

1 CROWELL & MORING LLP
Joanna M. Fuller (SBN 266406)
2 JFuller@crowell.com
3 3 Park Plaza, 20th Floor
Irvine, CA 92614
4 Telephone: (949) 263-8400
Facsimile: (949) 263-8414

5 *Attorneys for Plaintiff*
PAX Labs Inc.

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

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10

PAX LABS INC.,

Case No. [_____]

11

Plaintiff,

COMPLAINT FOR PATENT
INFRINGEMENT

12

v.

DEMAND FOR JURY TRIAL

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ALD Group Limited, and
ALD (HongKong) Holdings
14 Limited

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Defendants.

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COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff PAX Labs Inc. (“PAX Labs” or “Plaintiff”), by and through undersigned counsel, respectfully alleges, states, and prays as follows:

NATURE OF THE ACTION

1. This is an action for patent infringement under the Patent Laws of the United States, Title 35 United States Code, §§ 271 and 281, *et seq.* against ALD Group Limited (herein “ALD”) and ALD (HongKong) Holdings Limited (herein “ALD HK,” together with ALD, “Defendants”), for infringing and profiting, in an illegal and unauthorized manner, and without authorization and/or consent from Plaintiff for U.S. Patent Nos. 11,369,756 (the “’756 Patent”); 11,369,757 (the “’757 Patent”); 11,766,527 (the “’527 Patent”); 11,759,580 (the “’580 Patent” together with the ’756 Patent, ’757 Patent, and ’527 Patent, collectively the “Patents-in-Suit”) which are attached hereto as Exhibit A, respectively, and incorporated herein by reference, and pursuant to 35 U.S.C. § 271, to recover damages, attorneys’ fees and costs.

PARTIES

2. Plaintiff PAX Labs Inc. is a company organized under the laws of the State of Delaware having its principal place of business at 660 Alabama St., Second Floor, San Francisco, CA 94110.

3. Upon information and belief, ALD Group Limited is a corporation organized under the laws of China, having a principal place of business at No. 2 Industrial Third Road, Tangtou Community, Shiyan Street, Bao’an District, Shenzhen, Guangdong Province, China 518108. ALD does substantial business on an ongoing basis in the United States, including California and in this district. On information and belief, ALD makes, distributes, supports, imports, offers for sale, and/or sells vaporizing devices that infringe the Patents-in-Suit, including for and to partners, customers, and end users in this judicial district.

1 VAPORIZER DEVICE” after a full and fair examination. The ’527 Patent is
2 attached hereto as Exhibit A and incorporated herein as if fully rewritten.

3 14. The ’527 Patent has 30 claims, including six independent claims (1, 5,
4 11, 18, 23, and 26), and 24 dependent claims (2-4, 6-10, 12-17, 19-22, 24-25, and
5 27-30). Plaintiff is asserting claims 1-30 against Defendants, each of whose
6 accused products infringe the referenced claims literally or under the doctrine of
7 equivalents.

8 **D. The ’580 Patent**

9 15. On September 19, 2023, the USPTO duly and legally issued U.S.
10 Patent No. 11,759,580 (the “’580 Patent”), entitled “LEAK - RESISTANT
11 VAPORIZER DEVICE” after a full and fair examination. The ’580 Patent is
12 attached hereto as Exhibit A and incorporated herein as if fully rewritten.

13 16. The ’580 Patent has 20 claims, including six independent claims (1, 6,
14 8, 11, 16, and 18), and 14 dependent claims (2-5, 7, 9-10, 12-15, 17, and 19-20).
15 Plaintiff is asserting claims 1-20 against Defendants, each of whose accused
16 products infringe the referenced claims literally or under the doctrine of
17 equivalents.

18 17. Plaintiff is the sole and exclusive owner of all right, title and interest
19 in the ’756, ’757, ’527, and ’580 Patents and holds the exclusive right to take all
20 actions necessary to enforce its rights to the Patents-in-Suit, including the filing of
21 this patent infringement action, recovering all damages for past, present, and future
22 infringement of the Patents-in-Suit and seeking injunctive relief as appropriate
23 under the law.

24 **DEFENDANTS’ PRODUCTS**

25 22. During the enforceability period of the Patents-in-Suit, Defendants
26 have offered and continue to offer vaporizing devices capable of vaporizing oils
27 infringing the Patents-in-Suit, including vaporizing cartridges and downstream
28 products such as vaporizers that contain a vaporizing cartridge. A vaporizer (also

1 often referred to as a “vaping product,” “vaping device,” or “vape pen”), as defined
2 for this Complaint, is a convenient and portable device configured for medical
3 and/or adult use of vaporizable materials including plant-derived oil extracts with
4 high viscosity.

5 23. As illustrated in Figure 1, a vaporizer generally includes two
6 components: (i) a vaporizer cartridge (also referred to as a “vaporizing cartridge,”
7 “vaping cartridge,” “pod,” or “cartridge”) that can be filled with vaporizable oils
8 and (ii) a vaporizer body (also referred to as a “battery,” “vaporizer battery,” or
9 “battery device”) that can control the atomization of the vaporizable oils in the
10 vaporizer cartridge. As illustrated in Figure 2, the vaporizer cartridge may include
11 a mouthpiece, a reservoir, and a heater chamber (also referred to as a “vaporization
12 chamber”) including an atomizer. As illustrated in Figure 3, the vaporizer body
13 may include a cartridge receiver receiving the vaporizer cartridge and a sensor (not
14 shown) used to detect a draw on the mouthpiece.

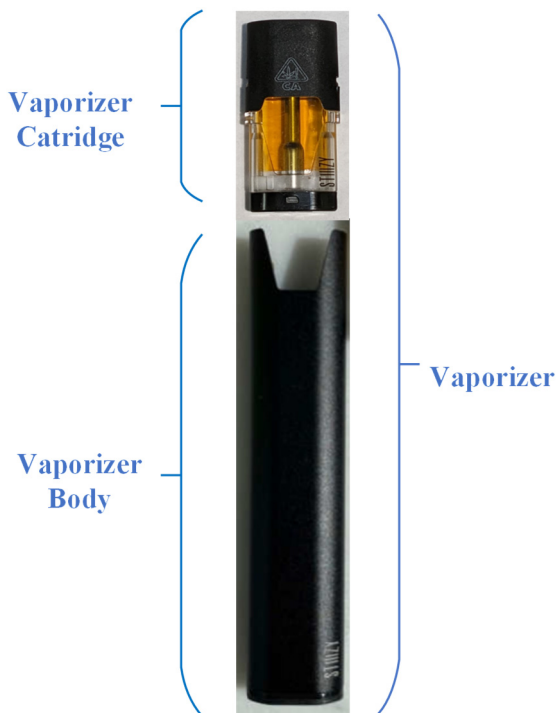


Figure 1: Illustration of vaporizer, vaporizer cartridge, and vaporizer body

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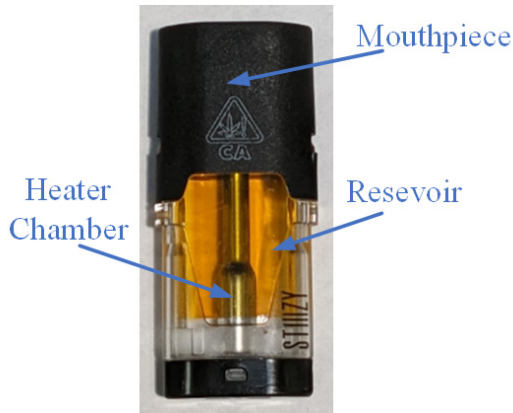


Figure 2: Illustration of mouthpiece, reservoir, and heater chamber



Figure 3: Illustration of cartridge receiver

24. Upon information and belief, Defendants' Accused Products include at least STIIZY 1 Gram Vaporizer Cartridge, STIIZY 0.5 Gram Vaporizer Cartridge, STIIZY (Original) Vaporizer with STIIZY 0.5 Gram Vaporizer Cartridge, STIIZY (Original) Vaporizer with STIIZY 1 Gram Vaporizer Cartridge, STIIZY BIIG Vaporizer with 0.5 Gram Vaporizer Cartridge, STIIZY BIIG Vaporizer with 1 Gram Vaporizer Cartridge, STIIZY LIIL Vaporizer, and components thereof.

1 25. Upon information and belief, the Accused Products are sold in this
2 district by or on behalf of Defendants and STIIIZY, a business partner of
3 Defendants. A non-limiting set of claim charts comparing exemplars of Accused
4 Products to claims 1-3, 5-13, and 15-17 of the '756 Patent; claims 1-20 of the '757
5 Patent; claims 1-30 of the '527 Patent; and claims 1-20 of the '580 Patent is
6 attached hereto as Exhibit B, which also includes snapshots of STIIIZY's website,
7 www.stiizy.com, listing and offering to sell the Accused Products, and is
8 incorporated herein as if fully rewritten. If any additional infringing products are
9 identified by Plaintiff during this case, Plaintiff will amend the listing of Accused
10 Products accordingly. This case and any remedy should extend to all of
11 Defendants' infringing products.

12 **COUNT I: INFRINGEMENT OF THE '756 PATENT**

13 26. Paragraphs 1 through 25 are incorporated by reference as if fully set
14 forth herein.

15 27. Plaintiff has not licensed or otherwise authorized Defendants to make,
16 test, use, offer for sale, sell, or import any products that embody the inventions of
17 the '756 Patent.

18 28. Defendants have had knowledge of infringement of the '756 Patent at
19 least as of their receipt of a parallel ITC Complaint dated January 29, 2024
20 involving the same asserted patents.

21 29. As shown in Exhibit B, Defendants have infringed and continue to
22 knowingly and intentionally directly infringe the '756 Patent, including at least
23 claims 1-3, 5-13, and 15-17, literally or under the doctrine of equivalents, without
24 authority and in violation of 35 U.S.C. § 271(a), by making, testing, using,
25 offering for sale, selling and having sold, and/or importing or having imported into
26 the United States, including within this judicial district, products that satisfy each
27 and every limitation of one or more claims of the '756 Patent.
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1 30. Defendants have induced and continue to induce infringement of the
2 '756 Patent by actively and knowingly inducing others, including their partners,
3 customers, and end users, to directly infringe, literally or under the doctrine of
4 equivalents, by making, testing, using, offering for sale, selling or having sold in
5 the United States, and/or importing or having imported into the United States,
6 including within this judicial district, products that include infringing technology
7 protected by the '756 Patent, in violation of 35 U.S.C. § 271(b). Upon information
8 and belief, Defendants have provided technologies, specifications, instructions,
9 manuals, advertisements, marketing materials, and technical assistance regarding
10 assembling and using the Accused Products in an infringing manner. Defendants
11 further induced infringement by others, including their partners, customers, and
12 end users, with the intent to cause infringing acts by others or, in the alternative,
13 with the belief that there was a high probability that others, including their
14 partners, customers, and end users, infringe the '756 Patent, but remaining
15 willfully blind to the infringement.

16 31. Defendants have contributed and continue to contribute to the
17 infringement of the '756 Patent by others, including their partners, customers, and
18 end users, by offering for sale, selling or having sold in the United States, and/or
19 importing or having imported into the United States, including within this judicial
20 district, products that include infringing technology protected by the '756 Patent,
21 including the exemplary STIIIZY (Original) Vaporizer Battery and STIIIZY BIIG
22 Vaporizer Battery, which are especially made for infringing use, with the
23 knowledge that such use is infringing, and with the knowledge that these products
24 are part to such infringing uses and not a staple article or commodity of commerce
25 suitable for substantial non-infringing use, in violation of 35 U.S.C. § 271(c). For
26 example, the exemplary STIIIZY (Original) Vaporizer Battery and STIIIZY BIIG
27 Vaporizer Battery are specially made or adapted to practice the invention claimed
28 in at least claims 5-7 of the '756 Patent. The accused infringing components in the

1 Accused Products have no substantial use other than practicing the invention
2 claimed in at least claims 5-7 of the '756 Patent. The accused infringing
3 components in the Accused Products constitute a material part of the claimed
4 invention recited in at least claims 5-7 of the '756 Patent and is not a staple article
5 or commodity of commerce suitable for substantial non-infringing use.

6 32. As a result of Defendants' infringement of the '756 Patent, Plaintiff
7 has suffered monetary damages and is entitled to a monetary judgement in an
8 amount adequate to compensate for Defendants' past infringement, together with
9 interests and costs.

10 33. Plaintiff's Exhibit B is for the purpose of meeting the notice
11 requirements of Rule 8(a)(2) of the Federal Rule of Civil Procedure and the
12 Plaintiff is not estopped by any infringement contention or claim construction
13 proposed by the claim charts that it provides with this Complaint.

14 **COUNT II: INFRINGEMENT OF THE '757 PATENT**

15 34. Paragraphs 1 through 33 are incorporated by reference as if fully set
16 forth herein.

17 35. Plaintiff has not licensed or otherwise authorized Defendants to make,
18 test, use, offer for sale, sell, or import any products that embody the inventions of
19 the '757 Patent.

20 36. Defendants have had knowledge of infringement of the '757 Patent at
21 least as of their receipt of a parallel ITC Complaint dated January 29, 2024
22 involving the same asserted patents.

23 37. As shown in Exhibit B, Defendants have infringed and continue to
24 knowingly and intentionally directly infringe the '757 Patent, including claims 1-
25 20, literally or under the doctrine of equivalents, without authority and in violation
26 of 35 U.S.C. § 271, by making, testing, using, offering for sale, selling and having
27 sold, and/or importing and having imported into the United States, including within
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1 this judicial district, products that satisfy each and every limitation of one or more
2 claims of the '757 Patent.

3 38. Defendants have induced and continue to induce infringement of the
4 '757 Patent by actively and knowingly inducing others, including their partners,
5 customers, and end users, to directly infringe, literally or under the doctrine of
6 equivalents, by making, testing, using, offering for sale, selling or having sold in
7 the United States, and/or importing or having imported into the United States,
8 including within this judicial district, products that include infringing technology
9 protected by the '757 Patent, in violation of 35 U.S.C. § 271(b). Upon information
10 and belief, Defendants have provided technologies, specifications, instructions,
11 manuals, advertisements, marketing materials, and technical assistance regarding
12 the Accused Products in an infringing manner. Defendants further induced
13 infringement by others, including their partners, customers, and end users, with the
14 intent to cause infringing acts by others or, in the alternative, with the belief that
15 there was a high probability that others, including their partners, customers, and
16 end users, infringe the '757 Patent, but remaining willfully blind to the
17 infringement.

18 39. Defendants have contributed and continue to contribute to the
19 infringement of the '757 Patent by others, including their partners, customers, and
20 end users, by offering for sale, selling or having sold in the United States, and/or
21 importing or having imported into the United States, including within this judicial
22 district, products that include infringing technology protected by the '757 Patent,
23 including the exemplary STIIZY (Original) Vaporizer Battery and STIIZY BIIG
24 Vaporizer Battery, which are especially made for infringing use, with the
25 knowledge that such use is infringing, and with the knowledge that these products
26 are part to such infringing uses and not a staple article or commodity of commerce
27 suitable for substantial non-infringing use, in violation of 35 U.S.C. § 271(c). For
28 example, the exemplary STIIZY (Original) Vaporizer Battery and STIIZY BIIG

1 Vaporizer Battery are specially made or adapted to practice the invention claimed
2 in at least claims 9-11 and 15-20 of the '757 Patent. The accused infringing
3 components in the Accused Products have no substantial use other than practicing
4 the invention claimed in at least claims 9-11 and 15-20 of the '757 Patent. The
5 accused infringing components in the Accused Products constitute a material part
6 of the claimed invention recited in at least claims 9-11 and 15-20 of the '757 Patent
7 and is not a staple article or commodity of commerce suitable for substantial non-
8 infringing use.

9 40. As a result of Defendants' infringement of the '757 Patent, Plaintiff
10 has suffered monetary damages and is entitled to a monetary judgement in an
11 amount adequate to compensate for Defendants' past infringement, together with
12 interests and costs.

13 41. Plaintiff's Exhibit B is for the purpose of meeting the notice
14 requirements of Rule 8(a)(2) of the Federal Rule of Civil Procedure and the
15 Plaintiff is not estopped by any infringement contention or claim construction
16 proposed in the claim charts that it provides with this Complaint.

17 **COUNT III: INFRINGEMENT OF THE '527 PATENT**

18 42. Paragraphs 1 through 41 are incorporated by reference as if fully set
19 forth herein

20 43. Plaintiff has not licensed or otherwise authorized Defendants to make,
21 test, use, offer for sale, sell, or import any products that embody the inventions of
22 the '527 Patent.

23 44. Defendants have had knowledge of infringement of the '527 Patent at
24 least as of their receipt of a parallel ITC Complaint dated January 29, 2024
25 involving the same asserted patents.

26 45. As shown in Exhibit B, Defendants have infringed and continue to
27 knowingly and intentionally directly infringe the '527 Patent, including claims 1-
28 30, literally or under the doctrine of equivalents, without authority and in violation

1 of 35 U.S.C. § 271(a), by making, testing, using, offering for sale, selling and
2 having sold, and/or importing and having imported into the United States,
3 including within this judicial district, products that satisfy each and every
4 limitation of one or more claims of the '527 Patent.

5 46. Defendants have induced and continue to induce infringement of the
6 '527 Patent by actively and knowingly inducing others, including their partners,
7 customers, and end users, to directly infringe, literally or under the doctrine of
8 equivalents, by making, testing, using, offering for sale, selling or having sold in
9 the United States, and/or importing or having imported into the United States,
10 including within this judicial district, products that include infringing technology
11 protected by the '527 Patent, in violation of 35 U.S.C. § 271(b). Upon information
12 and belief, Defendants have provided technologies, specifications, instructions,
13 manuals, advertisements, marketing materials, and technical assistance regarding
14 the Accused Products in an infringing manner. Defendants further induced
15 infringement by others, including their partners, customers, and end users, with the
16 intent to cause infringing acts by others or, in the alternative, with the belief that
17 there was a high probability that others, including their partners, customers, and
18 end users, infringe the '527 Patent, but remaining willfully blind to the
19 infringement.

20 47. Defendants have contributed and continue to contribute to the
21 infringement of the '527 Patent by others, including their partners, customers, and
22 end users, by offering for sale, selling or having sold in the United States, and/or
23 importing or having imported into the United States, including within this judicial
24 district, products that include infringing technology protected by the '527 Patent,
25 including the exemplary STIIIZY (Original) Vaporizer Battery and STIIIZY BIIG
26 Vaporizer Battery, which are especially made for infringing use, with the
27 knowledge that such use is infringing, and with the knowledge that these products
28 are part to such infringing uses and not a staple article or commodity of commerce

1 suitable for substantial non-infringing use, in violation of 35 U.S.C. § 271(c). For
2 example, the exemplary STIIIZY (Original) Vaporizer Battery and STIIIZY BIIIG
3 Vaporizer Battery are specially made or adapted to practice the invention claimed
4 in at least claims 5-7, 11-17, 23-25, and 26-30 of the '527 Patent. The accused
5 infringing components in the Accused Products have no substantial use other than
6 practicing the invention claimed in at least claims 5-7, 11-17, 23-25, and 26-30 of
7 the '527 Patent. The accused infringing components in the Accused Products
8 constitute a material part of the claimed invention recited in at least claims 5-7, 11-
9 17, 23-25, and 26-30 of the '527 Patent and is not a staple article or commodity of
10 commerce suitable for substantial non-infringing use.

11 48. As a result of Defendants' infringement of the '527 Patent, Plaintiff
12 has suffered monetary damages and is entitled to a monetary judgement in an
13 amount adequate to compensate for Defendants' past infringement, together with
14 interests and costs.

15 49. Plaintiff's Exhibit B is for the purpose of meeting the notice
16 requirements of Rule 8(a)(2) of the Federal Rule of Civil Procedure and the
17 Plaintiff is not estopped by any infringement contention or claim construction
18 proposed by the claim charts that it provides with this Complaint.

19 **COUNT IV: INFRINGEMENT OF THE '580 PATENT**

20 50. Paragraphs 1 through 49 are incorporated by reference as if fully set
21 forth herein.

22 51. Plaintiff has not licensed or otherwise authorized Defendants to make,
23 test, use, offer for sale, sell, or import any products that embody the inventions of
24 the '580 Patent.

25 52. Defendants have had knowledge of infringement of the '580 Patent at
26 least as of their receipt of a parallel ITC Complaint dated January 29, 2024
27 involving the same asserted patents.

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1 53. As shown in Exhibit B, Defendants have infringed and continue to
2 knowingly and intentionally directly infringe the '580 Patent, including claims 1-
3 20, literally or under the doctrine of equivalents, without authority and in violation
4 of 35 U.S.C. § 271(a), by making, testing, using, offering for sale, selling and
5 having sold, and/or importing and having imported into the United States,
6 including within this judicial district, products that satisfy each and every
7 limitation of one or more claims of the '580 Patent.

8 54. Defendants have induced and continue to induce infringement of the
9 '580 Patent by actively and knowingly inducing others, including their partners,
10 customers, and end users, to directly infringe, literally or under the doctrine of
11 equivalents, by making, testing, using, offering for sale, selling or having sold in
12 the United States, and/or importing or having imported into the United States,
13 including within this judicial district, products that include infringing technology
14 protected by the '580 Patent, in violation of 35 U.S.C. § 271(b). Upon information
15 and belief, Defendants have provided technologies, specifications, instructions,
16 manuals, advertisements, marketing materials, and technical assistance regarding
17 the Accused Products in an infringing manner. Defendants further induced
18 infringement by others, including their partners, customers, and end users, with the
19 intent to cause infringing acts by others or, in the alternative, with the belief that
20 there was a high probability that others, including their partners, customers, and
21 end users, infringe the '580 Patent, but remaining willfully blind to the
22 infringement.

23 55. Defendants have contributed and continue to contribute to the
24 infringement of the '580 Patent by others, including their partners, customers, and
25 end users, by offering for sale, selling or having sold in the United States, and/or
26 importing or having imported into the United States, including within this judicial
27 district, products that include infringing technology protected by the '580 Patent,
28 including the exemplary STIIIZY (Original) Vaporizer Battery and STIIIZY BIIG

1 Vaporizer Battery, which are especially made for infringing use, with the
2 knowledge that such use is infringing, and with the knowledge that these products
3 are part to such infringing uses and not a staple article or commodity of commerce
4 suitable for substantial non-infringing use, in violation of 35 U.S.C. § 271(c). For
5 example, the exemplary STIIIZY (Original) Vaporizer Battery and STIIIZY BIIIG
6 Vaporizer Battery are specially made or adapted to practice the invention claimed
7 in at least claims 6, 8-10, 16, and 18-20 of the '580 Patent. The accused infringing
8 components in the Accused Products have no substantial use other than practicing
9 the invention claimed in at least claims 6, 8-10, 16, and 18-20 of the '580 Patent.
10 The accused infringing components in the Accused Products constitute a material
11 part of the claimed invention recited in at least claims 6, 8-10, 16, and 18-20 of the
12 '580 Patent and is not a staple article or commodity of commerce suitable for
13 substantial non-infringing use.

14 56. As a result of Defendants' infringement of the '580 Patent, Plaintiff
15 has suffered monetary damages and is entitled to a monetary judgement in an
16 amount adequate to compensate for Defendants' past infringement, together with
17 interests and costs.

18 57. Plaintiff's Exhibit B is for the purpose of meeting the notice
19 requirements of Rule 8(a)(2) of the Federal Rule of Civil Procedure and the
20 Plaintiff is not estopped by any infringement contention or claim construction
21 proposed by the claim charts that it provides with this Complaint, where "Accused
22 Products" are identified by way of example in those charts, and the Patents-in-Suit
23 are asserted against all products as set forth in the claim charts, where all rights are
24 reserved to accuse Defendants' other infringing products under the patent(s) that
25 cover each.

26 **DEMAND FOR JURY TRIAL**

27 58. Plaintiff demands a trial by jury of any and all causes of action.
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PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for the following relief:

- a. That Defendants be adjudged to have infringed one or more of the claims of the '756 Patent directly (literally and/or under the doctrine of equivalents) and/or indirectly;
- b. That Defendants be adjudged to have infringed one or more of the claims of the '757 Patent directly (literally and/or under the doctrine of equivalents) and/or indirectly;
- c. That Defendants be adjudged to have infringed one or more of the claims of the '527 Patent directly (literally and/or under the doctrine of equivalents) and/or indirectly;
- d. That Defendants be adjudged to have infringed one or more of the claims of the '580 Patent directly (literally and/or under the doctrine of equivalents) and/or indirectly;
- e. An accounting of all infringing sales and damages including, without limitation, those sales and damages not presented at trial;
- f. An award of all damages to which PAX Labs is entitled under 35 U.S.C. §§ 284 and/or 289 for all past and continuing infringement, including without limitation, at least reasonable royalties;
- g. An award of enhanced damages in accordance with 35 U.S.C. § 284 as a result of Defendants' knowing and willful infringement;
- h. A finding that this case is exceptional under 35 U.S.C. § 285 and an award of all of Plaintiff's attorneys' fees incurred in connection with this case;
- i. An assessment of pre-judgment and post-judgment interest and costs against Defendants and an award of such interest and costs in accordance with 35 U.S.C. § 284; and

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j. The Plaintiff be granted such other and further relief as this Court may deem just and proper.

Respectfully submitted,

Dated: January 29, 2024

CROWELL & MORING LLP

/s/ Joanna M. Fuller
Joanna M. Fuller (SBN 266406)
JFuller@crowell.com
3 Park Plaza, 20th Floor
Irvine, CA 92614
Telephone: (949) 263-8400
Facsimile: (949) 263-8414

*Attorneys for Plaintiff
PAX Labs Inc.*