

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

ZENA ASSOCIATES, LLC

Plaintiff,

vs.

Civil Action No. 10-cv-\_\_\_\_ - \_\_\_\_

ANDREW C. ABRAMS, JOSEPH H.  
ABRAMS, TOM STEINBACH, BIRKDALE  
INTERNATIONAL GROUP LLC, d/b/a  
GLOBAL PASSIVE SAFETY SYSTEMS  
LTD., WOODLAND TECHNOLOGIES,  
INC., MAGA CORPORATION, SPECMA  
WIRO AB, SPECMA HYDRAULIC AB, and  
VALLEY INDUSTRIAL RUBBER  
PRODUCTS CO., INC.,

Defendants.

**COMPLAINT**

Zena Associates, LLC (“Zena” or the “Company”), by and through its undersigned counsel, hereby brings the following complaint against Andrew C. Abrams, Joseph H. Abrams, Tom Steinbach, Birkdale International Group LLC, d/b/a/ Global Passive Safety Systems Ltd., Woodland Technologies, Inc., MAGA Corporation, Specma Wiro AB, Specma Hydraulic AB, and Valley Industrial Rubber Products Co., Inc. (hereinafter collectively referred to as the “Defendants”) seeking injunctive relief and damages.

**THE PARTIES**

1. Plaintiff, Zena Associates, LLC, (“Zena”), is a Pennsylvania limited liability company with its principal place of business at 701 Ashland Ave., Building 22, Suite 11, Folcroft, Pennsylvania 19032.

2. Defendant Andrew C. Abrams is an adult resident of the Commonwealth of Pennsylvania, residing at 726 Cornerstone Lane, Bryn Mawr, Pennsylvania 19010.

3. Defendant Tom Steinbach is an adult resident of the Commonwealth of Pennsylvania.

4. Defendant Joseph H. Abrams is an adult resident of the Commonwealth of Pennsylvania, residing at 1001 City Avenue, EE421, Wynnewood, Pennsylvania 19096.

5. Defendant Birkdale International Group LLC (“Birkdale”) is a Pennsylvania limited liability company with its principal place of business c/o Andrew C. Abrams, 726 Cornerstone Lane, Bryn Mawr, Pennsylvania 19010, with a mailing address of 761 West Sproul Road Unit 208, Springfield, PA 19064, and with a registered office address of 101 West City Ave., Bala Cynwyd, PA 19004. Birkdale also does business under the fictitious name of Global Passive Safety Systems Ltd. (“GPS2”).

6. Defendant Woodland Technologies, Inc. (“Woodland”) is a Pennsylvania corporation with its principal place of business at 620 W. Conshohocken State Rd, Bala Cynwyd, PA 19004.

7. Defendant MAGA Corporation (“MAGA”) is a Pennsylvania limited liability company with its principal place of business c/o Joseph Abrams, 1001 City Avenue, EE421, Wynnewood, Pennsylvania 19096.

8. Defendants Andrew Abrams, Joseph Abrams, Steinbach, Birkdale, Woodland, and MAGA are hereafter referred to collectively as the “Abrams Defendants.”

9. Defendant Specma Wiro AB (“SWAB”), formerly known as Wiro Argonic AB, is a corporation organized and existing under the laws of Sweden with its principal place of business at Dynamo Road 7, Box 247, 591 23 Motala, Sweden.

10. Defendant Specma Hydraulic AB (“SHAB”), is a corporation organized and existing under the laws of Sweden with its principal place of business at Dynamo Road 7, Box 247, 591 23 Motala, Sweden.

11. At all times relevant, Defendants SWAAB, and SHAB (collectively “the Specma Wiro Entities”), for purposes of the events at issue in this case, were operated as a single, unified integrated enterprise, and each such Defendant is jointly and severally responsible for the actions of each other Defendant.

12. Defendant Andrew Abrams has served and serves as the International Sales Director for the Specma Wiro Entities.

13. Defendant Valley Industrial Rubber Products Co., Inc. (“Valley Industrial”) is a Pennsylvania corporation, with its principal place of business at 3 South Commerce Way, Bethlehem, Pennsylvania 18017.

### **JURISDICTION AND VENUE**

14. This Court has personal jurisdiction over the Abrams Defendants and Valley Industrial because they either reside in this district (in the case of the individuals) or their principal place of business is in this district (in the case of the entities).

15. This Court has personal jurisdiction over the Specma Wiro Entities because they do business in Pennsylvania and because their conduct has caused harm to Zena in Pennsylvania.

16. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1338(a) & (b), 1331, and 1367.

17. Venue is appropriate in this Court pursuant to 28 U.S.C. § 1391(b), (c), & (d).

**FACTUAL BACKGROUND**

18. In August of 2005, Zena purchased the assets of Smart Hose Technologies, Inc. (“SHT”) and Smart Hose, Inc. (“SH”) from First Southwestern Financial Services (“FSFS”), a creditor of SHT and SH (“the Asset Purchase”).

19. The Asset Purchase was initiated pursuant to an agreement entered into as of June 30, 2005, by and among FSFS, Joseph Abrams, his wife Mary Ann Abrams, Andrew Abrams, his wife Wendy Abrams, SHT, SH, MAGA, and plaintiff Zena (“the June 30 Agreement”).

20. Defendants Andrew Abrams and Joseph Abrams were owners, officers, and directors of SHT and SH.

21. Defendants Birkdale, Woodland, and MAGA are corporations owned by, controlled by, and under the mutual domination and control of one or more of the Abrams Defendants.

22. The assets subject to the Asset Purchase included all of the intellectual property of SHT and SH, including all of their patents, copyrights, trade secrets, and trademarks.

23. Zena was formed to use and exploit the intellectual property of SH and SHT, including their domestic and international patents and trademarks and their trade secrets.

24. Since its purchase of the intellectual property of SHT and SH, Zena has been in the business of fabricating, assembling, and selling industrial hoses, specifically ones containing safety systems that cut off the flow of liquids in certain cases when the hose fails. Zena sells these hoses under the name Smart-Hose, which has three styles of Smart-Hose shut off end fittings: Lifeline I, Lifeline III, and Lifeline Breakaway.

25. As a result of the Asset Purchase, Woodland assigned United States Patent No. 5,357,998 (“the 998 patent”) to Zena. Accordingly, Zena is the assignee and owner of all right, title, and interest in the 998 patent. A copy of the 998 patent is attached hereto as Ex. A.

26. As a result of the Asset Purchase, Joseph Abrams assigned United States Patent No. 6,546,947 (“the 947 patent”) to Zena. Accordingly, Zena is the assignee and owner of all right, title, and interest in the 947 patent. A copy of the 947 patent is attached hereto as Ex. B.

27. Zena’s Lifeline I hose is a commercial embodiment of the 998 patent and Lifeline III is a commercial embodiment of the 947 patent.

28. As a results of the Asset Purchase, Zena obtained ownership of the trademark SMART-HOSE and became the equitable owner of the trademark LIFELINE.

29. Following Zena’s purchase of the intellectual property of SHT and SH, the Abrams Defendants began to develop a plan to harm Zena by, among other things, using the very intellectual property assets they had sold to Zena, and to spread false and misleading statements about Zena and about the Abrams Defendants in the marketplace.

30. First, Andrew Abrams, Tom Steinbach, and Joseph Abrams set up a business to compete head-to-head with Zena, operating under various trade names, all of which were and are owned and controlled by Andrew Abrams, Tom Steinbach, and Joseph Abrams.

31. Part of the Abrams Defendants’ plan was to compete unfairly with Zena by disseminating false and misleading statements about Zena, about Zena’s intellectual property, and about the Abrams Defendants’ intellectual property in an attempt to mislead and confuse the public to wrongfully divert sales away from Zena and to the Abrams Defendants.

32. The Abrams Defendants have made false and/or misleading statements orally and in their written marketing, advertising, and sales material about Zena’s financial status. For

example, the Abrams Defendants have told Zena customers and potential customers that Zena is in a precarious financial condition.

33. The Abrams Defendants' statements about Zena's financial condition are knowingly false and/or misleading.

34. The Abrams Defendants have also made false and/or misleading statements about their intellectual property.

35. For example, the GPS2 website states that GPS2's LifeGuard Tri-Bolt Safety Hose is "[f]rom the inventors of Smart-Hose," that it constitutes "the next generation in Safety Hose Technology," that it "has three international patents pending," that it has "Superior Design," and that its technology was "Developed by Engineers who Hold 3 Other Safety Hose Patents." The website also falsely states that GPS2 "received the Ben Franklin Emerging Business Award for Most Innovative New Product."

36. The GPS2 website also states that GPS2's products "apply patented innovation and technology," implying that the patents in question are GPS2's.

37. The GPS2 website also describes as "unique" and "patent pending" a technology covered by the very same intellectual property that was sold to Zena.

38. Andrew Abrams and/or Tom Steinbach have also falsely described themselves to the safety hose industry as the "inventor" of one or more of Zena's patents, as well as the owner of one or more of those patents.

39. These statements are all false and/or misleading.

40. For example, Birkdale/GPS2 does not own any patents.

41. Neither did Birkdale/GPS2 receive any Ben Franklin Emerging Business Award. To the contrary, that award was received by Zena (d/b/a Smart Hose).

42. Moreover, Birkdale/GPS2's safety hose products are covered by Zena's patents, not any patents owned by any of the Abrams Defendants.

43. The Abrams Defendants have deliberately chosen to use the confusingly similar, infringing mark "LifeGuard" to confuse the public as to the source of the GPS2 products.

44. The Abrams Defendants have also made representations to the public that they have registered various trademarks, such as LifeGuard Tri-Bolt Breakaway Hose, Tri-Bolt Flange System, and Engineered Compression Spring, when in fact these purported marks have not been registered with the United States Patent and Trademark Office and the Abrams Defendants have not even attempted to register them.

45. The Abrams Defendants have also made false and/or misleading representations to the United States Department of Transportation in an attempt to have the department issue rulings and/or assess fines against Zena to put it at a competitive disadvantage with the Abrams Defendants.

46. For example, the Abrams Defendants have sent correspondence to the DOT's Office of Hazardous Material Standards that contains various false and/or misleading statements, such as the false implication that Andrew Abrams is affiliated with Zena, the claim that Zena's engineering staff do not inspect completed hose assemblies but merely review the documentation, and the claim that there was a consent decree enforcement hearing involving Zena.

47. On information and belief, the Abrams Defendants are continuing to attempt to improperly influence the DOT by means of false and/or misleading statements about Zena.

48. The Specma Wiro Entities manufacture one or more hoses that infringe at least the 998 Patent.

49. Defendant Andrew Abrams serves as the International Sales Director for the Specma Wiro entities.

50. Through Andrew Abrams, on information and belief, the Specma Wiro entities have offered for sale and sold hoses in the United States that infringe the 998 Patent.

51. Valley Industrial manufactures one or more of the Abrams Defendants' safety hoses.

**COUNT I**  
**TRADEMARK INFRINGEMENT**

52. Zena hereby incorporates the previous allegations of the complaint as if set forth fully herein.

53. The Abrams Defendants' use of the mark LIFEGUARD in connection with its sale of safety hoses violates 15 U.S.C. §§ 1114 and 1125.

54. The Abrams Defendants' use of the mark SMART-HOSE in connection with its sale of safety hoses violates 15 U.S.C. §§ 1114 and 1125.

55. Zena and/or its predecessor in interest SH and SHT have marketed and sold safety hoses using the marks LIFELINE and SMART-HOSE since 1999 (SMART-HOSE) and 1991 (LIFELINE).

56. SMART-HOSE and LIFELINE are federally registered marks, registration number 3512563 for SMART-HOSE and registration number 1752390 for LIFELINE.

57. Without Zena's permission, the Abrams Defendants are using the mark LIFEGUARD and the mark SMART-HOSE in connection with their advertising, marketing, offering for sale, and/or sale of safety hoses.

58. The advertisement, sale, marketing, offering for sale, and distribution of safety hoses in connection with the marks SMART-HOSE and/or LIFEGUARD constitute a false



designation of origin and a false description that the safety hoses have been made, sponsored or affiliated with Zena and constitute infringement under 15 U.S.C. § 1125(a).

59. The advertisement, sale, marketing, offering for sale, and distribution of safety hoses using the names SMART-HOSE and/or LIFEGUARD have caused or will cause a likelihood of confusion and misunderstanding as to the source, origin, sponsorship, or approval of Zena's safety hoses and constitute infringement under 15 U.S.C. § 1125(a).

60. The Abrams Defendants have willfully intended to trade on Zena's reputation and dilute the strength of Zena's SMART-HOSE and/or LIFELINE marks.

61. By virtue of the Abrams Defendants' advertising and marketing safety hoses with the SMART-HOSE and/or LIFEGUARD marks, Zena has been irreparably harmed and will continue to be irreparably harmed until the Abrams Defendants are restrained by this Court.

62. Zena has no adequate remedy at law, and will continue to suffer substantial and immediate irreparable harm unless the Abrams Defendants are enjoined as requested below.

63. Greater injury will be inflicted upon Zena by the denial of this relief than will be inflicted on the Abrams Defendants by the granting of such relief.

64. The Abrams Defendants have willfully violated Zena's trademark rights.

WHEREFORE, Zena demands judgment against the Abrams Defendants under 15 U.S.C. § 1117 for any and all damages resulting from defendant's infringement, the Abrams Defendant's profits from the use of the Zena's trademarks, treble damages and attorneys' fees and costs, injunctive relief under 15 U.S.C. § 1116 and such further relief that the Court deems just and proper.

**COUNT II**  
**PATENT INFRINGEMENT: U.S. PATENT NO. 6,546,947**

65. Zena incorporates all preceding paragraphs.

66. The 947 patent issued on April 15, 2003.

67. Zena owns all right, title, and interest to the 947 patent.

68. The Abrams Defendants and Valley Industrial are in the business of making, selling, and/or offering for sale products that infringe one or more claims of the 947 patent, in violation of 35 U.S.C. § 271(a).

69. The Abrams Defendants and Valley Industrial have been and are infringing the 947 patent by inducing others to infringe, in violation of 35 U.S.C. § 271(b).

70. Specifically, the Abrams Defendants' LifeGuard TriBolt Breakaway Hose product, and the use of this product, infringes one or more claims of the 947 patent. Valley Industrial manufactures this product for the Abrams Defendants.

71. The Abrams Defendants' and Valley Industrial's past and continued direct infringement and inducing infringement of the 947 patent has damaged Zena, entitling Zena to damages adequate to compensate for the infringement, but no less than a reasonable royalty.

72. The Abrams Defendants and Valley Industrial have been aware of the 947 patent since its issue date.

73. Since the dates that the Abrams Defendants and Valley Industrial began their direct and indirect infringement, their infringement has been willful.

74. The Abrams Defendants' and Valley Industrial's willful infringement makes this an exceptional case pursuant to 35 U.S.C. § 285.

WHEREFORE, plaintiff Zena demands judgment against the Abrams Defendants and Valley Industrial, an award of injunctive relief, costs of suit, attorneys' fees, punitive damages, and such other relief as the Court deems just and proper.

**COUNT III**  
**PATENT INFRINGEMENT: U.S. PATENT NO. 5,357,998**

75. Zena incorporates all preceding paragraphs.

76. The 998 patent issued on October 25, 1994.

77. Zena owns all right, title, and interest to the 998 patent.

78. Defendants Andrew Abrams and the Specma Wiro Entities are in the business of making, selling, and/or offering for sale products that infringe one or more claims of the 998 patent, in violation of 35 U.S.C. § 271(a).

79. Defendants Andrew Abrams and the Specma Wiro Entities have been and are infringing the 998 patent by inducing others to infringe, in violation of 35 U.S.C. § 271(b).

80. Specifically, the Specma Wiro Entities' Birkdale Device, and the use of this device, infringes one or more claims of the 998 patent.

81. Defendants Andrew Abrams' and the Specma Wiro Entities' past and continued direct infringement and inducing infringement of the 998 patent has damaged Zena, entitling Zena to damages adequate to compensate for the infringement, but no less than a reasonable royalty.

82. Defendants Andrew Abrams and the Specma Wiro Entities have been aware of the 998 patent since its issue date.

83. Since the dates that Defendants Andrew Abrams and the Specma Wiro Entities began their direct and indirect infringement, their infringement has been willful.

84. Defendants Andrew Abrams' and the Specma Wiro Entities' willful infringement makes this an exceptional case pursuant to 35 U.S.C. § 285.

WHEREFORE, plaintiff Zena demands judgment against Defendants Andrew Abrams and the Specma Wiro Entities, an award of injunctive relief, costs of suit, attorneys' fees, punitive damages, and such other relief as the Court deems just and proper.

**COUNT IV**  
**PERMANENT INJUNCTION – 35 U.S.C. § 283**

85. Zena hereby incorporates the previous allegations of the complaint as if set forth fully herein.

86. In addition to monetary damages, Zena seeks a permanent injunction to prevent Defendants' continued infringement of Zena's patents.

87. Because of Defendants' infringement, Zena has suffered and will continue to suffer irreparable injury, for which the remedies available at law provide inadequate compensation. Defendants' infringement thus warrants a remedy in equity and such remedy will not disserve the public interest.

88. Unless enjoined, the Abrams Defendants and Valley Industrial will continue to infringe and induce infringement of the 947 patent, and Defendants Andrew Abrams and the Specma Wiro Entities will continue to infringe and induce infringement of the 998 patent.

**COUNT V**  
**THE LANHAM ACT, 15 U.S.C. § 1125 ET SEQ: FALSE, MISLEADING AND**  
**DECEPTIVE ADVERTISING AND UNFAIR COMPETITION**

89. Zena hereby incorporates the previous allegations of the complaint as if set forth fully herein.

90. The actions of the Abrams Defendants as set forth above constitute repeated violation of the Lanham Act, 15 U.S.C. § 1125 et seq.

91. As a proximate cause of the actions of the Abrams Defendants, Zena has been caused to suffer damages.

WHEREFORE, plaintiff Zena demands judgment against the Abrams Defendants, an award of injunctive relief, costs of suit, attorneys' fees, punitive damages, and such other relief as the Court deems just and proper.

**COUNT VI**  
**UNFAIR COMPETITION (PENNSYLVANIA COMMON LAW)**

92. Zena hereby incorporates the previous allegations of the complaint as if set forth fully herein.

93. The actions of the Abrams Defendants as set forth above constitute unfair competition in violation of Pennsylvania common law.

94. As a proximate cause of the Abrams Defendants' actions, Zena has suffered damages.

WHEREFORE, plaintiff Zena demands judgment against the Abrams Defendants, an award of injunctive relief, costs of suit, attorneys' fees, punitive damages, and such other relief as the Court deems just and proper.

**COUNT VII**  
**TRADE LIBEL/DEFAMATION**

95. Zena hereby incorporates the previous allegations of the complaint as if set forth fully herein.

96. The actions and statements of the Abrams Defendants as set forth above constitute trade libel and defamation.

97. As a proximate cause of these actions and statements, Zena has suffered damages.

WHEREFORE, Zena demands judgment against the Abrams Defendants, awarding injunctive relief, compensatory damages, costs of suit, attorneys' fees, punitive damages, and such other relief as the Court deems just.

**JURY DEMAND**

Pursuant to Fed. R. Civ. P. 38(b), Zena hereby demands trial by jury on all issues so triable.

**RELIEF**

WHEREFORE, Plaintiff Zena Associates, LLC demands judgment in its favor, and against Defendants Andrew Abrams, Joseph Abrams, Tom Steinbach, Woodland, MAGA, Birkdale (d/b/a GPS2), Specma Wiro AB, Specma Hydraulic AB, and Valley Industrial jointly and severally, for money damages in an amount to be determined at trial, treble damages, punitive damages, attorneys' fees, costs, and pre- and post judgment interest, and such other relief as the Court may deem just.

Dated: September 22, 2010

Respectfully submitted,



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