

SHAWN J. KOLITCH, OSB No. 063980
E-mail: shawn@krdglaw.com
KOLITCH ROMANO DASCENZO GATES LLC
621 SW Morrison Street #1100
Portland, OR 97205
Telephone: (503) 994-1650
Facsimile: (503) 224-7329

Attorneys for Plaintiff
KNIX WEAR INC.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

KNIX WEAR INC.,

Plaintiff,

v.

PANTY PROP, INC., a Delaware Corporation
d/b/a Ruby Love,

Defendant.

Case No. 2:24-CV-603

**COMPLAINT FOR PATENT
INFRINGEMENT AND OREGON
BREACH OF CONTRACT**

DEMAND FOR JURY TRIAL

Plaintiff Knix Wear Inc. (“Knix Wear” or “Plaintiff”) alleges, based on actual knowledge with respect to Knix Wear and Knix Wear’s acts, and based on information and belief with respect to all other matters, against Defendant Panty Prop, Inc., d/b/a Ruby Love (“Ruby Love” or “Defendant”), as follows:

THE PARTIES

1. Plaintiff Knix Wear is an Ontario Business Corporation having a principal place of business located at 179 John Street, Suite 600, Toronto, Ontario, M5T 1X4, Canada.

2. On information and belief, Defendant Ruby Love is a Delaware corporation having a principal place of business at 121 Milbar Boulevard, Farmingdale, New York, 11735, United States.

SUMMARY OF DISPUTE

3. Knix Wear markets, offers for sale, and sells throughout the United States several lines of lingerie, swimwear, loungewear, active wear, and other apparel, including its flagship period underwear product, through its online retail store at knix.com and a number of retail locations. Example images of Knix Wear’s period underwear are provided below.



4. Knix Wear has expended significant time and resources developing and marketing its period underwear and other products, as well as protecting its related intellectual property rights. Knix Wear owns seven U.S. patents as well as patents and registered designs in other jurisdictions.

5. On information and belief, Ruby Love sells period underwear, swimwear, activewear, and other menstrual products in the United States and elsewhere through its retail website located at rubylove.com.

6. On June 11, 2021, Knix Wear sent Ruby Love a letter notifying Ruby Love that a period underwear product sold at that time by Ruby Love under the name “Bliss™ period underwear” (the “First Accused Product”) infringed Knix Wear’s U.S. Pat. Nos. 10,441,479

(“the ’479 patent”) and 10,441,480 (“the ’480 patent”). Via the letter, Knix Wear demanded that Ruby Love cease and desist all manufacturing, sale, offers for sale, and import of the First Accused Product. A copy of the June 11, 2021 letter is attached hereto as Exhibit A.

7. Knix Wear and Ruby Love entered an agreement effective December 2, 2021 (“the Agreement”) in which Ruby Love agreed to cease all sales and shipment of any remaining inventory of the First Accused Product no later than June 2, 2022, *i.e.*, by the end of a six-month phase-out period.

8. Ruby Love further agreed, *inter alia*, that it would not order, manufacture, have manufactured, or import additional units of the First Accused Product or other underwear that includes “a bonding film that serves to bond an absorbent assembly to the body portion along leg opening regions of the underwear” (the “Bonding Feature”).

9. Contingent upon Ruby Love upholding its obligations under the Agreement, Knix Wear agreed to release Ruby Love from liability arising from claims that the First Accused Product infringed the ’479 patent or the ’480 patent, including based on prior sales of the First Accused Product and any sales during the phase-out period ending June 2, 2022. A copy of the Agreement will be filed under seal as Exhibit B with leave of the Court.

10. On June 7, 2022, after the end of the phase-out period, Knix Wear’s counsel purchased a sample period underwear product (the “Second Accused Product,” designated by SKU 71097039515 in the purchased colorway) from Ruby Love through Ruby Love’s e-commerce website and determined that the Second Accused Product appeared identical in construction to the First Accused Product, including the Bonding Feature that Ruby Love had agreed to discontinue. On information and belief, the Second Accused Product differed from the First Accused Product only in garment size and colorway.

11. In a letter dated June 15, 2022, Knix Wear notified Ruby Love that Ruby Love was in breach of the Agreement based on the Second Accused Product. A copy of the letter, which includes photos demonstrating the Second Accused Product's similarity to the First Accused Product and inclusion of the Bonding Feature, is attached hereto as Exhibit C.

12. In communications from its counsel in June 2022, Ruby Love admitted that it still had approximately 5000 units of First Accused Product in its inventory and proposed an additional phase-out period in which to continue selling the additional inventory. On information and belief, the Second Accused Product came from that additional inventory and was simply another size and colorway of the First Accused Product, which Ruby Love had agreed to cease selling in exchange for Knix Wear's release from liability.

13. Knix Wear did not accept Ruby Love's proposal to extend the phase-out period and requested that Ruby Love provide sales data for the First and/or Second Accused Product dating back to Ruby Love's initial notice of Knix Wear's patent rights.

14. Ruby Love never responded to Knix Wear's request for sales data and instead, through counsel in August 2022, asserted that it was not in breach of the Agreement.

15. On information and belief, the product currently offered for sale and sold by Ruby Love under the product name "Women's Period Underwear – Hipster" (the "Third Accused Product") infringes Knix Wear's '479 patent and '480 patent as well as U.S. Pat. No. 11,737,931 ("the '931 patent") and violates the Agreement by including the Bonding Feature.

16. By this Complaint, Knix Wear asserts against Ruby Love claims of federal patent infringement in violation of the Patent Act, 35 U.S.C. §§ 1, *et seq.*, and specifically in violation of 35 U.S.C. §§ 271(a), (g); and of breach of contract in violation of Oregon state law, which controls pursuant to the choice-of-law provisions of Section 3.2 of the Agreement.

JURISDICTION AND VENUE

17. Under 28 U.S.C. §§ 1331, 1338(a), this Court has original subject matter jurisdiction over Knix Wear's federal claims for patent infringement pursuant to 35 U.S.C. §§ 1, *et seq.*

18. Under 28 U.S.C. § 1367, this Court has supplemental jurisdiction over Knix Wear's state law breach-of-contract claims, which form part of the same case or controversy as the federal claims.

19. This Court has personal jurisdiction in this action over Ruby Love because, on information and belief, Ruby Love's principal place of business is located in this district and Ruby Love conducts business in this district at least by advertising its products to customers throughout the United States, including in New York, importing its products into New York, and selling its products to New York residents, including the products accused of patent infringement and breach of contract in this action. By committing purposeful acts of injecting its products into the nationwide stream of commerce through the e-commerce website www.rubylove.com, Ruby Love reasonably knew or expected that it could be hailed into court within this district.

20. Venue is proper in this district pursuant to 28 U.S.C. 1400(b), because Ruby Love has committed and continues to commit the acts of patent infringement alleged herein in this district and has a regular and established place of business in this district.

21. Furthermore, pursuant to Section 3.2 of the Agreement, Ruby Love has agreed to submit to the jurisdiction of this Court and to waive any objections as to venue in this district.

FACTUAL ALLEGATIONS

A. Knix Wear's Patent Rights

22. Knix Wear believes that Ruby Love is infringing at least the following three of its U.S. patents: the '479 patent, the '480 patent, and the '931 patent (collectively the "Asserted Patents").

23. Knix Wear owns all right, title and interest in the '479 patent, including the right to sue thereon and the right to recover for infringement thereof. The '479 patent issued October 15, 2019, and will expire October 30, 2036. The '479 patent gives Knix Wear the right to exclude others from making, using, offering for sale, or selling the invention claimed in the patent within the United States; from importing the invention claimed in the patent into the United States; and from importing into the United States or selling, offering to sell, or using in the United States a product made by a process claimed in the patent. A copy of the '479 patent is attached hereto as Exhibit D.

24. Knix Wear owns all right, title, and interest in the '480 patent, including the right to sue thereon and the right to recover for infringement thereof. The '480 patent issued October 15, 2019, and will expire May 2, 2034. The '480 patent gives Knix Wear the right to exclude others from making, using, offering for sale, or selling the invention claimed in the patent within the United States; from importing the invention claimed in the patent into the United States; and from importing into the United States or selling, offering to sell, or using in the United States a product made by a process claimed in the patent. A copy of the '480 patent is attached hereto as Exhibit E.

25. Knix Wear owns all right, title, and interest in the '931 patent, including the right to sue thereon and the right to recover for infringement thereof. The '931 patent issued

August 29, 2023, and will expire January 19, 2037. The '931 patent gives Knix Wear the right to exclude others from making, using, offering for sale, or selling the invention claimed in the patent within the United States; from importing the invention claimed in the patent into the United States; and from importing into the United States or selling, offering to sell, or using in the United States a product made by a process claimed in the patent. A copy of the '931 patent is attached hereto as Exhibit F.

B. The Agreement Between Knix Wear and Ruby Love

26. As described above, pursuant to the Agreement between the parties, Ruby Love agreed that it would cease all sales and shipment of any remaining inventory of the First Accused Product by no later than June 2, 2022, and that it would not order, manufacture, have manufactured, or import additional units of the First Accused Product or any other underwear having the Bonding Feature.

27. Pursuant to the Agreement, and expressly contingent upon Ruby Love's compliance with the Agreement, Knix Wear granted Ruby Love a release from certain liability, including liability associated with sales of the First Accused Product prior to the Agreement and through June 2, 2022.

C. Ruby Love's Acts of Breach and Infringement

28. On information and belief, Ruby Love breached the Agreement by selling the Second Accused Product after June 2, 2022, because the Second Accused Product either was remaining inventory of the First Accused Product or was another product identical in construction to the First Accused Product, including with respect to the Bonding Feature that Ruby Love had agreed not to use. Photos of sample First and Second Accused Products are included in the letter of Exhibit C.

29. On information and belief, Ruby Love has further breached the Agreement by ordering, manufacturing, having manufactured, and/or importing the Third Accused Product after June 2, 2022, because the Third Accused Product includes the Bonding Feature. The Third Accused Product is currently sold through Ruby Love's retail website individually in a variety of colorways; in sets of four, seven, and ten; and in bundles with reusable menstrual pads. Screenshots from Ruby Love's retail website as of November 21, 2023, including webpages through which the Third Accused Product is offered for sale, are attached hereto as Exhibit G. Photos of a sample Third Accused Product (SKU 70015037913 in the purchased colorway) purchased through Ruby Love's retail website on September 5, 2023, are attached hereto as Exhibit H.

30. On information and belief, Ruby Love has been aware that Knix Wear believed Ruby Love to be in breach of the Agreement since Knix Wear's June 15, 2022 letter so advising Ruby Love based on the Second Accused Product.

31. On information and belief, the First, Second, and Third Accused Product each infringe one or more of the Asserted Patents and are made according to manufacturing methods that infringe one or more of the Asserted Patents.

32. On information and belief, Ruby Love has been aware of Knix Wear's patent rights since at least June 11, 2021, when Knix Wear notified Ruby Love that Knix Wear believed the First Accused Product infringed the '479 and '480 patents.

33. The June 11, 2021 letter also notified Ruby Love that Knix Wear had additional U.S. patent rights pending, and a proposed draft of the Agreement sent to Ruby Love on October 25, 2021 specified that Knix Wear's then-pending rights included U.S. Patent Application No. 16/567,212, which later issued as the '931 patent and had already been

published on January 2, 2020 with the claims that issued in the '931 patent. Accordingly, Ruby Love was on notice of Knix Wear's provisional rights in the application that became the '931 patent, including the right to receive reasonable royalties under 35 U.S.C. § 154(d).

34. Subsequently, on December 6, 2023, Knix Wear's counsel sent a letter to Ruby Love alleging infringement of all three Asserted Patents based on the sample Third Accused Product.

35. Illustrative claim charts demonstrating infringement of each of the Asserted Patents by the First and Third Accused Products are attached hereto as Exhibits I, J, K, L, M, and N.

36. Specifically, the claim chart of Exhibit I demonstrates infringement by the First Accused Product of claim 17 of the '479 patent; the claim chart of Exhibit J demonstrates infringement by the First Accused Product of claim 1 of the '480 patent; and the claim chart of Exhibit K demonstrates infringement by the First Accused Product of claim 1 of the '931 patent.

37. On information and belief, as illustrated in the letter of Exhibit C, the Second Accused Product is substantially identical to the First Accused Product, and infringement of each Asserted Patent by the Second Accused Product is therefore also demonstrated by the claim charts of Exhibits I, J, and K.

38. The claim chart of Exhibit L demonstrates infringement by the Third Accused Product of claim 17 of the '479 patent; the claim chart of Exhibit M demonstrates infringement by the Third Accused Product of claim 1 of the '480 patent; and the claim chart of Exhibit N demonstrates infringement by the Third Accused Product of claim 1 of the '931 patent.

39. Knix Wear has not licensed any rights under any of the Asserted Patents to Ruby Love. On information and belief, Ruby Love is willfully infringing the Asserted Patents.

CLAIM 1 – INFRINGEMENT OF THE '479 PATENT

40. Knix Wear hereby incorporates by reference each of the other allegations set forth elsewhere in this Complaint as though set forth fully herein.

41. Ruby Love has infringed at least claim 17 of the '479 patent by making, using, selling, offering to sell, and/or importing the First, Second, and Third Accused Products.

42. Ruby Love's infringement of the '479 patent has been and continues to be willful.

43. Knix Wear has suffered, and will continue to suffer, substantial damages in an amount to be proven at trial, through lost profits, lost sales, and/or lost royalties, due to infringement by Ruby Love.

44. Knix Wear has suffered, and will continue to suffer, permanent and irreparable injury for which Knix Wear has no adequate remedy at law.

45. Knix Wear is entitled to relief as provided by 35 U.S.C. §§ 281, 283, 284, and 285.

CLAIM 2 – INFRINGEMENT OF THE '480 PATENT

46. Knix Wear hereby incorporates by reference each of the other allegations set forth elsewhere in this Complaint as though set forth fully herein.

47. Ruby Love has infringed at least claims 1-4, 12, 16, 18, and 22-23 of the '480 patent by making, using, selling, offering to sell, and/or importing the First and Second Accused Products, and has infringed at least claims 1-4, 12, 15, 16, 18, 21-23, and 25 of the '480 patent by making, using, selling, offering to sell, and/or importing the Third Accused Product.

48. Ruby Love's infringement of the '480 patent has been and continues to be willful.

49. Knix Wear has suffered, and will continue to suffer, substantial damages in an amount to be proven at trial, through lost profits, lost sales, and/or lost royalties, due to infringement by Ruby Love.

50. Knix Wear has suffered, and will continue to suffer, permanent and irreparable injury for which Knix Wear has no adequate remedy at law.

51. Knix Wear is entitled to relief as provided by 35 U.S.C. §§ 281, 283, 284, and 285.

CLAIM 3 – INFRINGEMENT OF THE '931 PATENT

52. Knix Wear hereby incorporates by reference each of the other allegations set forth elsewhere in this Complaint as though set forth fully herein.

53. Ruby Love has infringed at least claims 1-5 and 8-11 of the '931 patent by making, using, selling, offering to sell, and/or importing the First and Second Accused Products, and has infringed at least claims 1-5, 8-16, and 19-25 of the '931 patent by making, using, selling, offering to sell, and/or importing the Third Accused Product.

54. Ruby Love's infringement of the '931 patent has been and continues to be willful.

55. Knix Wear has suffered, and will continue to suffer, substantial damages in an amount to be proven at trial, through lost profits, lost sales, and/or lost royalties, due to infringement by Ruby Love.

56. Knix Wear has suffered, and will continue to suffer, permanent and irreparable injury for which Knix Wear has no adequate remedy at law.

57. Knix Wear is entitled to relief as provided by 35 U.S.C. §§ 281, 283, 284, and 285.

CLAIM 4 – BREACH OF CONTRACT UNDER OREGON LAW

58. Knix Wear hereby incorporates by reference each of the other allegations set forth elsewhere in this Complaint as though set forth fully herein.

59. The Agreement constitutes an express written contract between Ruby Love and Knix Wear.

60. The Agreement included the terms that Ruby Love would discontinue and/or refrain from certain manufacturing, import, sales, and shipment activity, and that contingent upon Ruby Love complying with those obligations, Knix Wear would grant Ruby Love release from liability for certain claims arising from the First Accused Product.

61. Specifically, Ruby Love agreed that it would refrain from ordering, manufacturing, having manufactured, or importing additional units of the First Accused Product or any other underwear that includes the Bonding Feature as long as the '479 and '480 patents remain valid and subsisting, which they do.

62. Ruby Love further agreed that it would discontinue all sales and shipment of any remaining inventory of the First Accused Product by no later than June 2, 2022.

63. Ruby Love has breached the Agreement beginning immediately after June 2, 2022, by selling the Second Accused Product, which is either additional inventory of the First Accused Product or is a separate product that is substantially identical to the First Accused Product and includes the Bonding Feature.

64. Ruby Love has further breached the Agreement by ordering, manufacturing, having manufactured, and/or importing the Third Accused Product, which includes the Bonding Feature.

65. Knix Wear has performed its obligations under the Agreement.

66. Knix Wear's release of Ruby Love from liability associated with the First Accused Product was expressly made contingent in the Agreement on Ruby Love's performance of its obligations. Because Ruby Love has failed to perform its obligations under the Agreement, Knix Wear has no obligation to release Ruby Love from any liability.

67. Knix Wear has been damaged by Ruby Love's breach of the Agreement at least through lost sales and lost profits associated with Ruby Love's sales of products ordered, manufactured, imported, shipped, and/or sold in violation of the Agreement.

68. Under the terms of the Agreement, the prevailing party in an action to enforce the Agreement is entitled to recover its costs, including reasonable attorneys' fees, in addition to any other relief.

PRAYER FOR RELIEF

WHEREFORE, Knix Wear prays for judgment as follows:

- A. That Ruby Love has infringed, and is infringing, the Asserted Patents in violation of 35 U.S.C. § 271;
- B. That infringement by Ruby Love is willful;
- C. That Ruby Love has breached and is breaching the Agreement between Ruby Love and Knix Wear;
- D. That Ruby Love be preliminarily and permanently enjoined against all acts of patent infringement, including but not limited to making, using, selling, offering to sell, and importing the First, Second, and Third Accused Products;
- E. That Ruby Love be preliminarily and permanently enjoined against all acts in breach of the Agreement, including but not limited to ordering, manufacturing, having manufactured, and importing the Third Accused Product or any other

product that includes the Bonding Feature, or selling or shipping any remaining inventory of the First and/or Second Accused Product;

- F. That Ruby Love be required to deliver to Knix Wear for destruction any and all articles in its possession and/or under its control that infringe any of the Asserted Patents, including but not limited to all existing inventory of the First, Second, and Third Accused Products, associated packaging, and advertisements;
- G. That Ruby Love be ordered to pay Knix Wear the damages that Knix Wear has suffered due to patent infringement by Ruby Love, together with interest thereon;
- H. That Ruby Love be ordered to pay Knix Wear the damages that Knix Wear has suffered due to breach of the Agreement by Ruby Love, together with interest thereon;
- I. That Ruby Love be ordered to account for and pay Knix Wear the total profits Ruby Love has received from the sale of products infringing any of the Asserted Patents and/or in breach of the Agreement;
- J. That this case be declared exceptional pursuant to 35 U.S.C. § 285 due to willful infringement by Ruby Love, and that Knix Wear accordingly be awarded enhanced damages and reasonable attorneys' fees;
- K. That Knix Wear be awarded its reasonable attorneys' fees and costs because the prevailing party of any action to enforce the Agreement is entitled to recover its reasonable attorneys' fees and costs; and
- L. That Knix Wear have such other and further relief as the Court and/or a jury deems just and proper.

JURY DEMAND

Knix Wear hereby demands a trial by jury of all issues so triable.

DATED: January 26, 2024

Respectfully submitted,

KOLITCH ROMANO DASCENZO GATES LLC

By s/ Shawn J. Kolitch

Shawn J. Kolitch, OSB No. 063980

Email: shawn@krdglaw.com

621 SW Morrison Street #1100

Portland, Oregon 97205

Telephone: (503) 994-1650

Attorneys for Plaintiff

Knix Wear Inc.