

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

FILED

JUL 24 2003

JUDGE GEORGE W. LINDBERG
UNITED STATES DISTRICT COURT

WIZARD GOLF, INCORPORATED)
)
Plaintiff,)
)
v.)
)
SWINGSOCK GOLF, INCORPORATED)
)
and)
)
RAYMOND A. LIBERATORE)
)
Defendants.)

Civil Action No. 03C 1985

Judge George W. Lindberg

JURY TRIAL DEMANDED

DOCKETED
JUL 28 2003

FIRST AMENDED COMPLAINT FOR DECLARATORY JUDGMENT

Nature And Statutory Basis Of Action

1. This is an action for: [I] declaratory judgment of noninfringement of U.S. Patent No. 6,443,851; [II] declaratory judgment of noninfringement of U.S. Patent No. 6,461,249; [III] declaratory judgment of invalidity of U.S. Patent No. 6,443,851; [IV] declaratory judgment of invalidity of U.S. Patent No. 6,461,249; [V] declaratory judgment of unenforceability of U.S. Patent No. 6,443,851; [VI] declaratory judgment of unenforceability of U.S. Patent No. 6,461,249; [VII] trade, commercial, and/or product disparagement under the common laws of the State of Illinois and its Uniform Deceptive Trade Practices Act, 815 ILCS 510/; [VIII] deceptive trade practices under the common laws of the State of Illinois and its Uniform Deceptive Trade Practices Act, 815 ILCS 510/; [IX] slander and business defamation under the common laws of the State of Illinois and the common laws of the State of Florida; [X] conversion under the common laws of the state of Illinois and the common laws of the State of Florida; [XI]

disparagement of goods and injurious falsehoods under the common laws of the State of Florida; and [XII] attorney's fees and costs under 35 U.S.C. § 285 and 28 U.S.C. § 1927.

Parties

1. Plaintiff Wizard Golf, Incorporated ("Wizard Golf") is an Illinois corporation having its principal place of business at 3121 N. Rockwell, Chicago, Illinois 60618.

2. Defendant SwingSock Golf, Incorporated ("SwingSock") is an Arkansas corporation having its principal place of business at 12143 Pumpkin Hollow Road, Bentonville, Arkansas 72712.

3. Defendant Raymond A. Liberatore ("Liberatore") is an individual residing at 12143 Pumpkin Hollow Road, Bentonville, Arkansas 72712.

Jurisdiction And Venue

4. Subject matter jurisdiction over Counts I, II, III and IX is expressly conferred on this Court under 28 U.S.C. §§ 1331 and 1338. Jurisdiction over Counts IV-VIII is expressly conferred on this Court under 28 U.S.C. § 1367 as these claims are joined with substantial and related claims under the supplemental jurisdiction of this Court.

5. This case presents an actual justiciable controversy under 28 U.S.C. §§ 2201 and 2202.

6. Upon information and belief, personal jurisdiction over SwingSock is proper as it does systematic business in the State of Illinois and in this Judicial District through Internet advertising and sales.

7. Personal jurisdiction over SwingSock is also proper as it has purposefully directed its activities toward forum residents in (1) written statements threatening patent infringement of

U.S. Patent Nos. 6,443,851 (the “851 patent”) and 6,461,249 (the “249 patent”) and (2) service of process in the State of Illinois and in this Judicial District for that alleged infringement.

8. Upon information and belief, personal jurisdiction over Raymond A. Liberatore is proper as he does business in the State of Illinois and in this Judicial District through advertising and sales.

9. Personal jurisdiction over Liberatore is also proper as, while acting outside the authority granted him by SwingSock, he has purposefully directed his activities toward forum residents, and has intentionally and expressly aimed tortuous activities at forum residents in (1) intentionally, unlawfully, and without authorization, assuming control or ownership over personal property of an Illinois corporation having its principal place of business in the State of Illinois and in this Judicial District, causing injury to be felt within this Judicial District; (2) transporting, or causing to be transported, said unlawfully acquired personal property into the State of Illinois and into this Judicial District; and (3) publishing, with actual malice, deceptive, disparaging and defamatory falsehoods prejudicing the business of an Illinois corporation having its principal place of business in the State of Illinois and in this Judicial District, causing injury to be felt within this Judicial District.

10. Venue is proper in the United States District Court for the Northern District of Illinois pursuant to 28 U.S.C. §§ 1391(b) and (c). At all times material to this Complaint, SwingSock has committed one or more of the acts complained of herein within the United States and in the State of Illinois and in this Judicial District.

Pertinent Facts

11. SwingSock claims to be the owner of all right, title and interest in and to the '851 patent issued on September 3, 2002 and entitled "Weight Holder Attachable To Golf Club." A true and accurate copy of the '851 patent is attached as **Exhibit A**.

12. SwingSock claims to be the owner of all right, title and interest in and to the '249 patent issued on October 8, 2002 and entitled "Weight Holder Attachable To Golf Club Head." A true and accurate copy of the '249 patent is attached as **Exhibit B**.

13. Wizard Golf intends to be a wholesale distributor of golf swing training devices referred to as the Wizard, Wizard Pro, Wizard LT and Wizard JR.

14. On or about January 23, 2003, Wizard Golf exhibited its goods and products at the "2003 PGA Merchandise Show" in Orlando, Florida at which individuals affiliated with SwingSock made and committed representative statements and acts reflecting poorly on Wizard Golf's business and its goods and products.

15. On or about January 23, 2003, Liberatore, acting outside of the authority conferred on him by SwingSock, made and published false assertions of fact regarding Wizard Golf and its business and the quality of its products, with knowledge of the falsity or reckless disregard as to the truth or falsity of such comments.

16. Upon information and belief, on or about January 23, 2003, Liberatore or another individual under Liberatore's instructions unlawfully, without authorization, and acting outside of the authority conferred on him by SwingSock, assumed control or ownership over Wizard Golf's personal property, a prototype device, over which Wizard Golf has the absolute and unconditional right to immediate possession.

17. SwingSock produced a photograph of Wizard Golf's prototype device in its Interrogatory Responses. Upon information and belief, this photograph was taken by SwingSock's attorneys.

18. On or about July 18, 2003, Wizard Golf demanded that SwingSock and Liberatore return the prototype device to Wizard Golf, but the device has not yet been returned.

19. On or about February 28, 2003, counsel for SwingSock, the firm of Kutak Rock, LLP, sent a letter to Wizard Golf (the "SwingSock letter") which demanded, in part, that "Wizard Golf, Inc. immediately cease the use, manufacture or sale of the Wizard [golf swing training] device and all other similar devices in the United States." A true and accurate copy of the SwingSock letter is attached as **Exhibit C**.

20. The SwingSock letter stated that "manufacture, use or sale of the Wizard [golf swing training device] in the United States constitutes an infringement of one or more of the claims of the ['851 and '249] Patents owned by SwingSock Golf, Inc. which is prohibited by federal law."

21. The SwingSock letter also stated that "SwingSock Golf, Inc. has filed a lawsuit against Wizard Golf, Inc. in the United States federal district court for the Western District of Arkansas for, among other things, patent infringement [of the '851 and '249 patents]."

22. On or about March 4, 2003, in the State of Illinois and in this Judicial District, SwingSock served Wizard Golf with the complaint referenced in the SwingSock letter. A true and accurate copy of the complaint is attached as **Exhibit D**.

23. A suit for infringement of the '851 and '249 patents was initiated by SwingSock in the Western District of Arkansas. This case was dismissed for lack of personal jurisdiction.

**COUNT I – DECLARATORY JUDGMENT FOR
NONINFRINGEMENT OF THE ‘851 PATENT**

24. Wizard Golf brings this action for declaratory judgment of noninfringement of the ‘851 patent under the laws of the United States and, in particular, 28 U.S.C. §§ 2201 and 2202 and realleges Paragraphs 1–23 of this Complaint.

25. By virtue of SwingSock’s threatening and accusatory written statements to Wizard Golf and its pending patent infringement lawsuit, there is a justiciable controversy between Wizard Golf and SwingSock regarding alleged infringement of the ‘851 patent.

26. Wizard Golf does not infringe the claims in the ‘851 patent by the making, using, selling, offering to sell or importing of its golf swing training devices.

**COUNT II – DECLARATORY JUDGMENT FOR
NONINFRINGEMENT OF THE ‘249 PATENT**

27. Wizard Golf brings this action for declaratory judgment of noninfringement of the ‘249 patent under the laws of the United States and, in particular, 28 U.S.C. §§ 2201 and 2202 and realleges Paragraphs 1–26 of this Complaint.

28. By virtue of SwingSock’s threatening and accusatory written statements to Wizard Golf and its pending patent infringement lawsuit, there is a justiciable controversy between Wizard Golf and SwingSock regarding alleged infringement of the ‘249 patent.

29. Wizard Golf does not infringe the claims in the ‘249 patent by the making, using, selling, offering to sell or importing of its golf swing training devices.

**COUNT III – DECLARATORY JUDGMENT FOR
INVALIDITY OF THE ‘851 PATENT**

30. Wizard Golf brings this action for declaratory judgment of patent invalidity of the ‘851 patent under the laws of the United States and, in particular, 28 U.S.C. §§ 2201 and 2202, and realleges Paragraphs 1–29 of this Complaint.

31. By virtue of SwingSock’s threatening and accusatory written statements to Wizard Golf and its pending patent infringement lawsuit, there is a justiciable controversy between Wizard Golf and SwingSock regarding alleged infringement of the ‘851 patent.

32. To the extent that the claims of the ‘851 patent are construed to cover any of Wizard Golf’s golf swing training devices, the claims of the ‘851 patent are invalid under 35 U.S.C. §§ 101, 102, 103 and/or 112.

**COUNT IV – DECLARATORY JUDGMENT FOR
INVALIDITY OF THE ‘249 PATENT**

33. Wizard Golf brings this action for declaratory judgment of patent invalidity of the ‘249 patent under the laws of the United States and, in particular, 28 U.S.C. §§ 2201 and 2202, and realleges Paragraphs 1–32 of this Complaint.

34. By virtue of SwingSock’s threatening and accusatory written statements to Wizard Golf and its pending patent infringement lawsuit, there is a justiciable controversy between Wizard Golf and SwingSock regarding alleged infringement of the ‘249 patent.

35. To the extent that the claims of the ‘249 patent are construed to cover any of Wizard Golf’s golf swing training devices, the claims of the ‘249 patent are invalid under 35 U.S.C. §§ 102, 103 and/or 112.

**COUNT V – DECLARATORY JUDGMENT FOR
UNENFORCEABILITY OF THE ‘851 PATENT**

36. Wizard Golf brings this action for declaratory judgment of unenforceability of the ‘851 patent under the laws of the United States and, in particular, 28 U.S.C. §§ 2201 and 2202, and realleges Paragraphs 1–35 of this Complaint.

37. By virtue of SwingSock’s threatening and accusatory written statements to Wizard Golf and its pending patent infringement lawsuit, there is a justiciable controversy between Wizard Golf and SwingSock regarding alleged infringement of the ‘851 patent.

38. The ‘851 patent is unenforceable based on SwingSock’s inequitable conduct and fraud before the U.S. Patent and Trademark Office during the prosecution and examination of the application for that patent. Specifically, during the prosecution and examination of the application for the ‘851 patent and with the intent to mislead the U.S. Patent and Trademark Office, SwingSock failed to disclose, cite or reference material copending and related applications filed by it such as that for the ‘249 patent.

**COUNT VI – DECLARATORY JUDGMENT FOR
UNENFORCEABILITY OF THE ‘249 PATENT**

39. Wizard Golf brings this action for declaratory judgment of unenforceability of the ‘249 patent under the laws of the United States and, in particular, 28 U.S.C. §§ 2201 and 2202, and realleges Paragraphs 1–38 of this Complaint.

40. By virtue of SwingSock’s threatening and accusatory written statements to Wizard Golf and its pending patent infringement lawsuit, there is a justiciable controversy between Wizard Golf and SwingSock regarding alleged infringement of the ‘249 patent.

41. The '249 patent is unenforceable based on SwingSock's inequitable conduct and fraud before the U.S. Patent and Trademark Office during the prosecution and examination of the application for that patent. Specifically, during the prosecution and examination of the application for the '249 patent and with the intent to mislead the U.S. Patent and Trademark Office, SwingSock failed to disclose, cite or reference material copending and related applications filed by it such as that for the '851 patent.

COUNT VII – TRADE, COMMERCIAL, AND/OR PRODUCT DISPARAGEMENT

42. Wizard Golf hereby charges Liberatore or, in the alternative, SwingSock with trade, commercial, and/or product disparagement in violation of the common laws of the State of Illinois and its Uniform Deceptive Trade Practices Act, 815 ILCS 510/ and realleges Paragraphs 1–41 of this Complaint.

43. Upon information and belief, Liberatore and/or SwingSock, through its agents, have on several occasions made and published false or misleading assertions of fact regarding Wizard Golf and the quality of Wizard Golf's products, with knowledge of the falsity or reckless disregard as to the truth or falsity of such comments.

44. Liberatore acted outside the authority granted him by SwingSock in making such false and disparaging assertions of fact. In the alternative, SwingSock is responsible for the assertions made by Liberatore.

45. The false and demeaning representations made by Liberatore and/or SwingSock have caused and will continue to cause harm to Wizard Golf's business and its goods and products.

COUNT VIII – DECEPTIVE TRADE PRACTICES

46. Wizard Golf hereby charges Liberatore or, in the alternative, SwingSock with deceptive trade practices in violation of the common laws of the State of Illinois and its Uniform Deceptive Trade Practices Act, 815 ILCS 510/ and realleges Paragraphs 1–44 of this Complaint.

47. Upon information and belief, Liberatore and/or SwingSock, through its agents, have on several occasions made and published false or misleading assertions of fact regarding Wizard Golf and the quality of Wizard Golf's products, with knowledge of the falsity or reckless disregard as to the truth or falsity of such comments.

48. Liberatore acted outside the authority granted him by SwingSock in making such false and disparaging assertions of fact. In the alternative, SwingSock is responsible for the assertions made by Liberatore.

49. The false and demeaning representations made by Liberatore and/or SwingSock have caused and will continue to cause harm to Wizard Golf's business and its goods and products.

50. Liberatore's and/or SwingSock's false and demeaning representations have been willful and in flagrant disregard of Wizard Golf's lawful rights.

**COUNT IX – COMMON LAW SLANDER
AND BUSINESS DEFAMATION**

51. Wizard Golf hereby charges Liberatore or, in the alternative, SwingSock with slander and business defamation in violation of the common laws of the State of Illinois and the common laws of the State of Florida and realleges Paragraphs 1–50 of this Complaint.

52. Upon information and belief, Liberatore and/or SwingSock, through its agents, have on several occasions made and published false assertions of fact regarding Wizard Golf and

its business and the quality of its products, with knowledge of the falsity or reckless disregard as to the truth or falsity of such comments.

53. The false and defamatory statements published by Liberatore and/or SwingSock are incapable of an innocent construction.

54. The false and demeaning representations made by Liberatore and/or SwingSock have caused and will continue to cause harm to Wizard Golf's reputation, business, and its goods and products and have prejudiced and will continue to prejudice Wizard Golf in its business.

55. The false and defamatory statements made by Liberatore and/or SwingSock were made flagrantly, willfully, and with malice.

COUNT X – CONVERSION

56. Wizard Golf hereby charges Liberatore or, in the alternative, SwingSock with conversion in violation of the common laws of the State of Illinois and the common laws of the State of Florida and realleges Paragraphs 1–55 of this Complaint.

57. Upon information and belief, Liberatore, acting outside the authority granted him by SwingSock, unlawfully, and without authorization, assumed control or ownership, or caused or instructed another individual to assume such control or ownership, over Wizard Golf's prototype device, which is the personal property of Wizard Golf and over which Wizard Golf has the absolute and unconditional right to immediate possession, and wrongfully asserted dominion, or caused or instructed another individual to assert such dominion, over the prototype in a manner inconsistent with Wizard Golf's ownership.

58. SwingSock produced a photograph of Wizard Golf's prototype device in its Interrogatory Responses. Upon information and belief, this photograph was taken by SwingSock's attorneys.

59. Wizard Golf has demanded that SwingSock and/or Liberatore return the prototype device to Wizard Golf, but the device has not yet been returned.

60. Liberatore and/or SwingSock acted willfully and with wanton disregard for Wizard Golf's rights when it unlawfully assumed control over Wizard Golf's prototype.

61. Loss of possession of the prototype has damaged and will continue to damage Wizard Golf in the progress of its product development.

COUNT XI – DISPARAGEMENT OF GOODS AND INJURIOUS FALSEHOODS

62. Wizard Golf hereby charges Liberatore or, in the alternative, SwingSock with disparagement of goods and injurious falsehoods in violation of the common laws of the State of Florida and realleges Paragraphs 1–61 of this Complaint.

63. Upon information and belief, Liberatore and/or SwingSock, through its agents, have on several occasions made and published false assertions of fact regarding Wizard Golf and its business and the quality of its products, with knowledge of the falsity or reckless disregard as to the truth or falsity of such comments.

64. The false and demeaning representations made by Liberatore and SwingSock have caused and will continue to cause harm to Wizard Golf's business and its goods and products.

COUNT XII – ATTORNEY FEES AND COSTS

65. Wizard Golf realleges paragraphs 1-64 of this Complaint, and further alleges that this is an exceptional case under 35 U.S.C. § 285, in view of the conduct of Liberatore and SwingSock as alleged.

66. In addition, Wizard Golf alleges that Liberatore, SwingSock, and its attorneys vexatiously filed pleadings in the Western District of Arkansas and in the Northern District of Illinois and made meritless claims regarding jurisdiction, infringement, validity, and enforceability of both the '851 and the '249 patent in both cases, in violation of 28 U.S.C. § 1927, and further giving rise to an exceptional case under 35 U.S.C. § 285.

PRAYER FOR RELIEF

Wizard Golf respectfully requests the following relief:

1. Judgment that SwingSock is without right or authority to threaten or to maintain suit against Wizard Golf or its clients and customers for alleged infringement of the '851 patent. Judgment that the '851 patent is not infringed by Wizard Golf because of the making, using, selling, offering to sell or importing of any apparatus made, sold or used by Wizard Golf.

2. Judgment that SwingSock is without right or authority to threaten or to maintain suit against Wizard Golf or its clients and customers for alleged infringement of the '249 patent. Judgment that the '249 patent is not infringed by Wizard Golf because of the making, using, selling, offering to sell or importing of any apparatus made, sold or used by Wizard Golf.

3. Judgment that the '851 patent is invalid under 35 U.S.C. §§ 101, 102, 103 and/or 112.

4. Judgment that the '249 patent is invalid under 35 U.S.C. §§ 102, 103 and/or 112.

5. Judgment that the '851 patent is unenforceable based on SwingSock's inequitable conduct before the U.S. Patent and Trademark Office.

6. Judgment that the '249 patent is unenforceable based on SwingSock's inequitable conduct before the U.S. Patent and Trademark Office.

7. A preliminary and permanent injunction enjoining SwingSock, its officers, agents, servants, employees, attorneys and those persons in active concert or participation with it who receive actual notice thereof from initiating infringement litigation or threatening Wizard Golf or any of its customers, dealers, agents, servants, clients, employees or any prospective or present sellers, dealers or users of Wizard Golf's accused goods or products with infringement litigation or charging any of them either verbally or in writing with infringement of the '851 patent or the '249 patent due to the manufacture, use, sale or offering for sale of Wizard Golf's swing training devices.

8. Judgment that Liberatore and SwingSock and its officers, agents, employees and all others in active concert or participation with it who receive actual notice thereof be permanently enjoined and restrained from making or committing any representative statements or acts regarding the nature, characteristics and quality of Wizard Golf's business and its goods or products.

9. Judgment ordered for actual damages sustained by Wizard Golf on account of SwingSock's representations of Wizard Golf's business and its goods and products and that, in view of the flagrant and deliberate and malicious character of such representations, punitive damages be assessed.

10. Judgment ordered and an accounting held for actual damages sustained by Wizard Golf on account of SwingSock's and Liberatore's disparagement and defamation of Wizard Golf's business and its goods and products and, in view of the flagrant and deliberate character of such unfair competition practices, punitive damages be assessed.

11. Judgment ordered for presumed damages sustained by Wizard Golf on account of SwingSock's and Liberatore's disparagement and defamation of Wizard Golf's business and its

goods and products and, in view of the flagrant and deliberate character of such unfair competition practices, punitive damages be assessed.

12. Judgment that SwingSock be directed to prepare letters, advertising and notices approved by this Court which will include a retraction and apology for SwingSock's representations as to the quality and character of Wizard Golf's business and its goods and products and the integrity of Wizard Golf's principles and business practices and, at SwingSock's expense, that these letters, advertisements and notices be specifically provided to all known clients or customers, potential clients or customers and others privy to SwingSock's representations.

13. Judgment ordered for actual damages incurred by Wizard Golf as a result of Liberatore's and SwingSock's conversion.

14. Judgment ordered for punitive damages due to the willful and wanton nature of Liberatore's and SwingSock's conversion.

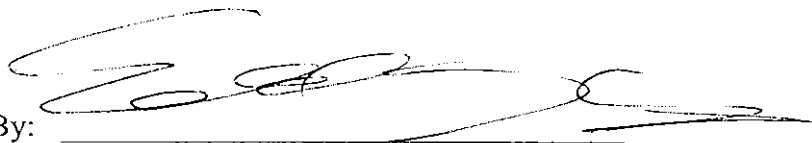
15. Award Wizard Golf its reasonable attorneys' fees and costs under 35 U.S.C. § 285.

16. Such other and further relief as this Court may deem appropriate.

JURY DEMAND

Wizard Golf hereby demands a trial by jury.

Respectfully submitted,



Dated: July 24, 2003

By:

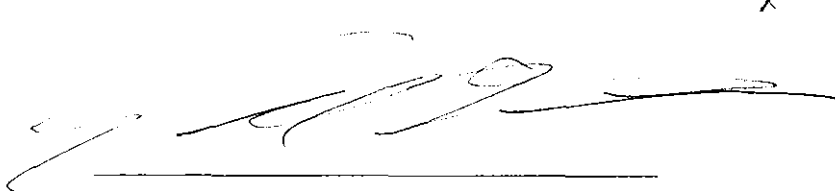
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing **NOTICE OF MOTION** and **PLAINTIFF WIZARD GOLF'S MOTION FOR LEAVE TO FILE AN AMENDED COMPLAINT *INSTANTER*** was caused to be hand served upon the following counsel of record for Defendant, on this 24nd day of July, 2003:

Mr. David S. Foster
LATHAM & WATKINS LLC
Sears Tower
Suite 5800
Chicago, IL 60606
(312) 876-7700 (Telephone)
(312) 993-9767 (Facsimile)



A handwritten signature in black ink, appearing to read 'David S. Foster', is written over a horizontal line. The signature is stylized and cursive.