

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

SUNCAST CORPORATION,
an Illinois corporation,

Plaintiff,

vs.

SORENSEN RESEARCH &
DEVELOPMENT TRUST,
a California trust entity,

Defendant.

COMPLAINT FOR DECLARATORY JUDGMENT

The Plaintiff, SUNCAST CORPORATION, sues the Defendant, SORENSEN RESEARCH & DEVELOPMENT TRUST, for a declaratory judgment of its rights under the Patent Act, and complains as follows:

JURISDICTION AND VENUE

1. This is an action for declaratory relief arising under the Declaratory Judgment Act, 28 U.S.C. § 2201, and the Patent laws of the United States, 35 U.S.C. § 271, et seq.
2. This court has subject matter jurisdiction of this action pursuant to 28 U.S.C. § 1331 and 1338(a).
3. On information and belief, this court has personal jurisdiction over Defendant, pursuant to 735 Ill. Comp. Stat. 5/2-209, by virtue of its substantial, continuous and not isolated activity in this District and throughout the State of Illinois, including transacting its business of seeking, negotiating and entering patent license agreements with alleged infringers situated therein.

By its own admission, Defendant has entered such licenses with multiple business entities based in this District, as well as other business entities having operations in this District and throughout the State of Illinois. Discovery is needed as to the nature and extent of such activity.

4. Venue is proper in this district, pursuant to 28 U.S.C. § 1391(b) and (c), because Defendant is subject to personal jurisdiction in the District, and because a substantial part of the events giving rise to this claim for declaratory relief and the subject matter thereof occurred within the District, including, without limitation, that Plaintiff received a patent licensing demand letter from Defendant in this District, and that Plaintiff's principal place of business is located in this District.

THE PARTIES

5. Plaintiff is an Illinois corporation having its principal place of business at 701 North Kirk Road, Batavia, Illinois 60510. Plaintiff is a manufacturer of a wide variety of products for use in the home and garden.

6. Defendant is a California trust entity having its principal place of business at 7040 Avenida Encinas, Suite 104-277, Carlsbad, California 92011. Defendant is in the business of acquiring and holding patents, including those purportedly covering inventions of its trustee, Jens O. Sorensen, and seeking, negotiating and entering licenses under such patents.

BACKGROUND

7. Defendant is the owner by assignment of U.S. Patent No. 6,599,460, entitled "Prevention of Void-Based-Irregularity Formation in Thin-Wall, Injection-Molded Plastic Product" and issued on July 29, 2003 ("the '460 Patent"). A copy of the '460 Patent is attached as Exhibit "A" hereto.

8. On September 14, 2012, Defendant sent a letter to Plaintiff, alleging infringement of “at least Claim 1” of the ‘460 Patent by virtue of Plaintiff’s manufacture and sale of the Suncast® Slide Trak™ Hosehandler™ hose reel. Claim 1 of the ‘460 Patent is directed toward a method of injection molding. A copy of the letter is attached as Exhibit “B” hereto.

9. In its September 14, 2012 letter, Defendant states:

A. “This letter constitutes a notice of patent infringement in violation of 35 U.S.C. § 271”;

B. “Suncast must obtain a license and release under the ‘460 Patent for the Accused Products [i.e., the Slide Trak™ Hosehandler™] it imported into, manufactured, offered for sale and/or sold within the United States”;

C. “Suncast is ultimately responsible for infringement of the ‘460 Patent in making, importing, offering for sale or selling its products and components”;

D. “Suncast is liable as a direct infringer for those products made by a process that infringe United States patents, including the ‘460 Patent”;

E. “This notice of infringement is an affirmative communication of a specific charge of infringement against the Accused Products satisfying the actual notice requirement for tolling damages”;

F. “Suncast must recognize that licensing the ‘460 patented technology will allow it to continue to enjoy all the benefits and competitive advantages offered by this useful patent. By contrast, failure to license its usage of the ‘460 patented technology can only lead to the risk and expense of litigation, an award of damages, and attorneys’ fees”;

G. “To protect Sorensen R&D’s intellectual property rights, we cannot allow

Suncast's unlicensed usage to continue"; and

H. "Sorensen R&D has established a pre-litigation floor for a reasonable royalty rate by licensing the '460 Patent for a standard royalty rate of \$240,000 or 6% of the total gross sales of the Accused Products for a release of the Accused Products."

10. The Slide Trak™ Hosehandler™ hose reel lacks particular elements and fails to perform certain steps required for literal infringement of the '460 Patent, nor do these elements or steps occur under the doctrine of equivalents.

11. As a result of Defendant's September 14, 2012 letter, an actual controversy exists between the parties. Defendant's unfounded accusation of patent infringement and demand for royalty payments threaten potentially serious consequences to the business operations of Plaintiff.

12. Plaintiff is entitled to be able to continue its longstanding manufacture, marketing and sale of hose reels in an atmosphere free of Defendant's unfounded accusation and demand, and therefore believes that it is necessary to invoke the protections of the Federal Declaratory Judgment Act in this matter.

13. Because of the serious nature of Defendant's infringement accusation and demand for royalties, Plaintiff believes that this accusation and demand must be addressed now, or else it will persist and cause damage to Plaintiff as a result.

COUNT I
DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF THE '460 PATENT

14. This Count seeks a declaration of rights pursuant to the protections of the Federal Declaratory Judgment Act, 28 U.S.C. § 2201. Plaintiff reasserts and incorporates herein by reference the allegations of paragraphs 1-13 of this Complaint as if fully set forth herein.

15. Plaintiff made the alleged infringing hose reel crank prior to Defendant's filing of the

application that became the '460 Patent.

16. Plaintiff has not made, used, offered to sell or sold or imported any products covered by any claim of the '460 Patent, nor manufactured any product according to the method of injection molding claimed therein.

17. Plaintiff has not contributorily infringed or induced the infringement of the '460 Patent.

18. Plaintiff is in need of, and entitled to, a judicial declaration that it has not directly or indirectly infringed the '460 Patent via its manufacture, marketing and sales of the Slide Trak™ Hosehandler™ hose reel, or any of its other products.

JURY DEMAND

Plaintiff requests that all issues in this case be tried to a jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that this court enter judgment that:

A. Plaintiff has not committed any act of infringement of the '460 Patent with respect to the Slide Trak™ Hosehandler™, or any of its other products; and

B. Plaintiff be granted any such other relief as this Court deems appropriate.

Respectfully submitted,
McHALE & SLAVIN, P.A.

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