IN THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF NORTH CAROLIN GREENSBORO DIVISION

SOFT COLLECTION, S.R.L.,

Plaintiff,

v.

DE CORO, LTD.,

Defendant.

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COMPLAINT FOR DECLARATORY JUDGMENT

Plaintiff, complaining of Defendant, alleges and says:

PARTIES

- 1. Plaintiff Soft Collection, S.r.L. ("Plaintiff" or "Soft Collection") is an Italian company, with a place of business in Greensboro, North Carolina.
- 2. Defendant De Coro, Ltd. ("Defendant" or "De Coro") is, upon information and belief, a foreign company with principal places of business in High Point, North Carolina and Shenzhen, China.

JURISDICTION AND VENUE

3. This is a declaratory judgment action for a declaration of Soft Collection's patent rights in accordance with the Patent Act, 35 U.S.C. § 1, et seq. This Court has jurisdiction of this patent declaratory judgment action pursuant to 28 U.S.C. §§ 1338, 2201 and 2202.

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- 4. This Court has jurisdiction over Defendant in that Defendant has a place of business in this State, does substantial business in this State and resides in this State.
 - 5. Venue is proper in this District pursuant to 28 U.S.C. § 1391 and § 1400.

STATEMENT OF FACTS

- 6. Defendant claims to own U.S. Patent No. Des. 470,676 S (the "'676 patent"). The '676 patent is entitled "Sofa" and is a design patent for a sofa. A copy of the '676 patent is attached as Exhibit A.
 - 7. The '676 patent issued on February 25, 2003.
- 8. Soft Collection makes and sells upholstered furniture throughout the United States and the world. Soft Collection specializes in leather upholstered furniture and sells over 300 styles of upholstered sofas.
- 9. By letter dated April 1, 2003, Defendant's counsel notified Soft Collection that Defendant considered Soft Collection's offer for sale or sale of its sofa models "2186" and/or "2236" and/or "2286" to be an infringement of the '676 patent and demanded that Soft Collection cease any such allegedly infringing activities. A copy of this letter of April 1, 2003, is attached hereto as Exhibit B.
- 10. By letter dated May 13, 2003, Soft Collection's counsel responded to Defendant's counsel's April 1, 2003 letter, notifying Defendant that Soft Collection was not infringing the '676 patent and that said patent was invalid, especially in light of Soft Collection's own prior art sofas. A copy of Soft Collection's counsel's May 13, 2003 letter is attached hereto as Exhibit C.

FIRST CAUSE OF ACTION DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF PATENT

11. Paragraphs 1 through 10 are incorporated herein by reference.

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- 12. This is a claim for a declaratory judgment that Soft Collection does not infringe the '676 patent.
- 13. The April 1, 2003 letter from Defendant's counsel to Soft Collection, indicate the existence of an actual controversy on the issue of whether Soft Collection is infringing or has infringed the '676 patent.
- 14. Soft Collection has not infringed and does not infringe any valid patent owned by Defendant, including specifically the '676 patent.
- 15. Soft Collection is entitled to a declaratory judgment from this Court that neither Soft Collection nor its customers infringe or have infringed the '676 patent.
- 16. Soft Collection is also entitled to a declaratory judgment from this Court that the '676 patent is invalid and unenforceable.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays this Court for the following relief:

- A. That this Court declare that Plaintiff's sofa models, including specifically models 2186, 2236 and 2286, do not infringe any of Defendant's alleged rights in the '676 patent.
 - B. That this Court declare that the '676 patent is invalid and unenforceable;
- C. That Defendant and its agents be enjoined, pending trial, from instituting, prosecuting or threatening any action against Plaintiff, its principals or its customers under the '676 patent;
- D. That Defendant and its agents be enjoined from alleging infringement by Plaintiff of the '676 patent;

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- E. That Plaintiff be awarded the costs and attorneys' fees it incurs in this action; and
- F. That Plaintiff be awarded any other relief this Court deems just and proper.

DATE:May (3, 2003.

Respectfully submitted,

Clifford/R. Jarrett

N.C. State Bar No. 18267 Hearst Tower, 47th Floor 214 North Tryon Street

Charlotte, North Carolina 28202

Telephone: (704) 331-7400 Facsimile: (704) 331-7598 *Attorneys for Plaintiff*

OF COUNSEL:

KENNEDY COVINGTON LOBDELL & HICKMAN, L.L.P. Hearst Tower, 47th Floor 214 North Tryon Street Charlotte, NC 28202 (704) 331-7400

Α



(12) United States Design Patent (10) Patent No.: US D470,676 S Ricci

297/232

(45) Date of Patent: ** Feb. 25, 2003

(54) **SOFA** (75) Inventor: Luca Ricci, Forli (IT) (73) Assignee: De Coro Ltd., Fanling (HK) (**) Term: 14 Years (21) Appl. No.: 29/160,484 May 10, 2002 (22) Filed: (51) LOC (7) Cl. 06-01 (52) U.S. Cl. D6/381

(56)References Cited

U.S. PATENT DOCUMENTS

(58) Field of Search D6/334, 335, 336,

D6/364, 371, 381, 500, 501, 502; 5/12.1;

D350,034 S	*	8/1994	Natuzzi et al D6/381
D367,180 S	*	2/1996	Natuzzi et al D6/381
D373,484 S	•	9/1996	Natuzzi et al D6/381
D388,260 S	•	12/1997	Natuzzi et al D6/381
D392,809 S	*	3/1998	Natuzzi et al D6/381
D399,360 S	•	10/1998	Natuzzi et al D6/381
D399,362 S	•	10/1998	Natuzzi et al D6/381
D399,363 S	*	10/1998	Natuzzi et al D6/381
D399,364 S	*	10/1998	Natuzzi et al D6/381
D405,966 S	-	2/1999	Hutton D6/334
D430,411 S	-	9/2000	Zaidman D6/334
D430,421 S	*	9/2000	Natuzzi et al D6/381
D440,067 S	*	4/2001	Corella D6/381
D441,979 S	•	5/2001	Watson D6/381
D448,199 S		9/2001	Leon et al.

OTHER PUBLICATIONS

Natuzzi Model 1795, International Home Furnishings Market, High Point, NC, Mar. 1999.*

Natuzzi Model 1861, International Home Furnishings Market, High Point, NC, Jul. 1999.*

Natuzzi Model 1856, International Home Furnishings Market, High Point, NC, Sep. 1999.*

Furniture Today, p. 55, Coaster sofa at right, Apr. 15, 2002.* Furniture Today, pp. 142-143, De Coro sofa shown, Apr. 15, 2002.*

De Coro Ltd. Sofa Model No. 104, Apr., 1998 at the International Home Furnishing Market in High Point, N.C. De Coro Ltd. Sofa Model No. 108, Apr., 1998 at the International Home Furnishing Market in High Point, N.C. De Coro Ltd. Sofa Model No. 109, Apr., 1998 at the International Home Furnishing Market in High Point, N.C. De Coro Ltd. Sofa Model No. 128, Apr., 1998 at the International Home Furnishing Market in High Point, N.C. De Coro Ltd. Sofa Model No. 138, Apr., 1998 at the International Home Furnishing Market in High Point, N.C.

(List continued on next page.)

Primary Examiner-Gary D. Watson (74) Attorney, Agent, or Firm-Luce, Forward, Hamilton & Scripps LLP

(57)CLAIM

The ornamental design for a sofa, as shown and described.

DESCRIPTION

FIG. 1 is a right-front partial perspective view of a sofa showing my new design;

FIG. 2 is a front elevation view of the embodiment of FIG.

FIG. 3 is a top plan view of the embodiment of FIG. 2;

FIG. 4 is a rear elevation view of the embodiment of FIG.

FIG. 5 is a left, side elevation view of the embodiment of FIG. 2, with the right side elevation view being a mirror image thereof;

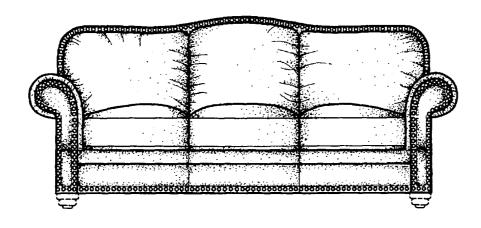
FIG. 6 is a front elevation view of a second embodiment of the sofa depicted in FIG. 2;

FIG. 7 is a back elevation view of the embodiment of FIG. 6: and.

FIG. 8 is a left, side elevation view of the embodiment of FIG. 6, with the right side elevation view being a mirror image thereof.

The broken line disclosure is for illustrative purposes only and forms no part of the claimed design.

1 Claim, 4 Drawing Sheets

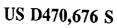


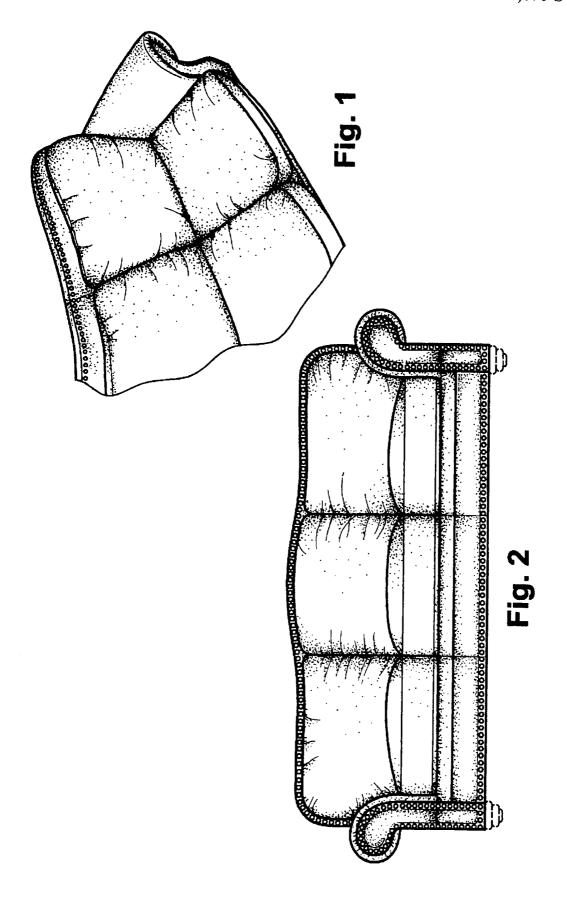
OTHER PUBLICATIONS

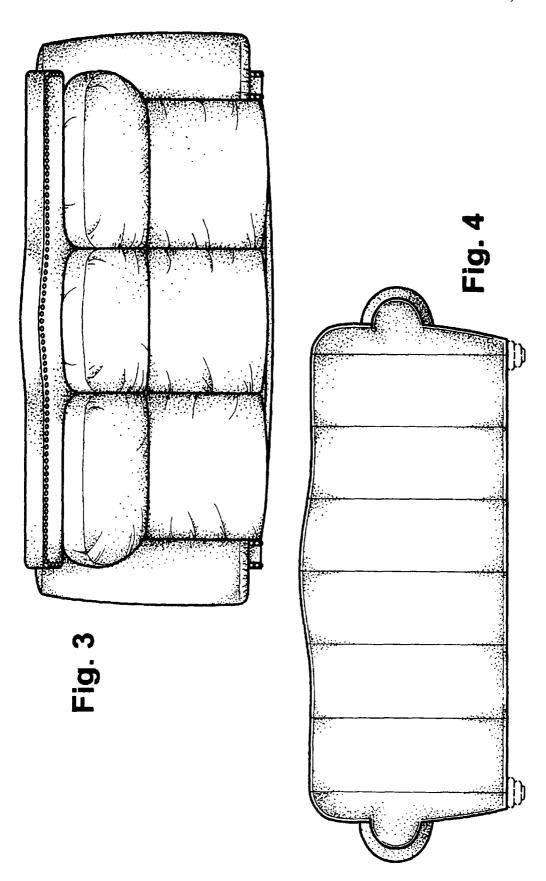
De Coro Ltd. Sofa Model No. 143, Apr., 1998 at the International Home Furnishing Market in High Point, N.C. De Coro Ltd. Sofa Model No. 145, Apr., 1998 at the International Home Furnishing Market in High Point, N.C. De Coro Ltd. Sofa Model No. 166, Apr., 1998 at the International Home Furnishing Market in High Point, N.C. De Coro Ltd. Sofa Model No. 285, Apr., 1999 at the International Home Furnishing Market in High Point, N.C. De Coro Ltd. Sofa Model No. 2052, Apr., 2000 at the International Home Furnishing Market in High Point, N.C.

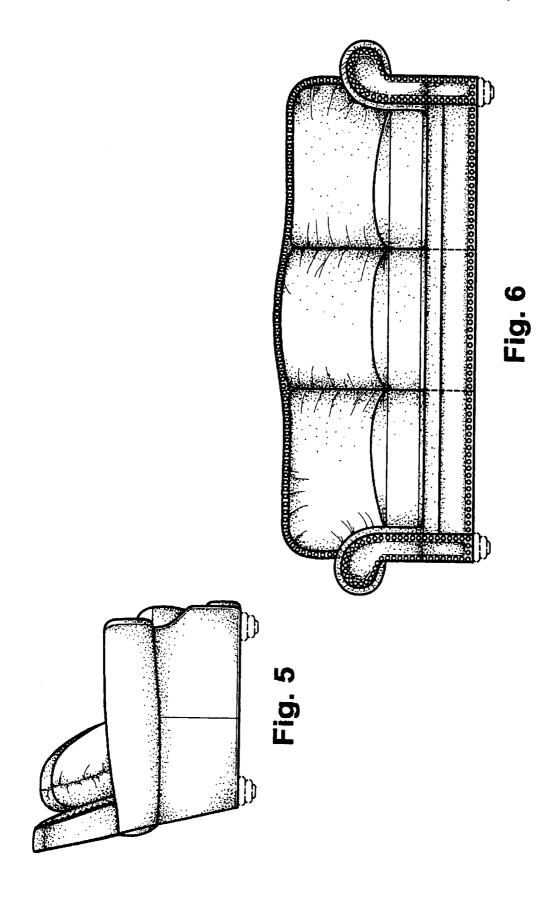
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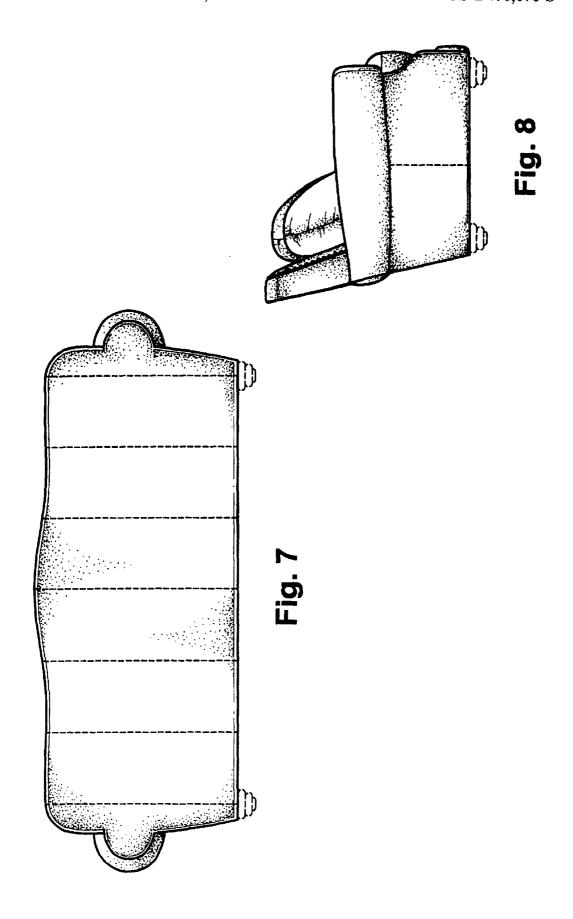
* cited by examiner













LUCE FORWARD
ATTORNEYS AT LAW - FOUNDED 1873
LUCE, FORWARD, HAMILTON & SCRIPPS LLP

PETER R. MARTINEZ, ASSOCIATE DIRECT DIAL NUMBER 858.720.6343 DIRECT FAX NUMBER 858.523.4331 EMAIL ADDRESS PMARTINEZ@LUCE.COM 11988 El Camino Real Suite 200 San Diego, CA 92130 858.720.6300 858.720.6306 fax www.luce.com

April 1, 2003

VIA FEDERAL EXPRESS

William May Soft Collection S.r.L. 1931 Freeman Mill Road Greensbro, NC 27406

Re:

U.S. Design Patent No. D470,676 S

Soft Collection S.r.L. Sofa Model "2186" and/or "2236" and/or "2286"

Our File: 30346-116

Dear Mr. May:

We are counsel to DeCoro, Ltd. ("DeCoro"). DeCoro is the owner of United States Letters Patent No. D 470,676 S ("the '676 patent"), a copy of which is enclosed for your reference. By virtue of the grant of the patent, DeCoro has the exclusive right to manufacture, offer for sale, sell, use, import and export the invention protected by said patent in the United States.

It has recently come to our attention that your company, Soft Collection S.r.L.. ("Soft Collection"), is selling and offering for sale furniture products covered by this patent, including without limitation sofa models called the "2186" and/or the "2236" and/or the "2286." These product(s) are substantially identical to, and are literally within the scope of the claim of the '676 patent. This activity, whether innocent or intentional, is causing and will continue causing damage to DeCoro unless discontinued immediately.

As you are aware, under the principles of patent infringement, Soft Collection's infringement may not only be enjoined, but also can result in an award of monetary damages. These damages can include DeCoro's lost profits and/or a reasonable royalty, trebling of DeCoro's damages, and an award of DeCoro's attorneys' fees.

As an ongoing business, DeCoro cannot and will not tolerate infringement of its patents or other intellectual property. Therefore, we demand that Soft Collection, and its distributors, dealers, suppliers, etc., immediately cease and desist from these activities and from accepting any orders derived from them.

As you can appreciate, this is a matter of serious concern to DeCoro. We expect that you share our client's desire to resolve this matter expeditiously and without resorting to costly legal

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Mr. May
April 1, 2003
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proceedings. Accordingly, we are requesting that you reply to our request on or before the close of business on April 18, 2003, and also advise us of the steps you plan to take with respect to these demands. Your timely cooperation will go along way toward limiting Soft Collection's exposure in this matter.

This letter is not intended to be a complete recitation of all the facts or law relevant to this matter. All of DeCoro's rights and remedies are reserved.

Very truly yours,

Mitchell & Brook Peter R. Martinez

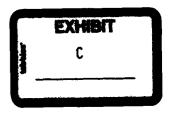
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LUCE, FORWARD, HAMILTON & SCRIPPS LLP

Cc: Mr. Luca Ricci Enclosure

1840785

ATTORNEYS AT LAW



Clifford R. Jarrett 704.331.7531 cjarrett@kennedycovington.com

May 13, 2003

VIA REGULAR MAIL

Peter R. Martinez, Esq. Luce Forward 11988 El Camino Boulevard Suite 200 San Diego, California 92130

> RE: U.S. Design Patent No. D470,676 S

> > Soft Collection S.r.L. Sofa Model "2186" and/or "2236" and/or "2286"

Our File No. 020311.007

Dear Mr. Martinez:

As a follow-up to my April 17, 2003 letter with respect to the above-captioned matter, we have now had a chance to review the file history of your client's patent and evaluate the allegations of infringement contained in your April 1, 2003 letter. Based on this investigation and evaluation, it is our conclusion that U.S. Patent No. D470,676 patent (the "'676 patent") is invalid and not infringed by Soft Collection's sofas.

Soft Collection has been selling leather sofas having designs similar to the accused models for several years. Of particular interest to this dispute are two of Soft Collection's lines model nos. 5800 and 2064. We are enclosing color photographs of these two models along with invoices that establish these sofas were sold in the United States well in advance of May 10, 2001. Based on the prosecution history of the '676 patent, Soft Collection's prior art sofas, in particular its models 5800 and 2064, are more relevant prior art than the Coaster furniture line that was the basis of the examiner's final rejection of your client's application. It is Soft Collection's position that had the examiner known of the Soft Collection prior art during the examination of your client's application, the '676 patent never would have issued. For many of the same reasons the examiner stated in his office actions, as well as the arguments your client made before the examiner to overcome these rejections, Soft Collection is confident that, if litigated, the '676 patent will be found invalid or not infringed by Soft Collection's sofas.

Because of these allegations of infringement, Soft Collection has filed a declaratory judgment action seeking to have a court declare the '676 patent invalid or not infringed. A courtesy copy of the Complaint is enclosed for your review. We are hopeful that after you have had a chance to review the enclosed prior art, especially in light of the file history of the '676

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Peter R. Martinez, Esq. May 13, 2003 Page 2

patent prosecuted by your firm, you will share our evaluation concerning the '676 patent and your client will make the prudent decision not to put the '676 patent at risk.

Should you disagree with our evaluation and wish to proceed with the litigation, please let me know if you will accept service on behalf of De Coro of the Summons and Complaint and I will forward to you an Acceptance of Service form. If you are not in a position to accept service, please let me know and we will otherwise obtain service on De Coro.

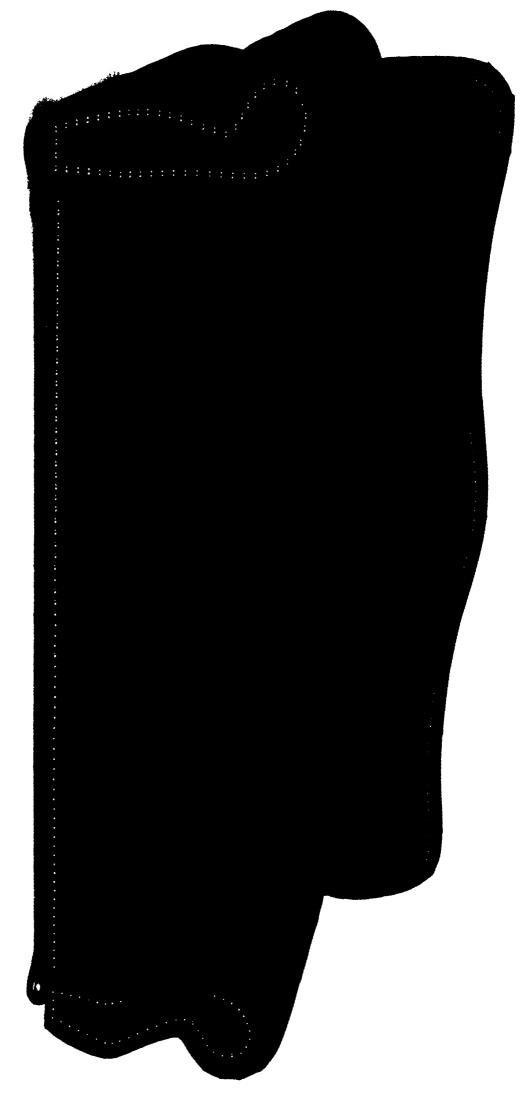
In the meantime, should you have any questions or comments, please feel free to call me at the above number.

Chifford R. Jarrett

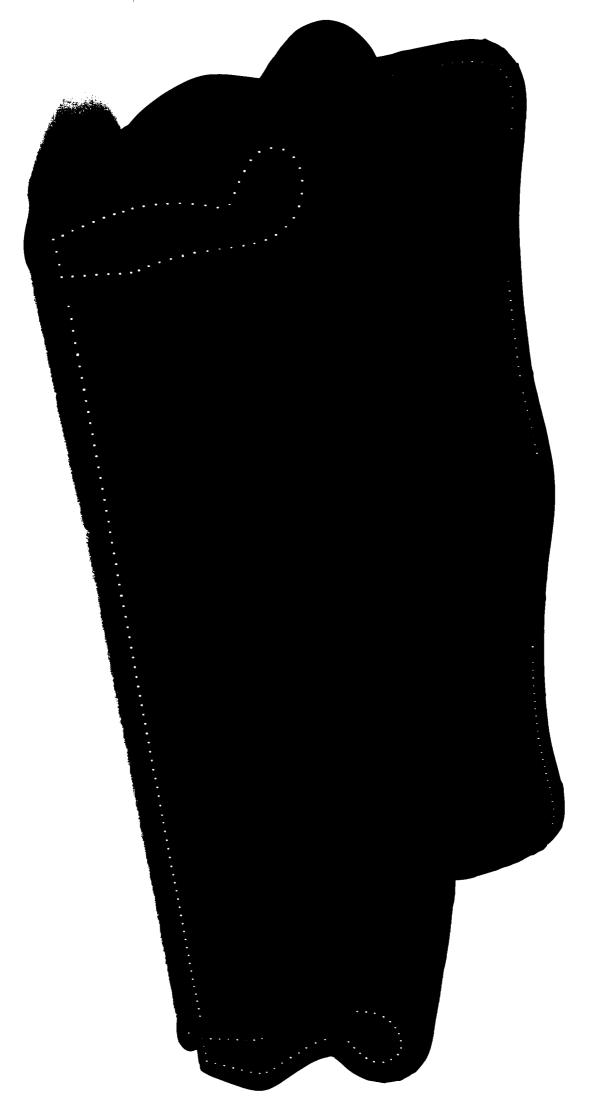
For the Firm

CRJ/sys Enclosures

: Mr. William Guy Ray (w/o encls.)



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