

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

JOHNSON HEALTH TECH CO., LTD., and
JOHNSON HEALTH TECH NORTH
AMERICA, INC.,

Case No. 3:22-cv-606

JURY TRIAL DEMANDED

Plaintiff,

v.

PELTON INTERACTIVE, INC.,

Defendant.

COMPLAINT

Plaintiffs Johnson Health Tech Co., Ltd. and Johnson Health Tech North America, Inc. (collectively, “JHT” or “Plaintiffs”), by its counsel, Michael Best & Friedrich LLP, alleges as follows for its Complaint against Defendant Peloton Interactive, Inc. (“Peloton” or “Defendant”).

NATURE OF THE ACTION

1. This is an action for patent infringement under the patent laws of the United States, 35 U.S.C. § 100 *et seq.*, including 35 U.S.C. § 271, arising from Peloton making, using, selling, offering for sale and/or importing into the United States one or more products that infringe U.S. Patent Nos. 10,032,227 (“the ‘227 patent”); 10,796,375 (“the ‘375 patent”); 11,227,340 (“the ‘340 patent”) (collectively, “the JHT patents”), including the Peloton Tread and Tread+ (“Accused Products”).

THE PARTIES

2. Johnson Health Tech Co., Ltd., is a company organized under the laws of Taiwan R.O.C. with its principal place of business at No. 26, Ching Chuan Rd., Taya Hsiang, Taichung Hsien 428, Taiwan R.O.C. Johnson Health Tech is in the business of making and selling, among

other things, fitness and rehabilitation equipment, including treadmills and software related to that equipment.

3. Johnson Health Tech North America, Inc. is a corporation organized under the laws of the state of Wisconsin with its principal place of business at 1600 Landmark Drive, Cottage Grove, Wisconsin 53527, and is a wholly owned subsidiary of Johnson Health Tech Co., Ltd.

4. Upon information and belief, Peloton is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business at 125 West 25th Street, 11th Floor, New York, New York, 10001.

5. Peloton has a showroom located at 708 N. Midvale Blvd., Madison, Wisconsin 53705.

6. Peloton provides personalized demonstrations of, and sells and offers to sell, Accused Products at its Madison, Wisconsin showroom.

JURISDICTION AND VENUE

7. JHT's claim arises under the patent laws of the United States, Title 35 of the United States Code.

8. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

9. This Court has personal jurisdiction over Peloton.

10. Peloton has continuous and systematic contacts with the State of Wisconsin through, among other things, offering for sale and selling the Accused Products and other products to consumers, as well as, having a showroom and employees in the Western District of Wisconsin.

11. Peloton's offers for sale and sales of the Accused Products in the Western District of Wisconsin form a substantial part of the acts giving rise to JHT's claims.

12. Exercise of jurisdiction over Peloton in the Western District of Wisconsin is consistent with the United States Constitution and laws because it would comport with due process and would be reasonable and fair.

13. Venue is proper in this judicial district pursuant to at least 28 U.S.C. §§1391(b)(2) and 1400 because Peloton has committed acts of infringement and has a regular and established place of business in the Western District of Wisconsin, and because a substantial part of the events or omissions giving rise to the claim occurred in the Western District of Wisconsin.

JHT AND THE JHT PATENTS

14. JHT is the largest specialty fitness retailer in the United States and offers award winning fitness and wellness products from brands like Matrix Fitness, Vision Fitness, Horizon Fitness, Hoist, and Octane, as well as others.

15. JHT is an industry leader in developing fitness and wellness equipment, such as treadmills, bikes, ellipticals, and rowers, and a leading developer of software that controls and enhances fitness and wellness equipment.

16. The '227 patent, entitled "Exercise Apparatus with Exercise Use Verification Function and Verifying Method," was duly and legally issued by the United States Patent and Trademark Office on July 24, 2018. A true and correct copy of the '227 patent is attached to the Complaint as Exhibit A. The '227 patent is valid and enforceable.

17. The '375 patent, entitled "Exercise Apparatus with Exercise Use Verification Function and Verifying Method," was duly and legally issued by the United States Patent and

Trademark Office on October 6, 2020. A true and correct copy of the '375 patent is attached to the Complaint as Exhibit B. The '375 patent is valid and enforceable.

18. The '340 patent, entitled "Exercise Apparatus with Exercise Use Verification Function and Verifying Method," was duly and legally issued by the United States Patent and Trademark Office on January 18, 2022. A true and correct copy of the '340 patent is attached to the Complaint as Exhibit C. The '340 patent is valid and enforceable.

19. Johnson Health Tech. Co., LTD is the sole owner of the JHT patents.

20. Johnson Health Tech North America, Inc. is the exclusive licensee of the JHT patents.

21. As the owner and exclusive licensee of the JHT patents, JHT is authorized and has standing to bring legal action to enforce all rights arising from the JHT patents.

PELTON'S ACCUSED PRODUCTS

22. On information and belief, Peloton has made, used, offered to sell, sold and/or imported into the United States, the Accused Products.

23. The following is a photograph of the Peloton Tread from Peloton's website, <https://www.onepeloton.com/tread/specs>:



24. The following is a photograph of the Peloton Tread+ from Peloton’s website, <https://www.onepeloton.com/tread-plus/sign-up>:



25. The Accused Products directly compete with JHT's treadmills.

26. The Accused Products include each and every limitation of at least claim 1 of the

'227 patent, which recites:

1. An exercise apparatus comprising:
a base;

an operating unit movable relative to the base;

a motor coupled to the operating unit;

a sensor operable to detect engagement of a user with the operating unit;

a controller in communication with the operating unit and the sensor; and

a communication interface in communication with the controller, wherein the controller is configured to generate a non-validated exercise use data in response to movement of the operating unit relative to the base and the sensor does not detect engagement of the user with the operating unit, wherein the controller is further configured to generate a validated exercise use data in response to movement of the operating unit relative to the base and the sensor does detect engagement of the user with the operating unit, and wherein the controller transmits the validated exercise use data to the communication interface.

27. The Accused Products include each and every limitation of at least claim 1 of the

'375 patent, which recites:

1. An exercise apparatus comprising:

a motor;

an operating member driven by the motor;

a sensor operable to detect engagement of a user with the operating member;

a controller in communication with the operating member and the sensor, the controller configured to generate exercise use data when the operating member is driven by the motor; and

a communication interface in communication with the controller,

wherein the controller is configured determine whether the user is engaged with the operating member in response to movement of the operating member and the sensor detecting engagement of the user with the operating member,

wherein in response to the controller determining that the user is engaged with the operating member, the controller is configured to report the exercise use data to the communication interface, wherein in response to the controller determining that the user is not engaged with the operating member, the controller is configured to stop reporting the exercise use data to the communication interface, and

wherein the communication interface is configured to communicate the reported exercise use data to a third party.

28. The Accused Products include each and every limitation of at least claim 1 of the '340 patent, which recites:

1. An exercise apparatus comprising:

a base;

an operating unit movable relative to the base;

a motor coupled to the operating unit;

a sensor operable to detect engagement of a user with the operating unit;

a controller in communication with the operating unit and the sensor, the controller configured to generate validated exercise use data in response to the sensor detecting engagement of the user with the operating unit and movement of the operating unit relative to the base.

29. Peloton directly infringes at least claim 1 of each of the '227, '375 and '340 patents by making, using, offering to sell, selling and/or importing into the United States the Accused Products.

30. On information and belief, Peloton had knowledge of the JHT patents and infringement of them before this lawsuit, actively encouraged distributors, customers and/or others to make, sell, offer for sale, use or import the Accused Products and possessed specific intent that distributors, customers and/or others infringe at least one claim of the '227, '375 and 340 patents.

31. On information and belief, Peloton knew that the Accused Products were made for use in practicing at least one claim in each of the JHT patents, constituted a material part of the invention, were especially made for use in an infringement of the JHT patents, and are not a staple article or commodity of commerce suitable for substantial noninfringing use.

32. Peloton does not have authority from JHT to make, use, offer to sell, sell any invention claimed in the JHT patents.

33. Peloton was aware of the '227 patent no later than October 8, 2020.

34. Peloton was aware of the '375 patent no later than October 8, 2020.

35. Peloton was aware of the '340 patent no later than April 11, 2022.

36. Peloton is and was aware before the filing of this lawsuit that its manufacture, use, offer for sale, sale, and/or importing the Accused Products, inducement of others to make, use, sell, offer for sale, sell and/or import the Accused Products, and contribution to others making, using, offering for sale, selling and or importing the Accused Products infringes the JHT patents.

COUNT I
Infringement of U.S. Patent No. 10,032,227

37. JHT re-alleges and incorporates the foregoing paragraphs as though fully set forth herein.

38. JHT has the right to enforce the '227 patent and the right to recover damages for infringement.

39. Peloton has infringed the '227 patent, literally or under the doctrine of equivalents, by making, using, offering to sell, selling and/or importing the Accused Products.

40. Peloton has infringed the '227 patent by inducing others to make, use, offer to sell, sell and/or import the Accused Products.

41. Peloton has infringed the '227 patent by contributing to others' making, using, offering for sale, selling and or importing the Accused products.

42. Peloton knew that making, using, offering to sell, selling, and/or importing the Accused Products would infringe the '227 patent. Peloton's past and continued infringement of the '227 patent has been and continues to be willful and deliberate.

43. Because of Peloton's infringement of the '227 patent, JHT has suffered and will continue to suffer irreparable harm and monetary damages, which continue to accrue, in an amount to be determined at trial.

44. Peloton's willful infringement will continue unless enjoined.

45. Peloton's conduct makes this an exceptional case. JHT should therefore be awarded enhanced damages and its reasonable attorney's fees pursuant to 35. U.S.C. §§ 284 and 285 and other applicable rules, statutes, and law.

COUNT II
Infringement of U.S. Patent No. 10,796,375

46. JHT re-alleges and incorporates the foregoing paragraphs as though fully set forth herein.

47. JHT has the right to enforce the '375 patent and the right to recover damages for infringement.

48. Peloton has infringed the '375 patent, literally or under the doctrine of equivalents, by making, using, offering to sell, selling and/or importing the Accused Products.

49. Peloton has infringed the '375 patent by inducing others to make, use, offer to sell, sell and/or import the Accused Products.

50. Peloton has infringed the '375 patent by contributing to others' making, using, offering for sale, selling and or importing the Accused products.

51. Peloton knew that making, using, offering to sell, selling, and/or importing the Accused Products would infringe the '375 patent. Peloton's past and continued infringement of the '375 patent has been and continues to be willful and deliberate.

52. Because of Peloton's infringement of the '375 patent, JHT has suffered and will continue to suffer irreparable harm and monetary damages, which continue to accrue, in an amount to be determined at trial.

53. Peloton's willful infringement will continue unless enjoined.

54. Peloton's conduct makes this an exceptional case. JHT should therefore be awarded enhanced damages and its reasonable attorney's fees pursuant to 35. U.S.C. §§ 284 and 285 and other applicable rules, statutes, and law.

COUNT III
Infringement of U.S. Patent No. 11,227,340

55. JHT re-alleges and incorporates the foregoing paragraphs as though fully set forth herein.

56. JHT has the right to enforce the '340 patent and the right to recover damages for infringement.

57. Peloton has infringed the '340 patent, literally or under the doctrine of equivalents, by making, using, offering to sell, selling and/or importing the Accused Products.

58. Peloton has infringed the '340 patent by inducing others to make, use, offer to sell, sell and/or import the Accused Products.

59. Peloton has infringed the '340 patent by contributing to others' making, using, offering for sale, selling and or importing the Accused products.

60. Peloton knew that making, using, offering to sell, selling, and/or importing the Accused Products would infringe the '340 patent. Peloton's past and continued infringement of the '375 patent has been and continues to be willful and deliberate.

61. Because of Peloton's infringement of the '340 patent, JHT has suffered and will continue to suffer irreparable harm and monetary damages, which continue to accrue, in an amount to be determined at trial.

62. Peloton's willful infringement will continue unless enjoined.

63. Peloton's conduct makes this an exceptional case. JHT should therefore be awarded enhanced damages and its reasonable attorney's fees pursuant to 35 U.S.C. §§ 284 and 285 and other applicable rules, statutes, and law.

PRAYER FOR RELIEF

WHEREFORE, JHT respectfully prays that this Court render judgment in its favor and against Peloton as follows:

A. Judgment that Peloton has infringed the '227, '375 and '340 patents under 35 U.S.C. § 271;

B. A preliminary and permanent injunction pursuant to 35 U.S.C. § 283, preventing Peloton, its officers, agents, servants, employees, successors, assignees, parents, subsidiaries, affiliated or related companies, attorneys, and all others in active concert or participation with any of them from further infringing the '227, '375 and '340 patents;

C. An award of damages adequate to compensate JHT for Peloton's patent infringement, and no less than the damages provided for under 35 U.S.C. § 284;

- D. An award of enhanced damages under 35 U.S.C. § 284;
- E. An award of attorneys' fees under 35 U.S.C. §285;
- F. An award of pre-judgment interest, post-judgment interest, and all costs associated with this action; and
- G. Any other relief as the Court deems appropriate and just under the circumstances.

JURY DEMAND

JHT demands a trial by jury on all matters and issues properly tried to a jury.

Dated this 20th day of October, 2022.

Respectfully submitted,

MICHAEL BEST AND FRIEDRICH LLP

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