c	ase 3:22-cv-00688-RBM-AHG Docu	ment 1	Filed 05/16/22	PageID.1	Page 1 of 11	
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11	UNITED STATES DISTRICT COURT					
12	SOUTHERN DISTRICT OF CALIFORNIA					
13	IMPLUS FOOTCARE, LLC,		Case No. <u>'22CV</u>			
14	Plaintiff,		COMPLAINT DUDGMENT	FOR DEC	CLARATORY	
15		J	URY TRIAL I	REQUES	ГED	
16	DAYLINE INNOVATIONS INC	· ,				
17	Defendants.					
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		CO	MPLAINT FOR	DECLARA	FORY JUDGMENT	

COMPLAINT FOR DECLARATORY JUDGMENT

This is a Complaint by Implus Footcare, LLC ("Implus"), an industry-leading consumer packaged goods company specializing in fitness, outdoor, sporting goods and footcare products, to protect its customer(s) from a patent infringement lawsuit(s) filed by Dayline Innovations Inc. ("Dayline") and alleges as follows:

NATURE OF THE ACTION

1. This is a civil action seeking a declaratory judgment of non-infringement of United States Patent No. 9,855,453 ("the '453 patent") and all other eligible relief pursuant to 28 U.S.C. §§ 2201 and 2202.

2. On March 8, 2022, Dayline caused to be filed in the U.S. District Court for the Eastern District of Texas a complaint for patent infringement of the '453 patent against Dick's Sporting Goods, Inc. ("DSG"), Civil Action No. 2:22-cv-00074-RWS-RSP (complaint attached hereto as Exhibit 1), based at least in part on DSG's sales of the accused SKLZ Reactive Agility Ladder product.

3. Implus supplies to DSG, and DSG is Implus' customer, for the SKLZ Reactive Agility Ladder product.

4. DSG has demanded of Implus that Implus indemnify DSG against Dayline's claims, and DSG has agreed to indemnify and hold harmless DSG as to any liability or harm arising from the claims lodged by Dayline in Civil Action No. 2:22-cv-00074-RWS-RSP (E.D. Tex.).

5. Dayline's lawsuit against Implus' customer(s) has raised the specter of litigation against Implus itself for at least contributory, induced, and/or direct infringement, as the exclusive supplier of the accused product, and of subjecting Implus to judgment(s) based on indemnity claims by its customer(s).

6. Case law recognizes the right of a supplier in Implus' situation to file for a declaratory judgment to resolve, once and for all, whether its products infringe the asserted patent. Under the "customer suit" exception, such litigation by a supplier takes precedence over litigation against its customers, and to that end, district courts are additionally permitted to enjoin customer suits pending resolution of a supplier suit such as this. *E.g.*, *Katz v. Lear Siegler*, 909 F.2d 1459, 1464 (Fed. Cir. 1990).

PARTIES

7. Plaintiff Implus is a company organized and existing under the laws of the State of Delaware, with offices and employees through several of the United States, including the State of California and the State of North Carolina. Implus' principal business office is located at 2001 T.W. Alexander Drive, Durham, NC 27709.

8. Implus owns as a division a brand known as SKLZ, which is a provider of multisport athletic performance and skill development training products.

9. The SKLZ division has a place of business at 2231 Rutherford Road, Ste.
 110, Carlsbad, CA 92008.

10. On information and belief, Defendant Dayline is a Canadian corporation with a principal place of business located at 594 Copper Drive, Britannia Beach, BC V0N 1J0, Canada.

JURISDICTION AND VENUE

11. This action arises under the Patent Laws of the United States, Title 35 of the United States Code, Sections 101 *et seq.*, and the Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202. An actual, substantial, and continuing justiciable controversy exists between Implus and Dayline. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338.

12. Dayline's complaint against DSG alleges that DSG's sales of the SKLZ Reactive Agility Ladder product constitutes infringement of the '453 patent.

13. Dayline's complaint against DSG identifies Pro Performance Sports, LLC, as the manufacturer of the SKLZ Reactive Agility Ladder product supplied to DSG. Ex. 1 at ¶ 15.

27 14. On or around July 31, 2018, Implus purchased substantially all of the
28 assets of Pro Performance Sports, LLC, including the SKLZ brand.

15. Implus, therefore, is DSG's exclusive supplier for the SKLZ Reactive Agility Ladder product.

16. DSG has demanded indemnification from Implus related to Dayline's lawsuit and Implus has agreed to defend DSG against Dayline's claims.

17. The SKLZ division of Implus maintains an office staffed with employees that is located at 2231 Rutherford Road, Ste. 110, Carlsbad, CA 92008.

18. The SKLZ division of Implus and its employees design and develop sports and fitness related products, including the SKLZ Reactive Agility Ladder product that is accused of infringement in the lawsuit by Dayline against DSG.

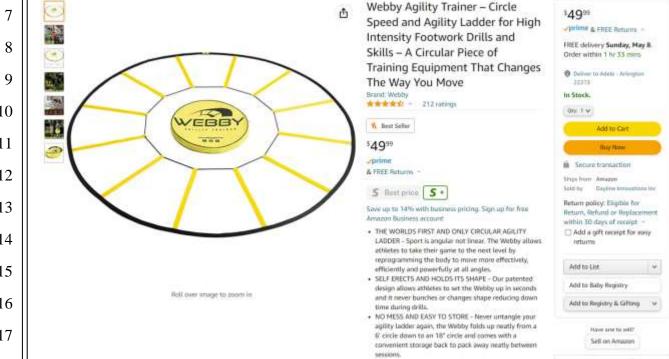
19. Dayline markets its own product within the agility ladder market, called the Webby Agility Trainer, as identified in the complaint. Ex. 1 at pg. 1.

20. Dayline alleges in its complaint that it has complied with the marking requirements of 35 U.S.C. § 287 by marking its products. Id. at \P 45.

21. Dayline maintains a website at <u>https://webbyagility.com</u>, where Dayline markets the Webby product to U.S. customers, including customers in this district. The website contains information regarding the '453 patent, as indicated below.

18		JOIN OUR MAIL	ING LIST	
19		Promotions, new products and sale	es. Directly to your inbox.	
20		Email address	SUBSCRIBE	
21				
22		U.S. PATENT ND :	9,855,453	
23				
24	TRAINING CONTACT	AFFILIATES WARRANTY AND F	RETURNS TERMS OF SERVICI	REFUND POLICY
25				Decenter 6 Pay 10 Decenter G Pay
26	F 0 🕨	© 2022, Webby Agility. Pov	vered by Shopify	CRuy Visa
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22. Dayline also markets and sells the Webby Agility Trainer via Amazon.com, located at the following URL: <u>https://www.amazon.com/Webby-Agility-Trainer/dp/B07CZL3T6N</u>. On information and belief, Dayline has used the Amazonc.om website to market and sell the Webby Agility Trainer product via channels of commerce established by Dayline throughout the United States and California to customers in this district.



23. On information and belief, Dayline has caused to be listed upon the Amazon.com website the '453 patent number in association with the Webby Agility Trainer product.

Important information

Legal Disclaimer

Always check with a physician before starting any physical activity. US Patent No. 9,855,453

24. This Court has personal jurisdiction over Dayline because Dayline through at least its president, Mr. Jason Day—has purposefully availed itself of the privileges of conducting activity in this district by seeking to and conducting business,

> COMPLAINT FOR DECLARATORY JUDGMENT

legal, and/or other commercial activity associated with at least the advertising, marketing, sale, offer for sale, licensing, and/or use of the Webby Agility Trainer product and/or products associated with the '453 patent with persons and/or entities in this district, giving rise to the controversy between Implus and Dayline at issue in this action. Mr. Jason Day is also the named inventor of the '453 patent.

25. At least as early as April 2017, Mr. Jason Day engaged in communications with representatives at SKLZ in Carlsbad, California in an attempt to license the purported invention claimed by the '453 patent.

26. Between April 2017 and February 2021, Mr. Day sent at least 14 communications to SKLZ representatives located in Carlsbad, CA seeking to license the purported invention claimed by the '453 patent. For example, after the '453 patent was granted on January 2, 2018, Mr. Day sent at least five communications to a SKLZ representative in Carlsbad, CA to license the '453 patent.

27. In 2017, Mr. Day sent a prototype of his alleged invention to SKLZ in Carlsbad, CA. On information and belief, he provided this prototype in an effort to license the '453 patent, which was at that time pending before the U.S. Patent Office.

28. In addition, on April 6, 2021, Dayline, through its counsel at Snell & Wilmer, located in San Diego, CA, sent correspondence to Implus regarding threats of infringement and Dayline's intent to take all necessary steps to enforce its patent rights surrounding Implus' SKLZ Reactive Agility Ladder product. Over a period of nearly two months, Dayline, through its counsel at Snell & Wilmer, engaged in continuous communications with Implus—including attempts to interact with SKLZ representatives located in Carlsbad, CA—to discuss a business arrangement regarding Dayline's Webby Agility Trainer product and/or products associated with the '453 patent.

29. On information and belief, Dayline's April-May 2021 communications sought a licensing arrangement for the '453 patent and/or products associated with it.

30. On information and belief, the foregoing pattern of communications and licensing attempts culminated in the March 8, 2022 patent infringement complaint in the Eastern District of Texas (Ex. 1) filed by Dayline against Implus' customer, DSG.

31. The SKLZ division designed and developed the Reactive Agility Ladder product in Carlsbad, CA. Implus, in conjunction with its SKLZ division located in Carlsbad, California, continues to market, sell, and offer for sale the accused SKLZ Reactive Agility Ladder product. For at least the foregoing reasons, Dayline's allegations give rise to implied direct and/or indirect infringement claims against Implus and its lawsuit against DSG has exposed Implus to potential indemnity and infringement liability.

32. Dayline's allegations and lawsuit threaten actual and imminent injury to Implus that can only be redressed by judicial relief and, thus, there is a substantial controversy between Implus and Dayline that is of sufficient immediacy and reality for the Court to issue a declaratory judgment. Absent such a declaration of noninfringement, Dayline's continued wrongful assertions of infringement will cause Implus harm.

33. Venue is proper in this Court under 28 U.S.C. § 1391, because a substantial part of the events or omission giving rise to Dayline's claim occurred in this district. Venue is also proper in this judicial district for Dayline pursuant to 28 U.S.C. § 1391 because it is subject to the Court's personal jurisdiction and is not a resident in the United States and therefore may be sued in any judicial district.

FACTUAL BACKGROUND

34. Implus is an industry-leading consumer packaged goods company specializing in fitness, outdoor, sporting goods and footcare products. Implus owns and operates the SKLZ brand, which developed the SKLZ Reactive Agility Ladder product. Implus distributes its products, including SKLZ products, to retailers such as DSG, which operate direct-to-consumer physical and online retail locations throughout the United States.

1	35.	On March 8, 2022, Dayline sued Implus customer DSG in the U.S.			
2	District Court for the Eastern District of Texas for infringement of the '453 patent				
3	based at least in part on DSG's sales of Implus' accused SKLZ Reactive Agility				
4	Ladder product. A copy of the '453 patent is attached as Exhibit 2.				
5	36. Dayline purports to be the owner, by assignment, of the '453 patent. Ex.				
6	1 at ¶ 36.				
7	37.	Dayline alleges that DSG infringes the '453 patent:			
8		Dick's directly infringes one or more claims of the '453			
9	Patent, including at least claims 1, 2, 3, 4, 5, 7, 9, 10, 11, 13,				
10		and 14 under 35 U.S.C. § 271(a) by making, using, offering for sale, importing, distributing, and/or selling the accused			
11		product, and aiding and abetting its normal use.			
12		***			
13					
14		For example, Dick's is liable under 35 U.S.C §271(b) for knowingly inducing others (namely end users and customers)			
15		to infringe by encouraging, aiding, and abetting the use and setup of the accused agility ladders.			
16		setup of the accused aginty fadders.			
17	Ex. 1	at ¶¶ 40, 42.			
18	38.	Neither DSG nor Implus have infringed the '453 patent as a result of any			
19	activity associated with Implus' SKLZ Reactive Agility Ladder product.				
20	39.	Claim 1 of the '453 patent requires:			
21		An exercise device comprising:			
22					
23		an outer ring having a diameter of at least 4 ft;			
24		an inner ring located within the outer ring, the inner ring			
25		having a diameter of at least 2 ft;			
26		and more than 6 spokes connecting the inner ring and the			
27		outer ring;			
28					
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wherein at least one of the inner ring and the more than 6 spokes are elastic and configured to urge the more than 6 spokes into a radial configuration, wherein the device is configured such that a human user can step from any position within a region defined by an inner surface of the inner ring to any region of a plurality of regions defined by the outer ring, the more than 6 spokes and the inner ring, and wherein the outer ring is resiliently deformable.

Ex. 2 at Claim 1.

40. For instance, and without limitation, neither the inner ring nor any of the spokes of the SKLZ Reactive Agility Ladder are "elastic." Thus, the SKLZ Reactive Agility Ladder does not meet, literally or as an equivalent thereof, at least the requirement that at least one of the inner ring and the more than 6 spokes are elastic and configured to urge the more than 6 spokes into a radial configuration.

41. Implus has a direct and substantial interest in defeating any patent infringement claims relating to the SKLZ Reactive Agility Ladder product. Dayline's allegations directly implicate Implus and give rise to implied direct and/or indirect infringement claims against Implus, and Dayline's lawsuit against DSG has exposed Implus to potential indemnity and infringement liability.

42. Prior to Dayline's suit against DSG, Dayline—working through its counsel at Snell & Wilmer, located in San Diego, California—sent a letter on April 6, 2021 to Implus identifying the '453 patent and indicating that Implus should be significantly concerned that the SKLZ Reactive Agility Ladder product infringes the '453 patent.

43. The controversy is between parties having adverse legal interests and is of sufficient immediacy and reality to warrant issuance of a declaratory judgment under 28 U.S.C. § 2201 as to the alleged infringement of the '453 patent.

44. Because Implus is the exclusive supplier of the accused SKLZ Reactive Agility Ladder product, resolution of this action will resolve the lawsuit against Implus' customer, DSG. 45. Implus has brought this action to seek a timely resolution of Dayline's allegations, and to remove itself and its customer from the cloud over their respective businesses created by Dayline's current lawsuit and the threat of future lawsuits.

COUNT I – DECLARATION OF NON-INFRINGEMENT OF U.S. PAT. NO. 9,855,453

46. Implus restates and incorporates by reference the foregoing paragraphs as though set forth fully herein.

47. Dayline has alleged, and continues to allege, that use or incorporation of Implus' SKLZ Reactive Agility Ladder infringes claims of the '453 patent.

48. Neither Implus nor its customer(s) infringes the '453 patent, either directly or indirectly, and either literally or under the doctrine of equivalents, through their use, sale, offer for sale, import or manufacture of any Implus product, including the SKLZ Reactive Agility Ladder. For example, neither the inner ring nor any of the spokes of the SKLZ Reactive Agility Ladder are "elastic." Thus, the product does not meet, literally or as an equivalent thereof, at least the requirement that at least one of the inner ring and the more than 6 spokes are elastic and configured to urge the more than 6 spokes into a radial configuration.

49. An actual and justiciable controversy exists between Implus and Dayline as to Implus' non-infringement of the '453 patent.

50. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, Implus seeks a declaration that it does not infringe any claim of the '453 patent.

PRAYER FOR RELIEF

WHEREFORE, Implus prays for a declaratory judgment against Dayline as follows:

A. A declaration that Implus does not infringe any claim of the '453 patent;B. An injunction against Dayline and each of its officers, employees, agents, attorneys, and any persons acting on its behalf or in concert with it, restraining and

enjoining them from further prosecuting or instituting any action alleging that Implus,
through any action with any of its methods, products, or technology, or others' actions
with the same, infringes any claim of the '453 patent;

C. A declaration that this is an exceptional case under 35 U.S.C. § 285;

D. An award of costs and attorneys' fees to Implus; and

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E. Such other relief as this Court or a jury may deem proper and just under the circumstances.

Respectfully submitted, Dated: May 16, 2022 10 By: /s/Christopher S. Marchese 11 Christopher S. Marchese (SBN 170239) 12 marchese@fr.com 13 FISH & RICHARDSON P.C. 12860 El Camino Real 14 San Diego, CA 92130 15 Phone: (858) 678-5070/ Fax: (858) 678-5099 16 Adam Shartzer (DC Bar No. 994420; pro hac 17 vice to be filed) shartzer@fr.com 18 Brian J. Livedalen (DC Bar No. 1002699; pro 19 *hac vice to be filed*) livedalen@fr.com 20 FISH & RICHARDSON P.C. 21 1000 Maine Avenue SW Washington, D.C. 20024 22 Phone: (202) 783-5070/ Fax: (202) 783-2331 23 Attorneys for Implus Footcare, LLC 24 25 26 27 28 10 COMPLAINT FOR DECLARATORY JUDGMENT