1 David Marshall Dudley (State Bar #118629) Law Offices of David Marshall Dudley 3415 S Sepulveda Blvd, Suite 560 Los Angeles, CA 90034 3 Tel.: (310) 772-8400 Fax.: (310) 772-8404 4 Email: fedcrimlaw@hotmail.com Attorney for Plaintiffs 5 Wesley Corporation et al 6 Frank Frisenda (State Bar #85580) FRISENDA, QUÌNTON & NICHÓLSON 7 11601 Wilshire Boulevard, Suite 500 Los Angeles, California 90025 8 Tel.: (702) 792-3910 Fax: (702) 436-4176 9 E-Mail: frankfrisenda@aol.com Of Counsel Attorney for Plaintiffs 10 Wesley Corporation et al 11 12 THE UNITED STATES DISTRICT COURT 13 EASTERN DISTRICT OF MICHIGAN 14 15 16 WESLEY CORPORATION, a Michigan Case No.: 17 corporation, and DAVID HANSON, an indīvidual. 18 19 **COMPLAINT FOR BREACH OF** Plaintiff, 20 SETTLEMENT AGREEMENT, INFRINGEMENT OF FEDERALLY VS. 21 REGISTERED TRADEMARK 15 U.S.C. § 1114(1)(A), AND PATENT 22 **INFRINGEMENT 35 U.S.C. §§ 271** ZOOM T.V. PRODUCTS, a Florida limited 23 liability company, IDEAVILLAGE PRODUCTS CORPORATION, a New Jersey 24 JURY TRIAL DEMANDED corporation, and Does 1 through 10 25 Defendants. 26 27 28

COMPLAINT FOR BREACH OF SETTLEMENT AGREEMENT, ETC.

COMPLAINT FOR BREACH OF SETTLEMENT AGREEMENT, INFRINGEMENT OF FEDERALLY REGISTERED TRADEMARK 15 U.S.C. § 1114(1)(A), AND PATENT INFRINGEMENT 35 U.S.C. §§ 271

Plaintiff, Wesley Corporation ("Plaintiff" or "Wesley") and Plaintiff David Hanson ("Plaintiff Hanson") by and through their counsel, files this complaint against Defendant Zoom T.V. Products (hereinafter, "Defendant" or "Zoom"), Defendant Ideavillage Products Corporation (hereinafter "Defendant" or "Ideavillage"), and DOES 1 through 10, hereby demands a jury trial and alleges and says:

NATURE OF THE ACTION

- 1. This is an action for breach of settlement agreement. (Attached hereto as Exhibit 1)
- 2. This is a civil action for trademark infringement under the Lanham Act, 15 U.S.C. § 1114 of a Federally Registered Mark. (Attached hereto as Exhibit 2)
- 3. This is an action for patent infringement of U.S. Patent No. 8,701,552 B2 (hereinafter the '552 patent) arising under the patent laws of the United States, 35 U.S.C. §§ 271, et seq.. (Attached hereto as Exhibit 3)

PARTIES

4. Plaintiff Wesley is a corporation having a principal place of business at 33266 Mallard Drive, Rockwood, MI 48173. Plaintiff is the lawful assignee of all right, title, and interest in and to the STUFZ Trademark (Exhibit 2) and US Patent No. 8,701,552 (Exhibit 3).

5[°]

Plaintiff David Hanson is an individual residing at 33266 Mallard Drive, Rockwood,
 MI 48173.

- 6. Upon information and belief, Defendant Zoom is a Florida limited liability company having a principal place of business at 10951 Cherry Lake Road, Claremont, FL 94715. Upon further information and belief, Defendant Zoom manufactures, uses, sells, imports, and/or distributes products bearing the STUFZ trademark accused of infringement herein.
- 7. Upon information and belief, Defendant Ideavillage is a New Jersey corporation having a principal place of business at 155 Route 46 West, 4th Floor, Wayne, New Jersey, 07470. Upon further information and belief, Defendant Ideavillage manufactures, uses, sells, imports, and/or distributes products bearing the STUFZ trademark accused of infringement herein.
- 8. The true names and capacities, whether individual, corporate or otherwise, of the Defendants named herein as DOES 1 through 10 are presently unknown to Plaintiffs, who therefore sues said Defendants by such fictitious names. Plaintiffs will seek to amend this Complaint to allege the true names and capacities of said Defendants when they have ascertained such information. Plaintiffs are informed and believe that each of the Defendants named herein as DOES 1 through 10 has participated in some or all of the acts or conduct alleged in this Complaint and is liable to Plaintiffs by reason thereof.

JURISDICTION AND VENUE

9. This Court has subject matter jurisdiction over Plaintiffs' claims pursuant to 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331 and 1338(a).

10. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(c) and 1400 (b).

11. This Court has personal jurisdiction over Defendants, and venue is proper in this district, because Defendants have conducted business in Michigan and in this judicial district, and infringement has occurred and continues to occur in Michigan and throughout the United States.

12. Upon information and belief, Defendants' infringing products have been and continue to be marketed and/or offered for sale throughout Michigan including this judicial district. In addition, the Court has personal jurisdiction over Defendants because each Defendant has established minimum contacts with the forum and the exercise of the Court's jurisdiction over each Defendant would not offend traditional notions of fair play and substantial justice.

BACKGROUND FACTS

- 13. On or about June 9, 2015, WESLEY brought a lawsuit against Zoom in Wesley Corp. and David Hanson v. Zoom TV Products, Case No. 2:15-cv-12449 filed in the Eastern District of Michigan (" Prior Lawsuit").
- 14. On or about November 17, 2015 Zoom answered the Complaint and raised certain affirmative defenses thereto.
- 15. By Agreement, effective as of the day of the 22nd of July 2016, by and between WESLEY CORPORATION and DAVID HANSON, on the one hand, and ZOOM TV PRODUCTS, LLC, on the other hand, the parties to the Prior Lawsuit resolved the dispute upon certain terms and conditions. (Exhibit 1)
- 16. The Parties expressly acknowledged that all United States and worldwide rights in the technology relating to the License Agreement including U.S. Patent No. 8,701,522 and the

11

10

12 13

14 15

16

17 18

19

21

22

20

23

25

24

26 27

28

STUFZ trademark including Registration No. 4,164,164 are fully and completely owned by Wesley. Defendant Zoom and its marketing affiliate Ideavillage have no rights whatsoever in the foregoing intellectual property.

COUNT I – BREACH OF SETTLEMENT AGREEMENT

- 17. Plaintiffs re-allege paragraphs 1 through 16 as if fully set forth herein.
- 18. By the terms of Exhibit 1 Defendants Zoom and Ideavillage promised to immediately cease all sales, advertising and promotion of STUFZ and/or STUFZ sliders products, including any website activities and/or advertisement. Wesley agreed that as to all prior sales to third parties by Zoom and/or Ideavillage for which a royalty has been paid to Wesley, said product shall remain in the marketplace and not subject to the foregoing as Wesley's rights have been exhausted on the particular products based on the royalty paid.
- 19. Defendants further promised that: To the extent there may exist any molds, tools, or other materials designed to manufacture the Products ("Tooling"), Defendants Zoom and Ideavillage claim no ownership rights in same. To the extent that such Tooling exists, Zoom and Ideavillage shall advise third-party Well-Bran, to either deal with Wesley exclusively or promptly destroy all Tools and provide a certificate of destruction if such Tooling is or has been destroyed. This Agreement shall serve as a written assurance that Zoom and Ideavillage have no ownership interest in the Tooling.
- 20. Despite Defendants' representations and promises referred to above, on and after July 22, 2016, Defendants continued to sell, advertise and promote the STUFZ products and continued their website activities. Defendants also failed to destroy all Tools and provide Plaintiffs with a certificate of destruction.
- 21. The acts and omissions as detailed above constitute breaches of the Exhibit 1 Settlement Agreement by each Defendant.

COUNT II- Infringement of Federally Registered Trademark Mark 15 U.S.C. § 1114(1)(a)

- 22. Plaintiff Wesley re-alleges paragraphs 1 through 20 as if fully set forth herein.
- 23. Plaintiff Wesley has used its federally registered STUFZ trademark and mark in commerce in connection with virtually all of its products.
- 24. On information and belief, Defendants have had actual and/or constructive notice of the existence of Plaintiff's trademark rights and continued in the advertising, manufacture, distribution sale, and offer to sell, the accused products bearing the STUFZ trademark. Defendants have knowingly induced the infringing acts of its customers and end-users with specific intent to encourage such customers and end-users to infringe Plaintiff's trademark.
- 25. Defendants adopted and continue to use in commerce Plaintiff Wesley's federally registered trademark, and marks confusingly similar thereto, with full knowledge of Wesley's superior rights, and with full knowledge that their infringing use of Wesley's marks was intended to cause confusion, mistake and/or deception.
- 26. Defendants offer their goods and services under the infringing marks in the same channels of trade as those in which Wesley's legitimate goods and services are offered.
- 27. Defendants' actions constitute knowing, deliberate, and willful infringement of Wesley's federally registered marks. The knowing and intentional nature of the acts set forth herein renders this an exceptional case under 15 U.S.C. § 1117(a).
- 28. On information and belief, Plaintiff Wesley expects that future evidentiary support for these infringement allegations will be shown upon further examination and after a reasonable opportunity for further investigation and discovery.

26

27 28

29. Plaintiff Wesley has been, and will continue to be, irreparably harmed by Defendants' infringing conduct unless Defendants are enjoined by this Court.

30. As a result of Defendants' infringement, Wesley has suffered substantial damages, as well as the continuing loss of the goodwill and reputation established by Wesley in its federally registered mark. This continuing loss of goodwill cannot be properly calculated and thus constitutes irreparable harm and an injury for which Wesley has no adequate remedy at law. Wesley will continue to suffer irreparable harm unless this Court enjoins Defendants' conduct.

COUNT III – PATENT INFRINGEMENT 35 U.S.C. §271

- 31. Plaintiff Wesley realleges paragraphs 1 through 29 as if fully set forth herein.
- 32. Defendants have been, and are currently infringing the '552 patent throughout the country.
- 33. On information and belief, Defendants have had actual and/or constructive notice of the existence of Plaintiff's '552 patent rights and continued in the advertising, manufacture, distribution and, and offer to sell, of the accused unauthorized STUFZ products (Exhibit 4). Defendants have directly infringed the '552 patent and knowingly induced the infringing acts of its customers and end- users with specific intent to encourage such customers and end-users to infringe Plaintiff's patent.
- 34. In this respect after the issuance of the '552 patent Defendants Licensed STUFZ products from Plaintiffs.
- 35. On information and belief Defendants have since July 22, 2016 advertised, distributed, offered to sell, and sold unauthorized accused STUFZ products with instructions for customers and end-users to use Plaintiff's patented devices.

36. On information and belief, Plaintiff Wesley expects that future evidentiary support for these infringement allegations will be shown upon further examination and after a reasonable opportunity for further investigation and discovery.

37. Defendants infringement has been willful infringement of the claims of the '552 Patent and an egregious case typified by willful misconduct of Plaintiff's patent rights.

PRAYER FOR RELIEF

WHEREFORE Plaintiffs respectfully pray for judgment against Defendants, granting Plaintiffs the following relief:

- A. That the Court enter judgment that Defendants have each infringed the Federally Registered Mark "STUFZ".
- B. That the Court permanently enjoin each Defendant and its parents, subsidiaries, affiliates, successors and assigns, and each of their respective officers, directors, agents, servants, employees, attorneys, and all persons within their control from making, using, selling, offering to sell, importing, or advertising the accused unauthorized products that infringe the STUFZ trademark.
- C. That the Court order an accounting to determine the damages to be awarded to Plaintiff Wesley as a result of Defendants' infringement of the STUFZ trademark;
- D. That the Court, enter an award to Plaintiff Wesley of such damages as it shall prove at trial that are adequate to compensate Plaintiff Wesley for Defendants' infringement of the STUFZ trademark;
- E. That the Court assess pre-judgment and post-judgment interest and costs against Defendants, together with an award of such interest and costs to Plaintiff Wesley;
- F. That the Court award each Plaintiff compensatory damages and their attorney fees for

Defendants' breach of the Settlement Agreement; 1 2 G. That the Court grant Plaintiff Wesley such other, further, and different relief as the Court may 3 deem just and proper. 4 5 H. That the Court enter judgment that Defendants, and each of them, have infringed U.S. Patent 6 No. 8,701,552 B2; 7 I. That the Court permanently enjoin each Defendant its parents, subsidiaries, affiliates, successors 8 and assigns, and each of their respective officers, directors, agents, servants, employees, attorneys, and all persons within their control from making, using, selling, offering to sell, importing, or 10 advertising the accused STUFZ products that infringe the '552 Patent; 11 J. That the Court order an accounting to determine the damages to be awarded to WESLEY as a 12 result of Defendants' infringement of the '552 Patent; 13 14 K. That the Court, pursuant to 35 U.S.C. § 284, enter an award to Plaintiff Wesley of such damages as it shall prove at trial that are adequate to compensate Plaintiff for Defendants' infringement of the 15 '552 Patent, said damages to be no less than a reasonable royalty; 16 17 L. That the Court assess pre-judgment and post-judgment interest and costs against Defendants, 18 together with an award of such interest and costs to Plaintiff Wesley in accordance with □35 U.S.C. 19 § 284: 20 M. That the Court award Plaintiff Wesley its attorney fees pursuant to 35 U.S.C. §285; 21 22 23 24 David Dadle Dated: December 23, 2016 25 26 Attorney for Plaintiffs WESLEY CORPORATION et al 27

2:17-cv-10021-RHC-SDD Doc # 1 Filed 01/04/17 Pg 9 of 10 Pg ID 9

28

DEMAND FOR JURY TRIAL

Plaintiffs hereby request a trial by jury.

Dated: December 2, 2016

By: S/ David David

Attorneys for Plaintiffs

WESLEY CORPORATION et al