

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 9:12-cv-81170-PAS

BLUE GENTIAN, LLC,
a Florida limited liability company, and
NATIONAL EXPRESS, INC., a
Connecticut corporation,

Plaintiffs,

v.

TRISTAR PRODUCTS, INC.,
a Pennsylvania corporation, and
KEITH MIRCHANDANI, an individual,

Defendants.

**AMENDED COMPLAINT FOR PATENT INFRINGEMENT, FALSE PATENT
MARKING, FALSE ADVERTISING, UNFAIR COMPETITION,
AND TORTIOUS INTERFERENCE WITH CONTRACTUAL AND POTENTIAL
BUSINESS RELATIONSHIPS**

Plaintiffs, BLUE GENTIAN, LLC (“BG”) and NATIONAL EXPRESS, INC. (“NATIONAL EXPRESS”), sue Defendants, TRISTAR PRODUCTS, INC. (“TRISTAR”) and KEITH MIRCHANDANI (“MIRCHANDANI”) for Patent Infringement and False Patent Marking under the Patent Act, False Advertising under the Lanham Act, and Unfair Competition and Tortious Interference with Contractual and Potential Business Relationships, under the common law of the State of Florida, and complain as follows:

JURISDICTION AND VENUE

1. This is an action for Patent Infringement under the Patent Act, 35 U.S.C. § 271, False Patent Marking under the Patent Act, 35 U.S.C. § 292, False Advertising under the

Lanham Act, 15 U.S.C. § 1125(a), and common-law tortious interference with contractual and potential business relationships.

2. This Court has subject matter jurisdiction of this action pursuant to 28 U.S.C. §§ 1331, 1338 and 1367.

3. This Court has personal jurisdiction over Defendants pursuant to Fla. Stat. Ch. 48.193(1) and (2) by virtue of their having committed tortious acts causing injury in the State of Florida, as well as substantial, continuous and not isolated activity in the Southern District of Florida, e.g., its marketing, distribution and sale of numerous “As Seen on TV” products, including the accused infringing products, throughout this District, and the acts of false patent marking, false advertisement, unfair competition and tortious interference set forth in this Complaint.

4. Venue is proper in this District, pursuant to 28 U.S.C. §§ 1391(b & c) and 1400(b), because the Defendants are subject to personal jurisdiction in the District and have committed acts of Patent Infringement in the District, and because a substantial part of the events giving rise to the causes of action set forth herein occurred within this District.

THE PARTIES

5. Plaintiff, BLUE GENTIAN, is a Florida limited liability company having its principal place of business at 223 Skylark Point, Jupiter, Florida.

6. Plaintiff, NATIONAL EXPRESS, is a Connecticut corporation having its principal place of business at 2 Morgan Avenue, Norwalk, Connecticut. NATIONAL EXPRESS has a long history of working with inventors, suppliers and corporations to bring products to consumers via television, internet, print, mail order and retail marketing.

7. Defendant TRISTAR is a Pennsylvania corporation having its principal place of business at 492 Route 46 East, Fairfield, New Jersey.

8. Defendant MIRCHANDANI is an individual residing in the State of New Jersey. MIRCHANDANI is the President of TRISTAR and, upon information and belief, is the principal decision maker thereof, actively and intentionally directing, causing and participating in the acts of patent infringement, false patent marking, false advertisement, unfair competition and tortious interference with business relationships set forth in this Complaint.

BACKGROUND

9. Plaintiff BG's principal, Michael Berardi, has conceived and invented a novel hose product that is light in weight, does not kink when unwrapped or uncoiled, and can be substantially reduced in length and width when not in use simply by turning off the flow of water into it. The product is marketed under the "XHose" trademark.

10. Plaintiff BG is the owner of all intellectual property rights in connection with the XHose product invented by Berardi including, without limitation, the patent rights asserted in this Complaint. BG is the owner of U.S. Patent No. 8,291,941, entitled "Expandable and Contractible Hose" ("the '941 Patent"). BG is also the owner of U.S. Patent No. 8,291,942, entitled "Expandable Hose Assembly" ("the '942 Patent"). Copies of the '941 and '942 Patents are attached as Exhibits "A" and "B" hereto, respectively.

11. Plaintiff NATIONAL EXPRESS possesses an exclusive license from BG under the patent rights asserted in this Complaint to market, promote, distribute and sell expandable hose products, namely the XHose product.

12. Indicative of the ingenuity and popularity of Plaintiffs' XHose product, Defendants have promoted a knock-off hose product embodying the inventions protected under

the '941 and '942 Patents. A screen shot of TRISTAR's website promoting such product, under the brand "Flex~Able Hose" is attached as Exhibit "C" hereto.

13. In furtherance of Defendants' intent to unfairly compete with Plaintiffs' novel hose product by promoting the knock-off "Flex~Able Hose" product in the market, Defendants caused the issuance of a document signed by MIRCHANDANI and entitled "Flex~Able Hose Patent Notice!" to numerous retailers, including current and potential retailers of Plaintiffs' XHose product. A copy of the document is attached as Exhibit "D" hereto.

14. Defendants' "Patent Notice" falsely claims that the Flex~Able Hose "is the subject of several issued PATENTS, **including U.S. Patent No. 6,948,527** ["the '527 Patent"] **and U.S. Patent No. 7,549,448**" ["the '448 Patent"] (emphasis in original). The document then advises that TRISTAR has initiated a lawsuit to enforce the '527 and '448 Patents against the makers of the XHose product.

15. Defendants' Flex~Able Hose is not an embodiment of the inventions claimed in the '527 or '448 Patents.

16. Upon information and belief, Defendants are aware that their Flex~Able Hose product is not an embodiment of the '527 or '448 Patents, but have nevertheless intentionally and knowingly misrepresented to the relevant market that those Patents cover their Flex~Able Hose product.

17. Upon information and belief, Defendants are aware or should be aware that the XHose product does not infringe the '527 Patent as even a minimal pre-suit investigation did or would reveal that fact.

18. Upon information and belief, Defendants are aware or should be aware that the XHose product does not infringe the '448 Patent as even a minimal pre-suit investigation did or would reveal that fact.

19. As a direct result of Defendants' issuance of the "Patent Notice," Plaintiffs have lost current and prospective business relationships with retailers to market the XHose product.

COUNT I
DIRECT PATENT INFRINGEMENT
('941 Patent)

20. With this Count Plaintiffs BG and NATIONAL EXPRESS allege direct Patent Infringement of the '941 Patent against Defendants, pursuant to 35 U.S.C. § 271(a). BG and NATIONAL EXPRESS repeat and reallege Paragraphs 1-12 above.

21. Defendants have infringed and are still infringing one or more claims of the '941 Patent by making, using, selling, offering to sell and, upon belief, importing into the United States a hose product embodying the invention protected under the '941 Patent, and will continue to do so unless enjoined by this Court.

22. Upon information and belief, Defendants' acts of infringement are willful, warranting the assessment of increased damages pursuant to 35 U.S.C. § 284, and warrant a finding that this is an exceptional case, pursuant to 35 U.S.C. § 285.

23. Defendants' acts of infringement have occurred, are occurring and will continue to occur without the authority or license of Plaintiffs. These infringing acts have caused, are causing and will continue to cause injury to Plaintiffs, including irreparable injury and damages, unless and until Defendants are enjoined from doing so by this Court.

COUNT II
INDIRECT PATENT INFRINGEMENT
(‘941 Patent)

24. With this Count Plaintiffs BG and NATIONAL EXPRESS allege indirect Patent Infringement of the ‘941 Patent against Defendants, pursuant to 35 U.S.C. § 271(b) and (c). BG and NATIONAL EXPRESS repeat and reallege Paragraphs 1-12 above.

A. INDUCEMENT OF INFRINGEMENT

25. Defendants have induced others to infringe and continue to induce others to infringe one or more claims of the ‘941 Patent.

26. Defendants’ customers, by using the accused Flex~Able Hose product, have directly infringed and continue to directly infringe one or more claims of the ‘941 Patent.

27. Despite having knowledge of the issuance of the ‘941 Patent since the date thereof, Defendants have sold and offered to sell the accused Flex~Able Hose product with specific intent to encourage and cause their customers’ infringement of the ‘941 Patent.

28. Since at least the date of the issuance of the ‘941 Patent, Defendants have been on notice of the patent’s issuance and, upon information and belief, have taken no steps to remedy any infringement.

29. Defendants knew or should have known that selling and offering to sell, and, upon belief, importing into the United States the Flex~Able Hose product would cause the direct infringement of the ‘941 Patent.

30. Upon information and belief, Defendants’ acts of infringement are willful, warranting the assessment of increased damages pursuant to 35 U.S.C. § 284, and warrant a finding that this is an exceptional case, pursuant to 35 U.S.C. § 285.

31. Defendants' acts of infringement have occurred, are occurring and will continue to occur without the authority or license of Plaintiffs. These infringing acts have caused, are causing and will continue to cause injury to Plaintiffs, including irreparable injury and damages, unless and until Defendants are enjoined from doing so by this Court.

B. CONTRIBUTORY INFRINGEMENT

32. Defendants have contributorily infringed and continue to contributorily infringe the '941 Patent.

33. Defendants' customers, by using the accused Flex~Able Hose product, have directly infringed and continue to directly infringe one or more claims of the '941 Patent.

34. Defendants have sold and offered to sell the accused Flex~Able Hose product for use in practicing the patented method claimed in one or more claims of the '941 Patent, and have done so with knowledge that the product is especially made or adapted for use in an infringement of the '941 Patent.

35. Defendants' Flex~Able Hose product is not a staple article of commerce suitable for substantial non-infringing use.

36. Upon information and belief, Defendants' acts of infringement are willful, warranting the assessment of increased damages pursuant to 35 U.S.C. § 284, and warrant a finding that this is an exceptional case, pursuant to 35 U.S.C. § 285.

37. Defendants' acts of infringement have occurred, are occurring and will continue to occur without the authority or license of Plaintiffs. These infringing acts have caused, are causing and will continue to cause injury to Plaintiffs, including irreparable injury and damages, unless and until Defendants are enjoined from doing so by this Court.

COUNT III
DIRECT PATENT INFRINGEMENT
(‘942 Patent)

38. With this Count Plaintiffs BG and NATIONAL EXPRESS allege direct Patent Infringement of the ‘942 Patent against Defendants, pursuant to 35 U.S.C. § 271(a). BG and NATIONAL EXPRESS repeat and reallege Paragraphs 1-12 above.

39. Defendants have infringed and are still infringing one or more claims of the ‘942 Patent by making, using, selling, offering to sell, offering to sell and, upon belief, importing into the United States a hose product embodying the invention protected under the ‘942 Patent, and will continue to do so unless enjoined by this Court.

40. Upon information and belief, Defendants’ acts of infringement are willful, warranting the assessment of increased damages pursuant to 35 U.S.C. § 284, and warrant a finding that this is an exceptional case, pursuant to 35 U.S.C. § 285.

41. Defendants’ acts of infringement have occurred, are occurring and will continue to occur without the authority or license of Plaintiffs. These infringing acts have caused, are causing and will continue to cause injury to Plaintiffs, including irreparable injury and damages, unless and until Defendants are enjoined from doing so by this Court.

COUNT IV
INDIRECT PATENT INFRINGEMENT
(‘942 Patent)

42. With this Count Plaintiffs BG and NATIONAL EXPRESS allege indirect Patent Infringement of the ‘941 Patent against Defendants, pursuant to 35 U.S.C. § 271(b). BG and NATIONAL EXPRESS repeat and reallege Paragraphs 1-12 above.

43. Defendants have induced others to infringe and continue to induce others to infringe one or more claims of the ‘942 Patent.

44. Defendants' customers, by using the accused Flex~Able Hose product, have directly infringed and continue to directly infringe one or more claims of the '942 Patent.

45. Despite having knowledge of the issuance of the '942 Patent since the date thereof, Defendants have sold and offered to sell the accused Flex~Able Hose product with specific intent to encourage and cause their customers' infringement of the '942 Patent.

46. Since at least the date of the issuance of the '942 Patent, Defendants have been on notice of the patent's issuance and, upon information and belief, have taken no steps to remedy any infringement.

47. Defendants knew or should have known that selling and offering to sell and, upon belief, importing into the United States the Flex~Able Hose product would cause the direct infringement of the '942 Patent.

48. Upon information and belief, Defendants' acts of infringement are willful, warranting the assessment of increased damages pursuant to 35 U.S.C. § 284, and warrant a finding that this is an exceptional case, pursuant to 35 U.S.C. § 285.

49. Defendants' acts of infringement have occurred, are occurring and will continue to occur without the authority or license of Plaintiffs. These infringing acts have caused, are causing and will continue to cause injury to Plaintiffs, including irreparable injury and damages, unless and until Defendants are enjoined from doing so by this Court.

COUNT V
FALSE PATENT MARKING

50. This Count alleges False Patent Marking against Defendants, pursuant to 35 U.S.C. § 292. Plaintiffs repeat and reallege Paragraphs 1-8, 13-19 above.

51. Upon information and belief, Defendants mark and advertise the Flex~Able Hose product as being the subject of several issued patents, including the '527 and '448 Patents,

despite knowing that these Patents do not cover this product, for the purpose of deceiving the public.

52. TRISTAR is a direct competitor of Plaintiffs in the marketplace. The accused infringing Flex~Able Hose product, which is falsely marked and advertised by Defendants as the subject of several issued patents, including the '527 and '448 Patents, is marketed and sold in direct competition with Plaintiffs' XHose product.

53. Defendants knew that it was a false statement to mark and advertise the Flex~Able Hose product as covered by several issued patents, including the '527 and '448 Patents, when in fact it is not covered by these Patents.

54. Defendants could not have reasonably believed that the Flex~Able Hose product is covered by the '527 and '448 Patents, or any other patent owned or licensed by TRISTAR.

55. Notwithstanding these facts, Defendants have marked and advertised the Flex~Able Hose product as covered by patents owned or licensed by TRISTAR despite knowing it to be false, for the purpose of deceiving retailers and the consuming public as to TRISTAR's intellectual property rights with respect to the Flex~Able Hose product, and ultimately to unlawfully enhance TRISTAR's competitive position against Plaintiffs' XHose product in the marketplace by discouraging the sale or offer for sale of the XHose product for fear of infringement litigation instituted by TRISTAR.

56. In light of the foregoing facts, Plaintiffs have suffered competitive injury as the result of Defendants' false patent marking.

COUNT VI
FALSE ADVERTISING

57. This Count alleges False Advertising against Defendants, pursuant to §43(a) of the Lanham Act, 15 U.S.C. § 1125(a). Plaintiffs repeat and reallege Paragraphs 1-8, 13-19 above.

58. Defendants' "Patent Notice" issued to retailers was false or misleading in claiming that the Flex~Able Hose product is the subject of "several issued PATENTS, **including U.S. Patent No. 6,948,527 and U.S. Patent No. 7,549,448.**" This claim was made in bad faith for the purpose of deceiving retailers into refraining from or discontinuing sales of the XHose product for fear of infringement litigation from TRISTAR.

59. Defendants' "Patent Notice" also alleges that it has initiated a lawsuit to enforce the '527 and '448 Patents against "the makers of the XHose" when Defendants know and/or reasonably should know, that the XHose, which is the same or substantially the same as Defendants' Flex~Able Hose product, does not infringe such Patents.

60. The Defendants' claim that the XHose infringes the '527 and '448 Patents is made in bad faith and with full knowledge that these Patents do not cover the XHose. As such, they are made in reckless disregard as to whether the '527 and '448 Patents are infringed by the XHose for the purpose of intimidating customers from purchasing and reselling the XHose.

61. The foregoing statement in Defendants' "Patent Notice" has actually deceived retailers, the target audience of the communication, into believing that the Flex~Able Hose product is the subject of such patent protection and/or into believing that Plaintiffs' XHose product infringes those Patents when, in fact, it does not.

62. The foregoing statement in Defendants' "Patent Notice" has proven to be material, in that it resulted in the disruption of business relationships between Plaintiffs and current and prospective retailers selling the XHose product.

63. Defendants' Flex~Able Hose product travels in interstate commerce.

64. Plaintiffs have been and will continue to be injured as a direct result of Defendants' false or misleading advertisement of the Flex~Able Hose product, unless Defendants are enjoined from further acts of false advertisement by this Court.

COUNT VII
UNFAIR COMPETITION – FLORIDA LAW

65. This Count alleges unfair competition under the common law of Florida, pursuant to F.S. Ch. 2.01. The allegations in this claim form part of the same case or controversy as alleged in Counts V and VI, above. Plaintiffs repeat and reallege paragraphs 1-8, 13-19 and 57-63 above.

66. Plaintiffs are in direct competition with TRISTAR by virtue of the sale of their respective hose products, as referenced *inter alia*, in Paragraph 13 above.

67. Defendants' conduct described herein constitutes Unfair Competition under Florida law.

68. The Defendants' actions are or were willful and intentional, and have caused irreparable harm for which there is no adequate remedy at law.

COUNT VIII
TORTIOUS INTERFERENCE WITH CONTRACTUAL BUSINESS RELATIONSHIP

69. With this Count Plaintiff NATIONAL EXPRESS alleges common-law Tortious Interference with Contractual Business Relationship against Defendants, pursuant to Fla. Stat.

Ch. 2.01. The allegations in this claim form part of the same case or controversy as alleged in Counts V and VI, above. Plaintiff repeats and realleges Paragraphs 1-8, 13-19 above.

70. NATIONAL EXPRESS has contractual relationships with retailers to sell and promote the XHose product. Such relationships generate sales and licensing revenue for this Plaintiff.

71. Defendants were aware of these relationships with retailers at the time they issued the "Patent Notice," and specifically targeted those retailers as recipients thereof.

72. As the result of Defendants' "Patent Notice," these retailers have halted sales and promotion of the XHose product.

73. Defendants' issued the "Patent Notice" with the intent that it would cause retailers to halt sales and promotion of the XHose product.

74. Defendants issued the "Patent Notice" in bad faith, knowing that the Flex~Able Hose product, nor the Plaintiffs' XHose product, is covered by the '527 and '448 Patents, nor any other patent owned or licensed by TRISTAR, for the specific purpose of causing the disruption of NATIONAL EXPRESS's contractual relationships with retailers.

75. NATIONAL EXPRESS has been and will continue to be injured as a direct result of Defendants' unjustified interference with its contractual relationships with retailers, unless Defendants are enjoined from further such acts by this Court.

COUNT IX
TORTIOUS INTERFERENCE WITH POTENTIAL
ADVANTAGEOUS BUSINESS RELATIONSHIP

76. With this Count Plaintiff NATIONAL EXPRESS alleges common-law Tortious Interference with Potential Advantageous Business Relationship against Defendants, pursuant to Fla. Stat. Ch. 2.01. The allegations in this claim form part of the same case or controversy as

alleged in Counts V and VI, above. NATIONAL EXPRESS and DAP repeat and reallege Paragraphs 1-8, 13-19 above.

77. NATIONAL EXPRESS has prospective business relationships with retailers to sell and promote the XHose product. Such relationships would generate sales and licensing revenue for this Plaintiff.

78. Defendants were aware of these relationships with retailers at the time they issued the "Patent Notice," and specifically targeted those retailers as recipients thereof.

79. As the result of Defendants' "Patent Notice," retailers with whom NATIONAL EXPRESS has been negotiating to begin sales and promotion of the XHose product have backed out of those negotiations.

80. Defendants issued the "Patent Notice" in bad faith, knowing that the Flex~Able Hose product, nor the Plaintiffs' XHose product, is covered by the '527 and '448 Patents, nor any other patent owned or licensed by TRISTAR, for the specific purpose and intent of causing the disruption of NATIONAL EXPRESS's prospective business relationships with retailers.

81. NATIONAL EXPRESS has been and will continue to be injured as a direct result of Defendants' unjustified interference with their prospective business relationships with retailers, unless Defendants are enjoined from further such acts by this Court.

WHEREFORE, Plaintiffs pray that this Court:

A. Enter judgment against Defendants for infringement of the '941 Patent, and preliminarily and permanently enjoin Defendants, their principals, officers, directors, agents, employees, subsidiaries, affiliates and all other persons in active concert or participation with them, from further acts of infringement, pursuant to 35 U.S.C. § 283;

B. Enter judgment against Defendants for infringement of the '942 Patent, and preliminarily and permanently enjoin Defendants, their principals, officers, directors, agents, employees, subsidiaries, affiliates and all other persons in active concert or participation with them, from further acts of infringement, pursuant to 35 U.S.C. § 283;

C. Enter judgment against Defendants for violating 35 U.S.C. § 292 by falsely marking and advertising the Flex~Able Hose product as being the subject of issued patents despite knowing such statement to be false, for purposes of deceiving the public;

D. Enter judgment against Defendants for violating 15 U.S.C. § 1125(a) by falsely advertising the Flex~Able Hose product as being the subject of issued patents, and preliminarily and permanently enjoin Defendants, their principals, officers, directors, agents, employees, subsidiaries, affiliates and all other persons in active concert or participation with them, from further such acts;

E. Enter judgment against Defendants for tortiously interfering with contractual business relationships, and preliminarily and permanently enjoin Defendants, their principals, officers, directors, agents, employees, subsidiaries, affiliates and all other persons in active concert or participation with them, from further such acts;

F. Enter judgment against Defendants for tortiously interfering with potential advantageous business relationships, and preliminarily and permanently enjoin Defendants, their principals, officers, directors, agents, employees, subsidiaries, affiliates and all other persons in active concert or participation with them, from further such acts;

G. Enter judgment for an accounting as to all damages arising from Defendants' infringement of the '941 Patent;

H. Enter judgment against Defendants for damages arising from the infringement of the '941 Patent, including treble damages for willful infringement, pursuant to 35 U.S.C. § 284;

I. Enter judgment for an accounting as to all damages arising from Defendants' infringement of the '942 Patent;

J. Enter judgment against Defendants for damages arising from the infringement of the '942 Patent, including treble damages for willful infringement, pursuant to 35 U.S.C. § 284;

K. Enter judgment for an accounting as to all damages arising from Defendants' falsely marking and advertising the Flex~Able Hose product as being the subject of issued patents;

L. Enter judgment against Defendants for damages adequate to compensate Plaintiffs for the injury suffered as the result of Defendants' false patent marking, pursuant to 35 U.S.C. § 292(b);

M. Enter judgment against Defendants for damages arising from the false advertising of the Flex~Able Hose product as being the subject of issued patents, pursuant to 15 U.S.C. § 1117(a);

N. Enter judgment against Defendants for damages arising from the tortious interference with contractual business relationships;

O. Enter judgment against Defendants for damages arising from the tortious interference with potential advantageous business relationships;

P. Enter judgment that this case is exceptional, and award treble damages, attorney fees and the costs of this action, pursuant to 35 U.S.C. § 285;

Q. Enter judgment awarding treble damages or profits and an award of attorney fees and the costs of this action, pursuant to 15 U.S.C. § 1117(a); and

R. Enter judgment granting Plaintiffs such other relief as this Court deems appropriate.

DEMAND FOR JURY TRIAL

Plaintiffs request that all issues in this case be tried to a jury.

Respectfully submitted,

s/ Brian M. Taillon

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