal/HualiSeal product that do not meet 16. the industry norms. Windows made by a former Edgetherm customer—Maritech Window—had issues adhering to the glass pane of an insulating glass unit. In addition, on October 6, 2008 Truseal obtained samples of Huali's HualiSeal/EdgeMax Seal at the GlassBuild Show currently underway at the Las Vegas Convention Center. Just like the other samples, this new sample clearly has: (1) an undulating metal spacer, (2) a core and (3) a longitudinal adhesive. Indeed, a

side-by-side comparison of Edgetherm and HualiSeal/EdgeMax Seal demonstrates that they are visually indistinguishable—except that Huali's products are of lower quality.

#### COUNT I: INFRINGEMENT OF THE '328 PATENT

- 17. Truseal incorporates by reference herein the allegations of Paragraphs 1-16 of this Complaint.
- 18. Truseal is the owner by assignment of the '328 Patent entitled PREFORMED FLEXIBLE LAMINATE. The '328 Patent was duly and legally issued by the United States Patent and Trademark Office ("USPTO") on March 12, 2002. The '328 Patent is still in force and effect and is presumed valid under the U.S. patent laws. A copy of the '328 Patent is attached as Exhibit A.
- 19. Huali has been and still is directly infringing the '328 Patent under 35 U.S.C. § 271(a) by making, using, and/or selling insulated glass windows that embody one or more claims of the '328 Patent. Huali will continue to infringe unless enjoined by this court.
- 20. Huali has been and still is indirectly infringing the '328 Patent under 35 U.S.C. § 271(b) by actively inducing direct infringement by other persons who manufacture and use products that embody one or more of the claims of the '328 Patent while Huali had knowledge of the '328 Patent and knew or should have known that its actions would induce direct infringement by others and intended that its actions would induce direct infringement by others. Huali will continue to infringe unless enjoined by this court.
- 21. Huali has been and still is indirectly infringing the '328 Patent under 35 U.S.C. § 271(c) by contributory infringement by providing non-staple articles of commerce to others for use in an infringing system with knowledge of the '328 Patent and knowledge that these non-staple articles of commerce are used as a material part of the claimed inventions of the '328 Patent. Huali will continue to infringe unless enjoined by this court.
  - 22. Huali has knowingly and willfully infringed the '328 Patent.

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- 23. As a result of Huali's infringement of the '328 Patent, Truseal has suffered monetary damages in an amount not yet determined, and will continue to suffer irreparable harm in the future unless Huali's infringing activities are enjoined by this Court.
- 24. Truseal will be greatly and irreparably harmed unless preliminary and permanent injunctions are issued enjoining Huali and their agents, servants, employees, attorneys, representatives, and all others acting on their behalf from infringing the '328 Patent.

# FALSE DESIGNATION OF ORIGIN UDER SECTION 43(a) OF THE LANHAM ACT BY VIRTUE OF THE USE OF MISLEADING AND IMITATION OF TRUSEAL'S TRADE DRESS

- 25. Truseal incorporates by reference herein the allegations of Paragraphs 1-24 of this Complaint.
- 26. For approximately ten years, Truseal has been selling its Edgetherm product. Since its introduction, Truseal has continuously provided a unique undulating spacer element and aesthetically-pleasing gray sightline, as opposed to the more common black sightline provided by other products.
- 27. Truseal's unique and arbitrary combination of a black core and a gray sightline in a warm edge all-in-one sealant/spacer system has acquired a "secondary meaning" or has become distinctive in the minds of purchasers of sealant/spacer systems as being associated exclusively with Truseal.
- 28. Huali is advertising and selling its EdgeMax Seal and HualiSeal products (collectively the "Huali Products") bearing the trade dress of Truseal's Edgetherm product lines. The Huali Products bear a striking resemblance to, and indeed imitate Truseal's distinctive Edgetherm products. Specifically, the Huali Products utilize Truseal's characteristic undulating spacer combined with a black core and gray sightline, just like Edgetherm, to provide the immediate commercial impression that the Huali Products would be associated with and emanate from the same source as Edgetherm—Truseal.
- 29. The use of the black core and gray sightline in the Huali Products in the United States constitutes a false designation of origin in violation of Section 43(a) of the Lanham Act, 35

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prospective customers into believing that the Huali Products are manufactured by Truseal and, as 2 a consequence, is likely to divert and has diverted customers away from Truseal. 3 4

#### COUNT III: DECEPTIVE TRADE PRACTICES UNDER THE NEVADA DECEPTIVE TRADE PRACTICES ACT, NRS CHAPTER 598

U.S.C. §§ 114 and 1125 and is intentionally designed to deceive and has deceived customers and

- Truseal incorporates by reference herein the allegations of Paragraphs 1-29 of this 30. Complaint.
- Huali is advertising and selling the Huali Products bearing the trade dress of 31. Truseal's Edgetherm product lines. The Huali Products bear a striking resemblance to, and indeed imitate Truseal's distinctive Edgetherm products. Specifically, the Huali Products utilize Truseal's characteristic black core and gray sightline, providing the immediate commercial impression that the Huali Products would be associated with and emanate from Truseal.
- The use of the trade dress of Truseal's Edgetherm product, including the black 32. core and gray sightline, by the Huali Products in the state of Nevada constitutes a knowingly made false representation as to the source, sponsorship, or approval of goods for sale, and/or a knowingly made false representation as to affiliation, connection, or association of another person, in violation of the Nevada Deceptive Trade Practices Act, NRS § 598.0915 (2) and (3), and is intentionally designed to deceive and has deceived customers and prospective customers into believing that Huali's sealant spacer systems are manufactured by Truseal and, as a consequence, is likely to divert and has diverted customers away from Truseal.
- Truseal has been and is being damaged by such confusion or misunderstanding as 33. to the source, sponsorship, approval, affiliation, connection or association of its trade dress with the Huali Products.

WHEREFORE, Plaintiff Truseal prays for the following relief:

- A judgment that Huali has directly infringed and continues to infringe the '328 Patent:
- A judgment that Huali has indirectly infringed by contributory infringement and/or (b) inducement, and continues to infringe the '328 Patent;

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(c)	A judgment that Huali's	s infringement of	the '328	Patent has	been willful;
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- A judgment against Huali awarding Truseal damages suffered by Truseal pursuant (d) to 35 U.S.C. § 284 on account of Huali's infringement of the '328 Patent;
- A judgment that Truseal's damages be trebled pursuant to 35 U.S.C. § 284 and that (e) punitive damages be assessed against Huali;
- Preliminary and permanent injunctions against Huali and any entity acting in (f) concert with Huali, pursuant to 35 U.S.C. § 283, preventing Huali and any such entity, from infringing the '328 Patent;
- A judgment that Huali has violated section 43(a) of the Lanham Act, 15 U.S.C. §§ (g) 1114 and 1125, by imitating Truseal's trade dress;
- A judgment against Huali awarding Truseal damages suffered by Truseal pursuant (h) to 15 U.S.C. § 1117 on account of Huali's infringement of Truseal's trade dress and that damages be trebled;
- A judgment that Huali has engaged in deceptive trade practices under the Nevada (i) Deceptive Trade Practices Act, NRS Chapter 598;
- A judgment against Huali awarding Truseal damages suffered by Truseal pursuant (j) to the Nevada Deceptive Trade Practices Act, NRS Chapter 598, on account of Huali's infringement of Truseal's trade dress;
- Preliminary and permanent injunctions, pursuant to 15 U.S.C. § 1116 and the (k) Nevada Deceptive Trade Practices Act, NRS Chapter 598, against Huali and any entity acting in concert with Huali preventing Huali and any such entity from selling products that infringe Truseal's trade dress;
- A judgment that this is an exceptional case and that Truseal be awarded reasonable (1) attorney fees pursuant to 35 U.S.C. § 285, 15 U.S.C. § 1117, and the Nevada Deceptive Trade Practices Act, NRS Chapter 598;
  - A judgment that Huali be directed to pay Truseal its costs incurred herein; and (m)
  - Such other and further relief as the Court deems just and equitable. (n)

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#### JURY DEMAND

Truseal Technologies, Inc. respectfully demands trial by jury on all issues so triable.

RESPECTFULLY SUBMITTED this Thirty-first day of October, 2008.

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