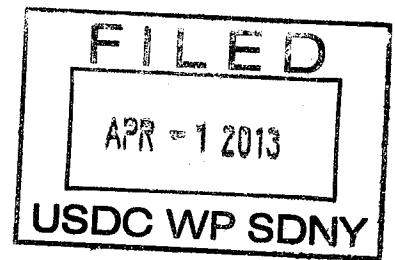


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



LIGHTUPTOYS.COM, LLC,

Plaintiff,

- against -

IMPERIAL TOY, LLC and RHODE
ISLAND NOVELTY, INC.,

Defendants.

ECF CASE

COMPLAINT

Civil Case No

13

CV

2123

JURY TRIAL DEMANDED

JUDGE SCHOFIELD

DECLARATORY JUDGMENT COMPLAINT

Plaintiff LIGHTUPTOYS.COM, LLC ("LUT") brings this Declaratory Judgment Action against Defendants Imperial Toy, LLC ("Imperial") and Rhode Island Novelty, Inc. ("RIN"). This Declaratory Judgment Complaint relates to LUT's current efforts to resolve ongoing disputes between the parties – direct competitors in the field of toy bubble gun sales – regarding their respective legal rights to manufacture, use and sell toy bubble gun models identified as Light Up Bubbles and Light Up Magic Crocodile Bubbles (a/k/a Light Up Magic Alligator Bubbles) (collectively "LUT Guns"). Specifically, LUT seeks a Declaratory Judgment of patent non-infringement and invalidity with respect to the Imperial utility patent, United States Patent No. 5,498,191 ("191 Patent") for a certain bubble gun model as follows:

NATURE OF THIS ACTION

1. This is an action seeking, among other things, a Declaratory Judgment that LUT's manufacture, use, and sale of the LUT Guns does not infringe upon the '191 Patent and that the '191 patent, has not been infringed by Plaintiff and/or is invalid under

35 U.S.C. § 102 *et seq.*

2. This action arises under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, the Patent Laws of the United States, and Title 35 of the United States Code.

THE PARTIES

3. LUT is a corporation organized and existing under the laws of the state of Indiana, with its principal place of business at 8512 Commerce Park Drive, Sellersburg, Indiana.

4. LUT has been manufacturing and selling the Light Up Bubbles model toy gun and Light Up Magic Crocodile Bubbles model toy gun since on or about March 2009 and March 2011 respectively.

5. LUT has offered the Light Up Bubbles model toy gun for sale in the State of New York continuously since on or about February 2009. During portions of this time LUT has maintained a booth at the Toys R' Us store located in Times Square, Manhattan and the Babies R' Us store located in Union Square, Manhattan. In this connection, LUT has employed residents of New York State to staff and operate said booths. LUT is a member of the Toy Industry Association that is headquartered in Manhattan, and LUT maintains an ongoing relationship with the FeBland Group, Inc., an industry representative that is responsible for showcasing the LUT Guns and other LUT products in Manhattan. LUT is a regular attendee at the New York Toy Fair, which is held each winter in Manhattan.

6. Imperial is a limited liability company organized and existing under the laws of the State of California, with its principal place of business at 16641 Roscoe Place, North Hills, CA, 91343.

7. Imperial regularly conducts business in the State of New York appearing at the annual New York Toy Fair where, upon information and belief, it solicits large numbers of orders for toy bubble guns and other products.

8. Upon information and belief, Imperial showcased its product, ROXX, at a major media event, the Time to Play Magazine's Holiday Media Preview, which was held in New York City this past year.

9. Upon information and belief, Imperial has aligned itself with the Simon Property Group and has, or plans to, showcase its toys in the Group's collection of shopping malls, some of which are located in the geographic area that is encompassed by the Southern District of New York.

10. Upon information and belief, for some or all of the relevant time period herein, Imperial maintained a facility and/or showroom within the confines of the City of New York that it used/uses for conducting its business.

11. Upon information and belief, Imperial has entered into a "partnership" or other association with Viacom International Inc., one of the countries largest telecommunications and entertainment companies, which maintains offices in the City of New York.

12. Upon information and belief, Imperial is a member of the Toy Industry Association which is headquartered in Manhattan.

13. RIN is a Rhode Island corporation organized and existing under the laws of the State of Rhode Island, with its principal place of business at 5 Industrial Road, Cumberland, Rhode Island, 02837.

14. RIN regularly conducts business in the State of New York appearing at the

annual New York Toy Fair where, upon information and belief, it solicits large numbers of orders for toy bubble guns and other products.

15. Upon information and belief, RIN is a member of the Toy Industry Association, which is headquartered in Manhattan.

16. LUT, RIN, and Imperial are direct competitors in the sales of toy bubble guns and other products. LUT and Imperial have an ongoing dispute regarding LUT's legal rights to manufacture and sell the LUT Guns. Imperial has indicated to LUT that Imperial believes LUT needs a license to use the '191 Patent to cover LUT's sales of the LUT Guns. LUT seeks to resolve the parties' current disputes regarding the LUT Guns and thus LUT brings this Declaratory Judgment action, in which LUT seeks, among other things, a declaration that the '191 Patent has not been infringed by LUT and/or is invalid.

JURISDICTION AND VENUE

17. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331, 1338(a), 2201 and 2202.

18. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b).

19. This Court has personal jurisdiction over Imperial and RIN (sometimes collectively referred to herein as "Defendants") because their contacts with the State of New York are significant and pervasive. The State of New York is a large and important market for the sale of Defendants' products. Defendants' have sales representatives, dealers, and distributors located in the State of New York that market, promote, and sell Defendants' products. Defendants' have conducted business continuously and systematically in the State of New York and in this judicial district for many years and continue to conduct that business actively today.

FACTUAL BACKGROUND

The Parties Compete Directly In Sales of Toy Bubble Guns

20. LUT designs, manufactures, and sells the LUT Guns. Imperial and RIN are LUT's direct competitor in the United States and elsewhere in sales of toy bubble guns.

21. The market for toy bubble guns is small, intimate, and, especially in the area of amusement parks and outside venues, populated by a discrete number of high value customers which LUT and the Defendants have competed for since on or about February 2009.

22. The size of the toy bubble gun market and limited number of manufacturers exploiting it creates an environment where the manufacturers are quickly alerted to new products entering the market and to old products being reintroduced by their competition.

23. After more than three years of informed silence, on or about July 2012, Imperial sent correspondence to LUT in which it indicated that LUT's selling the LUT Guns constitutes an infringement of the '191 Patent.

24. In July of 2012 counsel for LUT and Imperial began discussing Imperial's position that LUT was infringing on the '191 Patent. These discussions included complete and robust disclosures by LUT that the vast majority of LUT Guns were sold at amusement parks and outdoor venues.

25. In fact, amusement parks and outside venues constitute approximately 95 percent of the purchasers of the LUT Guns.

26. After many months of discussion between the parties, when it was clear throughout that LUT's primary markets were amusement parks and outdoor events,

Counsel to Imperial belatedly informed Counsel to LUT that Imperial had given "another" vendor exclusive rights to sell toy bubble guns at amusement parks and outside venues, the precise locations where General Counsel knew the majority of LUT's sales were made.

27. Upon information and belief, Imperial has granted RIN an exclusive license to sell toy bubble guns that Imperial claims are protected by the '191 Patent in amusement parks and outside venues.

28. Upon information and belief, RIN recently attended an industry event where it advertised to potential LUT customers that RIN holds the exclusive license to sell toy bubble guns to amusement parks and outside venues.

The '191 Patent

29. Upon information and belief, Imperial is the owner of the '191 Patent, entitled "Bubble Producing Toy" which issued on March 12, 1996. A copy of the '191 Patent is attached hereto as Exhibit A.

30. Patent infringement is defined, in pertinent part, as "the unauthorized making, using, or selling of an invention covered by a valid claim of a patent during the term or extended term of the patent." *Durango Assocs. v. Reflange, Inc.*, 629 F. Supp. 1443 (S.D. Tex. 1986).

31. The design, functionality, and operation of the LUT Guns do not encompass the Claims contained in the '191 Patent and do not infringe any Claim in the '191 Patent.

COUNT I

Declaratory Judgment of Non-Infringement

32. Plaintiff re-alleges Paragraphs 1 through 31 as if fully set forth herein.

33. A declaratory judgment regarding LUT's non-infringement of the '191 Patent is necessary at this time in order to resolve the above-referenced dispute, which has developed around LUT's sales of the LUT Guns and the '191 Patent.

34. Irrespective of the Claims contained in the '191 Patent and the functionality, and operation of the LUT Guns, Imperial's years of informed silence implicate the doctrines of laches, acquiescence, and implied licensure, all of which operate as a bar to a finding of a violation of the patent rights of Imperial and any damages that Imperial and/or RIN claim to have been caused by the manufacture, use or sale of the LUT Guns.

COUNT II

Declaratory Judgment of the Invalidity of the '191 Patent

35. Plaintiff re-alleges Paragraphs 1 through 34 as if fully set forth herein.

36. An actual controversy pursuant to 28 U.S.C. §§ 2201 *et seq.* exists between LUT and Defendants concerning the validity of the claims of the '191 Patent.

37. The claims of the '191 Patent are invalid for failing to meet the requirements of patentability under the federal patent laws, including, but not limited to, failure to meet the requirements of novelty and/or non-obviousness and failure because the claimed invention is in the public domain.

38. Furthermore, if the Court should, initially view the '191 Patent as valid, the Patent should be invalidated because the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States under 35 USC Section 102(b).

39. Furthermore, if the Court should, initially view the '191 Patent as valid, the

Patent should be invalidated because a patent may not be obtained though the invention is not identically disclosed or described as set forth in section 35 U.S.C. 102, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

40. LUT warrants a declaratory judgment that the claims of the '191 Patent are invalid.

PRAYER FOR RELIEF

WHEREFORE, LUT respectfully prays for entry of judgment as follows:

- A. A declaration that LUT has not infringed and is not infringing the '191 Patent;
- B. A declaration that LUT is not liable to Defendants for violation of Imperial's Patent rights, namely that LUT has not infringed the '191 Patent;
- C. A declaration that the '191 Patent is invalid and a final judgment incorporating same;
- D. Entry of equitable relief, including injunctive relief that enjoins Defendants, and any of their officers, agents, employees, assigns, representatives, privies, successors, and those acting in concert or participation with them, from asserting or in any way claiming infringement of the '191 Patent;
- E. A declaration that the doctrines of laches, acquiescence, and implied license apply to the facts that give rise to this action and therefore allow LUT to continue to manufacture and sell the LUT Guns and free LUT from any liability based on infringement alleged by Imperial and/or RIN with respect to the LUT Guns in the past,

now, or in the future;

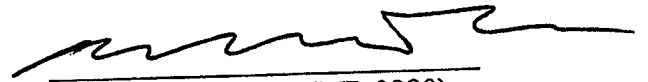
F. Finding this to be an “ exceptional case” within the meaning of 35 U.S.C. § 285 and awarding to LUT its attorneys’ fees and costs incurred in this action; and

G. Such other relief as this Court deems just and proper.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, LUT demands a trial by jury of any and all issues on which a trial by jury is available under applicable law.

Dated: April 1, 2013



Michael J. Paleudis (MP-0980)
RUDNER & PALEUDIS, LLC.
445 Hamilton Avenue, Suite 1102
White Plains, NY 10601
mjp@rudnerpaleudis.com
(914) 220-8270 (p)
(914) 220-8271 (f)

Of Counsel:

Richard M. Blank, Esq. (RB1234)
Law Offices of Richard M. Blank
445 Hamilton Avenue, Suite 1102
White Plains, NY 10601
rmb@blanklegal.com
(914) 358-6421 (p)
(914) 208-2612 (f)

EXHIBIT A



US005498191A

United States Patent [19] DeMars

[11] Patent Number: **5,498,191**
[45] Date of Patent: **Mar. 12, 1996**

[54] BUBBLE PRODUCING TOY

[76] Inventor: **Robert A. DeMars**, 5000 N. Parkway
Calabasas- Suite 233, Calabasas, Calif.
91302

3,814,394	6/1974	Murray	446/15 X
4,423,565	1/1984	Bart	446/16
5,224,892	7/1993	Messina	446/15
5,224,893	7/1993	Routzong et al.	446/15
5,366,402	11/1994	Rudell et al.	446/16

FOREIGN PATENT DOCUMENTS

[21] Appl. No.: **391,104**

5-285278	11/1993	Japan	446/15
3015810	8/1993	WIPO	446/15

[22] Filed: **Feb. 21, 1995**

[51] Int. Cl.⁶ **A63H 33/28; A63H 33/40**

[52] U.S. Cl. **446/015; 446/178**

[58] Field of Search **446/15, 16, 17,
446/18, 90, 20, 21, 178, 182, 194, 195,
267, 475, 483, 484**

Primary Examiner—Robert A. Mafer
Assistant Examiner—D. Neal Muir
Attorney, Agent, or Firm—Jack C. Munro

[57] ABSTRACT

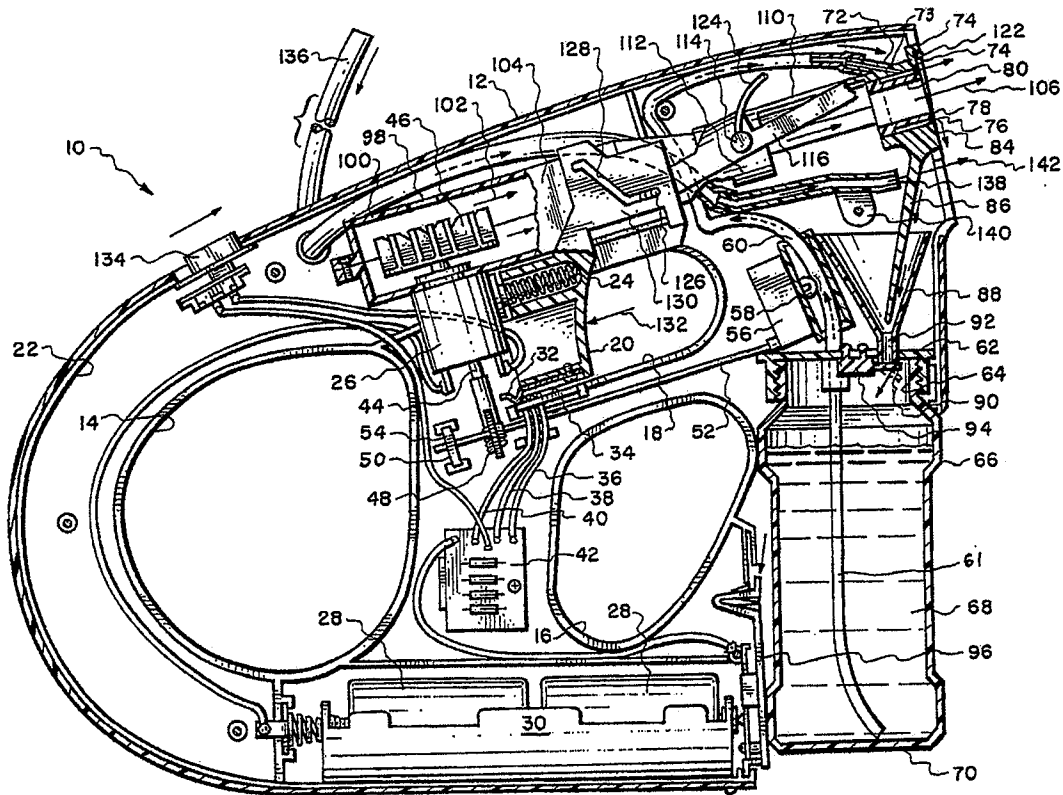
A hand holdable bubble producing toy that, when activated by the user, produces a stream of bubbles. Activation of the toy is accomplished by manually moving of a trigger which electrically operates a fan and a pump as well as a film producing mechanism in order to produce the dispensed bubbles and includes a collection system for recycling unused bubble solution.

[56] References Cited

U.S. PATENT DOCUMENTS

2,393,039	1/1946	Gilchrist, Jr.	446/17
2,675,641	4/1954	Baggott	446/18
2,974,438	3/1961	Hopkins	446/16
2,989,818	6/1961	Filger et al.	446/20
3,775,899	12/1973	Wolf	446/17

15 Claims, 3 Drawing Sheets



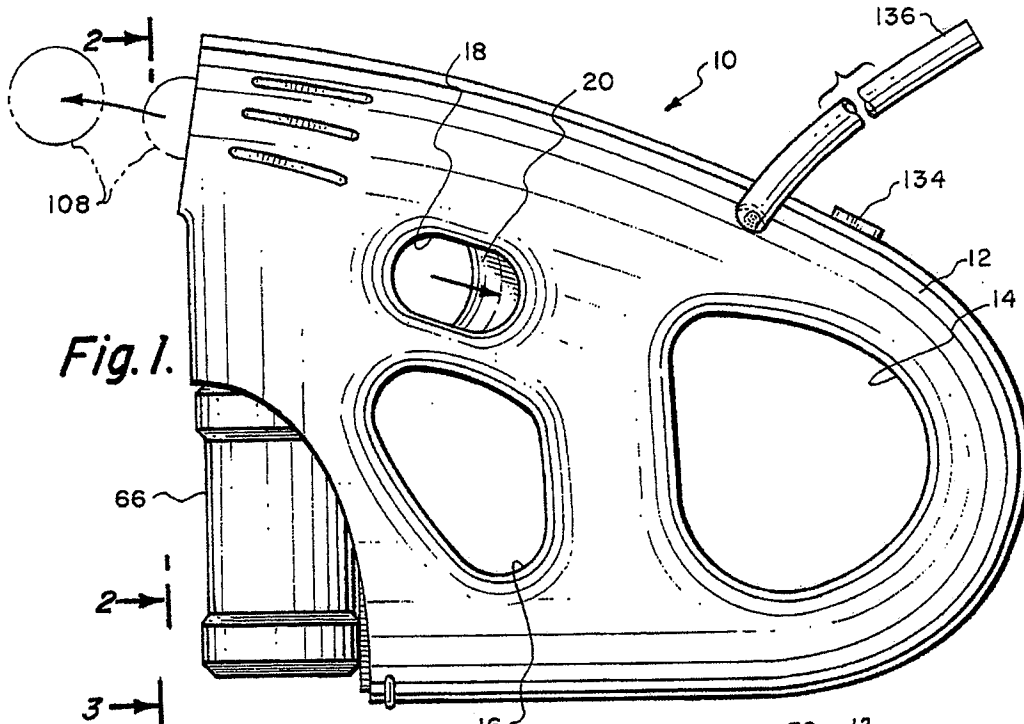


Fig. 1.

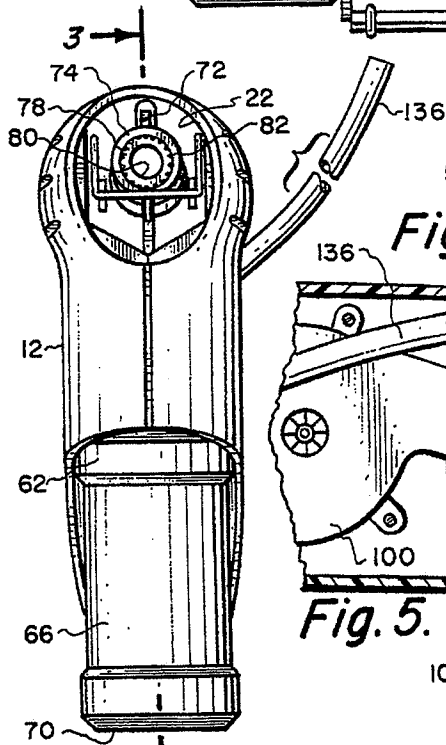


Fig. 2.

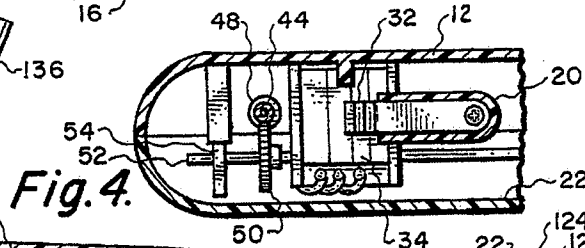


Fig. 4.

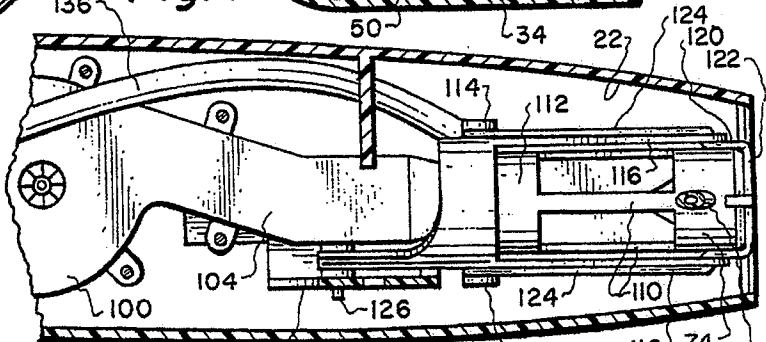


Fig. 5.

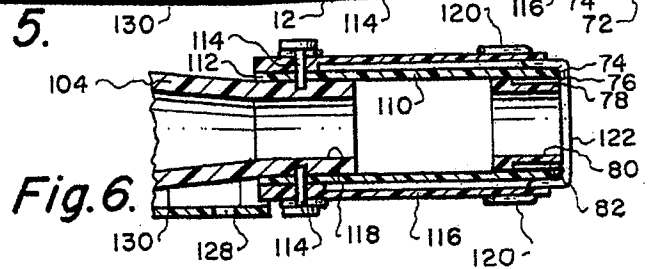


Fig. 6.

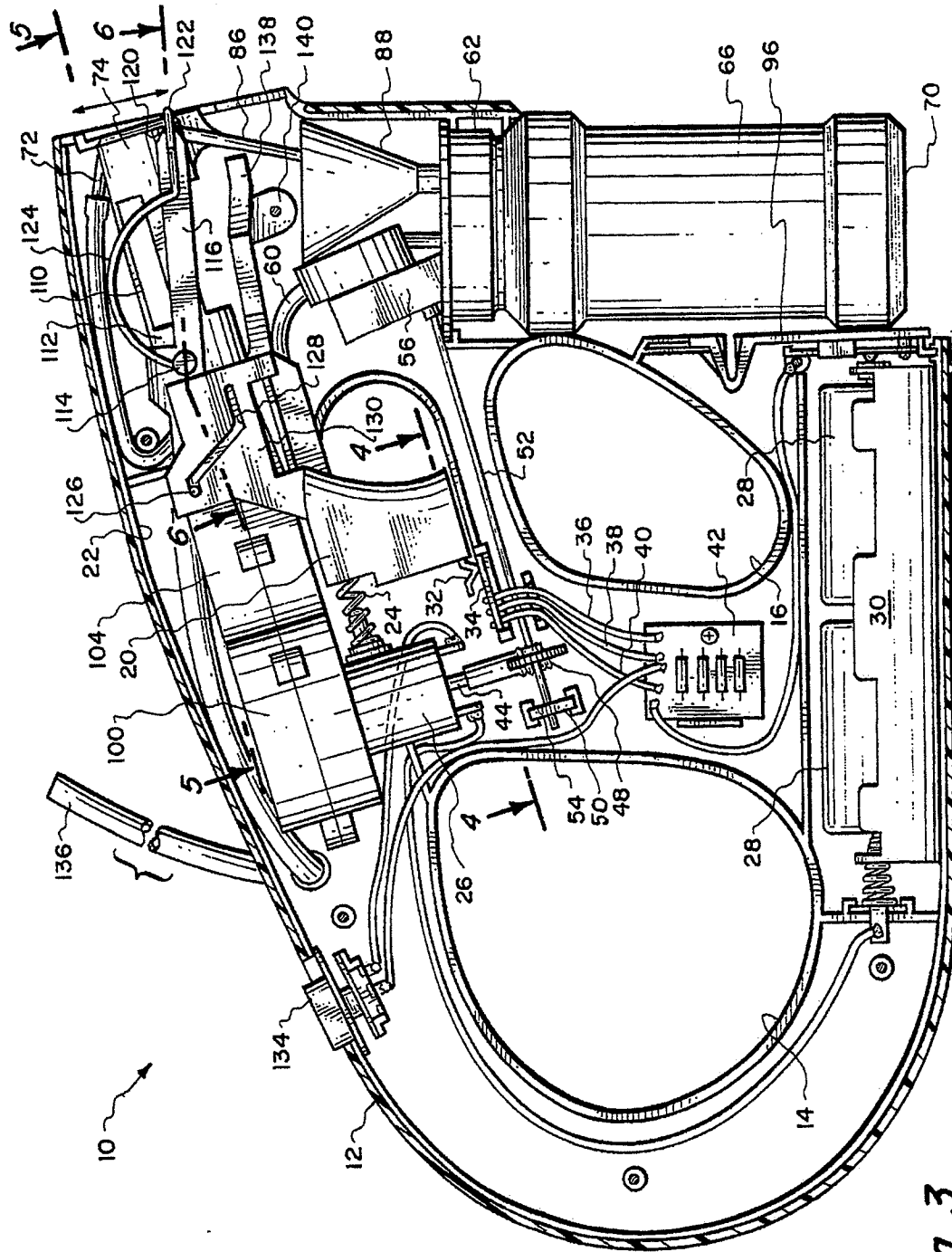


Fig. 3.

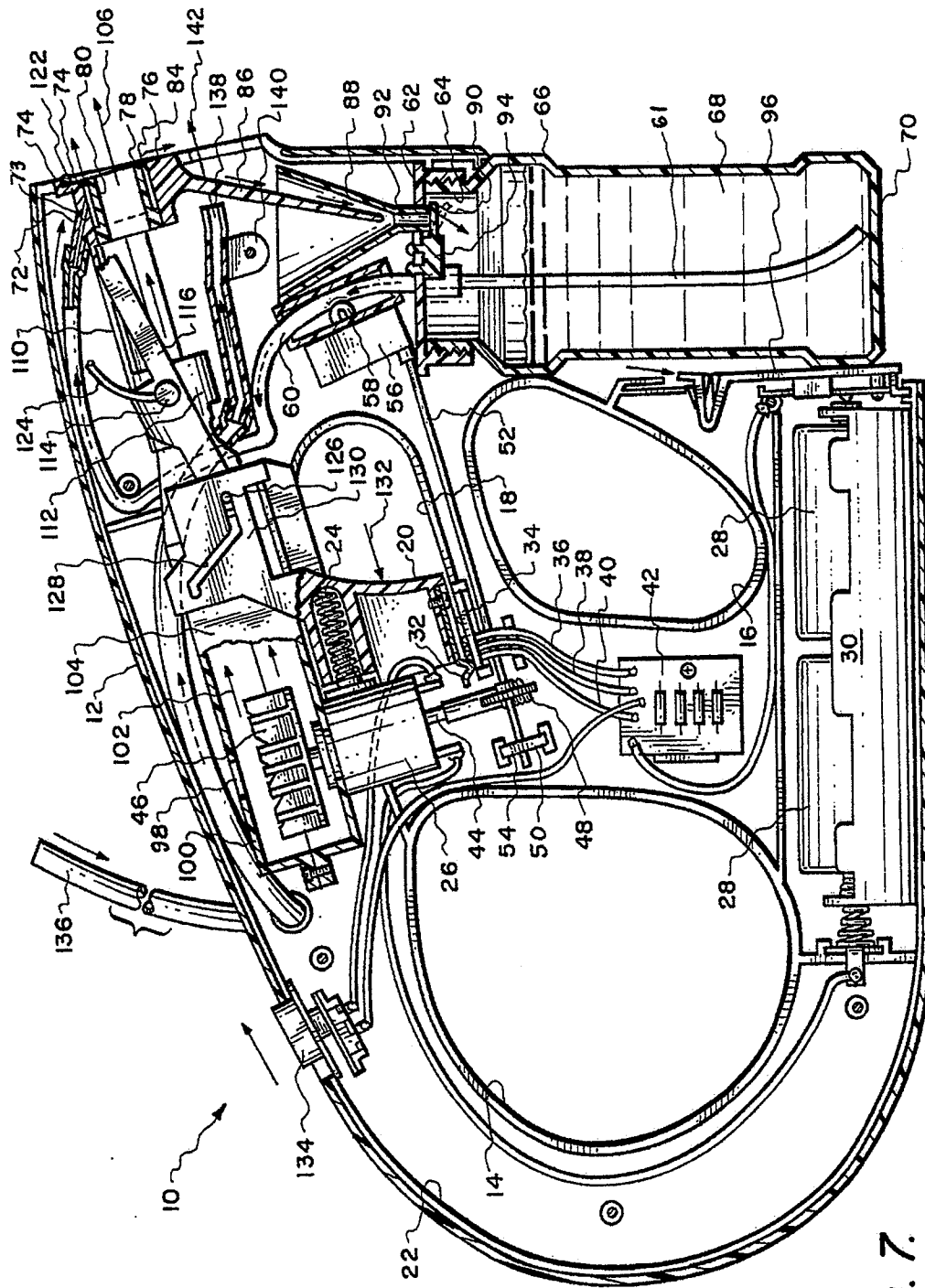


Fig. 7.

BUBBLE PRODUCING TOY**BACKGROUND OF THE INVENTION**

1. Field of the Invention

The field of this invention relates to toys and more particularly to a hand holdable toy to be normally used by a child that dispenses a stream of air bubbles from a liquid such as a soap solution.

2. Description of the Prior Art

Trigger actuated toys, generally in the form of a pistol or a rifle, are in exceedingly common usage. Such toys can be used to make noise and not propel an object from the toy. Also such toys can propel harmless objects such as corks, plastic slugs or water.

Another type of toy is a hand holdable ring which is to be inserted within a liquid solution such as a soap solution which places a film across the ring and when blown upon with air by the child, produces one or several air bubbles. Prior to the present invention, there are trigger actuated toys which are required to be dipped into a reservoir and also a toy with a windmill of rings which are to be dipped into a reservoir. These toys are prone to dipping and spilling. A toy emitting a steady stream of air bubbles made from a closed fluid system which contains and controls the fluid and is designed to eliminate or minimize spillage during handling of the toy would provide an exciting toy to the child and please any parent.

SUMMARY OF THE INVENTION

The bubble producing toy of the present invention is located within a hand holdable housing which includes a manually movable trigger. Within the internal chamber of the housing there is located a battery driven electrical motor attached to a fan which is activated by operation of the trigger. The trigger also activates simultaneously a film producing mechanism. Operation of the motor produces movement of air outward by means of the fan and also movement of a film making liquid from a reservoir by means of a pump to feed the film producing mechanism. The film producing mechanism includes an applicator bar which is held against the outer face of the sleeve. It is the function of the applicator bar to create a thin film of the liquid across the face of the sleeve as the applicator bar is moved relative to the sleeve. Both the air and the liquid, in the form of a film, come together at a sleeve mounted within a dispensing opening of the housing to the ambient. The thin film, when blown against the air from the fan, produces one or more air bubbles.

The primary objective of the present invention is to construct an entertaining and safe toy for a child which is triggered as is any firearm but which discharges a steady stream of harmless air bubbles.

Another objective of the present invention is to construct a bubble producing toy which is capable of being manufactured at a reasonable cost and therefore sold to the ultimate consumer at a reasonable cost.

Another objective of the present invention is to provide a bubble producing toy which recovers surplus film making liquid and is designed to prevent spillage or leaking of the liquid solution which might be displeasing to users.

BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 is a side elevational view of the bubble producing toy of the present invention depicting dispensing of a series of bubbles;

FIG. 2 is a front view of the bubble producing toy of the present invention taken along line 2—2 of FIG. 1;

FIG. 3 is a longitudinal cross-sectional view of the bubble producing toy of the present invention taken along line 3—3 of FIG. 2 showing the toy in the inactivated position;

FIG. 4 is a cross-sectional view through the trigger of the bubble producing toy of the present invention taken along line 4—4 of FIG. 3;

FIG. 5 is a cross-sectional view showing in more detail the film producing mechanism utilized within the bubble producing toy of the present invention taken along line 5—5 of FIG. 3;

FIG. 6 is a cross-sectional view taken along line 6—6 of FIG. 3 showing more clearly the film producing mechanism utilized within the bubble producing toy of the present invention; and

FIG. 7 is a longitudinal cross-sectional view similar to FIG. 3 but with the trigger mechanism located in the activated position.

DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENT

A bubble is defined as a small globule of gas in a thin liquid envelope. Children have long used a liquid solution to produce bubbles. A common form of such a liquid solution is water combined with a detergent or soap. The detergent or soap lowers the surface tension of the water permitting a small quantity of the liquid to be stretched across an enclosing device such as a ring. When air is propelled into this film, the film breaks free of the ring and encloses a quantity of the air producing a bubble. Although a soapy water has been found to be a desirable form for such a liquid, other liquids could be utilized or water combined with other substances such as glycerin. However, one function of glycerin is for the purpose of extending the life of any produced air bubble.

Referring particularly to the drawings, there is shown the bubble producing toy 10 of this invention. The bubble producing toy 10 includes an exterior sheet material plastic housing 12 which includes an enlarged opening 14 and a smaller sized opening 16. The user, when holding the toy 10 of this invention, will normally place the palm of the user's hand (not shown) between the opening 14 and the opening 16 and the fingers (with the exception of the thumb and forefinger) within the smaller sized opening 16. The forefinger, which is frequently called the trigger finger, is to be located within the trigger opening 18 and the thumb in the enlarged opening 14. Movable mounted within the trigger opening 18 is a lineally movable trigger 20.

The housing 12 includes an internal chamber 22. The trigger 20 is movably mounted against the bias of a coil spring 24. The trigger 20 is shown in its normally at-rest position in FIG. 3 and in its maximum moved position in FIG. 7. The outer end of the coil spring 24 is mounted against motor housing 26. The motor housing 26 is fixedly positioned relative to the housing 12. Included within the motor housing 26 is an electrically operated motor, with this motor being driven by means of batteries 28 which are mounted within battery holder 30 with this battery holder in turn being fixedly secured to the wall of the internal chamber 22. An electrical contact 32 is mounted on the trigger 20. The electrical contact 32 rests against contact board 34. Mounted on the contact board 34 are three separate contacts which are connected by wires 36, 38 and 40 to an electrical circuit board 42. Upon the electrical contact 32 being located in electrical connection with the wire 36, the motor located