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1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Timothy Wang (<i>pro hac vice</i> to be filed) Texas Bar No.: 24067927 Nicholas Najera (<i>pro hac vice</i> to be filed) Texas Bar No.: 24127049 Ni, Wang & Massand, PLLC 8140 Walnut Hill Lane, Suite 615 Dallas, TX 75231 972.331.4603 972.314.0900 (facsimile) twang@nilawfirm.com nnajera@nilawfirm.com Catherine Jiang (local counsel) Arizona Bar No.: 030740 Jiang Law Firm, PLLC 1095 W. Rio Salado Parkway, Suite 103 Tempe, AZ 85281 480.999.0294 480.999.5539 (facsimile) catherine@thejianglaw.com Counsel for Plaintiff Joyin US Corp IN THE UNITED STAT FOR THE DISTR Joyin US Corp,	TES D	DISTRICT COUR F ARIZONA	
	Plaintiff,	No.		
19	V.			
20 21	Sunny Days Entertainment, LLC,	ORI	GINAL COMPL	AINT
22	Defendant.			
23				
24		D	ATED: April 19,	2024
25				
26	<u>/s/ Timothy Wang</u> Timothy Wang			
27				ff Joyin US Corp
28	ORIGINAL -	COMP 1 -	LAINT	

ORIGINAL COMPLAINT

Plaintiff Joyin US Corp ("Plaintiff" or "Joyin") seeks a declaratory judgment of patent non-infringement and invalidity related to certain bubble blowing devices, as defined herein ("Joyin Bubble Blowers"), against U.S. Patent No. 11,772,004 ("the '004 Patent").

INTRODUCTION

1. Over the past twenty years, online retail marketplaces have revolutionized how companies reach American consumers. The rise of electronic marketplaces combined with a dramatic increase in transport speed and improved logistic networks has allowed even relatively small companies to compete globally. These developments have generally increased competition and lowered prices.

2. Amazon.com, Inc. ("Amazon") hosts the Amazon marketplace and its millions of product listings; it is U.S.-specific and targets American consumers. For an online retailer to effectively compete in the United States, it must sell on the Amazon Marketplace. According to bigcommerce.com, "Each month more than 197 million people around the world get on their devices and visit Amazon.com. That's more than the entire population of Russia. In 2018, Amazon's share of the US e-commerce market hit 49%... that is more than Amazon's top three competitors combined, with eBay coming in at 6.6%, Apple at 3% and Walmart at 3.7%."

3. Nine out of ten American consumers use Amazon to price check products they find elsewhere, and roughly 167 million people have Amazon Prime memberships in

the United States. Facing the considerable challenges of managing this sprawling hive of commercial activity, Amazon established intellectual property complaint and enforcement systems primarily designed to protect itself from contributory infringement liability. These include a patent infringement reporting mechanism and a binding pseudo-arbitration evaluation procedure currently known as the Amazon Patent Evaluation Express ("APEX").

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4. In sum, after Amazon receives a patent infringement complaint, it contacts the accused sellers and urges them to negotiate with the patent owner. If the patent owner initiates an APEX proceeding, the seller may opt not to participate, but that refusal means Amazon will remove ("de-list") the accused product listings from the Amazon marketplace.

5. An APEX is decided by a single neutral evaluator chosen by Amazon. Once begun, the process lasts only a few weeks. The evaluator is paid a fixed fee for the APEX, borne by the losing side. The patent owner identifies the accused products by ASIN No. and a single claim of one patent allegedly infringed. Each side is permitted one brief on infringement. The evaluator may not consider validity unless the asserted patent claim has already been ruled invalid by a court or by the U.S. Patent and Trademark Office.

6. Amazon's procedures require the evaluator to determine whether the patent owner is "likely to be able to prove" the accused products infringe the asserted claim. The evaluator does not explain their reasoning if they find for the patent owner but must provide a brief explanation if they rule against the patent owner. If the patent owner wins, Amazon de-lists the accused products until the parties notify Amazon that the dispute has been resolved and the infringement complaint withdrawn. There is no appeal.

7. The APEX proceedings are heavily weighted in favor of patent owners. They are not suited to evaluating complex technical issues, and the speed, limited scope, high stakes, and inability to appeal all place tremendous pressure on accused sellers to capitulate, particularly online retailers deriving most of their revenue from Amazon sales.

8. It is against this backdrop that Defendant Sunny Days Entertainment, LLC ("Defendant" or "Sunny Days") has reported to Amazon meritless "Intellectual Property Violations" against the Joyin Bubble Blowers, specifically alleging infringement of the '004 Patent, and resulting in the potential delisting of the Joyin Bubble Blowers.

NATURE OF THE ACTION

9. This is an action for Declaratory Judgment of patent non-infringement and invalidity arising under the Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, and the United States Patent Laws, 35 U.S.C. § 101 *et seq.*

PARTIES

 Plaintiff Joyin is a domestic for-profit corporation organized under the laws of the state of Delaware with a principal place of business located at 315 West Elliot Road, #107-168, Tempe, Arizona 85284.

11. Upon information and belief, Defendant Sunny Days is a domestic for-profit corporation organized under the laws of the State of South Carolina with a principal place of business at 6650 Rivers Avenue, Suite 200, North Charleston, South Carolina 29406.

JURISDICTION AND VENUE

12. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331, 1338(a) because it arises under the Patent Act, 35 U.S.C. §§ 101 *et. seq.* Jurisdiction over the subject matter of this action is further provided under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202.

13. Defendant Sunny Days is subject to personal jurisdiction in this Court pursuant to the due process clause and/or the Arizona Long Arm Statute, due at least to Sunny Days' substantial business in this State and District, including: regularly conducting and soliciting business, engaging in other persistent conduct, and/or deriving substantial revenue from Arizona residents. Further, Sunny Days is subject to personal jurisdiction in this Court due at least to Sunny Days' patent enforcement activities targeted at Joyin, an Arizona-based corporation.

14. Venue is proper in this District pursuant to 28 U.S.C. 1391(b).

THE JOYIN PRODUCTS

15. Joyin is an e-commerce corporation founded in 2021. Since then, Joyin has grown to become one of the fastest-growing designers and manufacturers of toys, party supplies, and seasonal products. Joyin's products are recognized for offering consumers great value without compromising quality.

16. Joyin also releases products under its Joiedomi brand, a home products line, Spooktacular Creations, a successful Halloween line, and Sloosh, a summer play line.

17. Currently, the company has over ten thousand products and releases over two thousand new products a year. At the urging of satisfied customers, Joyin is now working with retailers to deliver the same great experience at local retail stores

Joyin sells products via its website, joyin.com, and via e-commerce 18. storefronts such as Amazon. Joyin sells on Amazon under the "JoyinDirect" storefront.

JoyinDirect

Visit the JoyinDirect storefront

★★★★★ 100% positive in the last 12 months (15908 ratings)

19. The Joyin Bubble Blowers at issue are identified by ASIN Nos. B086SP5KMT, B091G47R3M, B0CLSFCNNV, B0BZXNZZ67, B0CLSG76YV, and B0BZXLZSJ8. The Joyin Bubble Blowers can be divided into two groups: the "Blasters" and the "Lawnmowers." The same Joyin Bubble Blowers are also sold by Joyin under ASIN B07VFCQ3BT. As shown herein, the Joyin Bubble Blowers have been on sale on Amazon since at least 2019.



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Joyin'

20. The JoyinDirect storefront has garnered a rating of 4.9 out of 5 stars from nearly 123,000 lifetime customer ratings.

21. The Amazon Marketplace constitutes Joyin's primary sales channel into the United States. To remain competitive in the United States market for bubble blowers, Joyin needs its products listed in the Amazon Marketplace.

22. Sunny Days' ability to use the APEX as an inequitable injunction significantly harm Joyin. In addition to the direct effects of monetary losses, the delisting of products immediately results in lost sales numbers, product reviews, and product ratings, which are all important factors in determining their Amazon ranking. Amazon ranking is in turn important to product visibility in consumer searches and to Amazon's award of the "Amazon Choice" Badge or the "Amazon Bestseller" designations which create a significant sales boost.

U.S. PATENT NO. 11,772,004

23. Sunny Days is the applicant and assignee of record of the '004 Patent, attached as Exhibit A.

24. Jim Ruggiero and Ka Shun Lo are the inventors of record of the '004 Patent. 25. The '004 Patent is entitled "Vertical Bubble Blower" and generally discloses a "bubble blowing apparatus comprising a main body, a plurality of legs connecting the main body to a base, a motor, a fan operably coupled to the motor to blow an upward stream of air, a liquid fountain unit operably coupled to the motor to blow a bubble solution upward, a gear shaft operably coupled to the motor to rotate about a rotational axis, and a

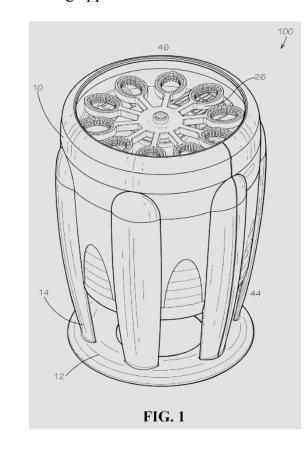
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plurality of bubble wands rigidly affixed to an upper portion of the gear shaft. Further, the gear shaft is configured to continuously rotate about the rotational axis, such that each of the plurality of bubble wands repetitively cycle between the two positions of (1) passing over the liquid fountain unit so as to amass upwardly blown bubble solution, and (2) passing over the fan such that the amassed bubble solution contacts the upwardly blown air and forms a bubble." Exhibit A at Abstract.

26. The '004 Patent issued on October 3, 2023 and has a purported effective filing date of June 4, 2021.

27. The '004 Patent has two independent claims and eighteen dependent claims, each claiming a bubble blowing apparatus.



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DEFENDANT SUNNY DAYS

28. Sunny Days is a supplier, distributor, and manufacturer of branded and licensed toy products.

29. On or around March 26, 2024, Sunny Days initiated an APEX procedure asserting claim 1 of the '004 Patent against the Joyin Bubble Blowers. *See* Exhibit B, Amazon Patent Evaluation Express Agreement.

30. Joyin has opted not to participate in the APEX, facing the risk of imminent delisting of the Joyin Bubble Blowers.

COUNT I: DECLARATORY JUDGMENT OF PATENT NON-INFRINGEMENT

31. Joyin incorporates by reference the preceding paragraphs as though fully set forth herein.

32. An actual, continuing and justiciable controversy exists between Joyin and Sunny Days as to the alleged infringement of the '004 Patent, as evidenced by Sunny Days' allegations of infringement on Amazon, as set forth above.

33. Pursuant to the Declaratory Judgment Act, Joyin requests a judicial determination and declaration that Joyin does not infringe and has not infringed, either directly or indirectly, literally or under the doctrine of equivalents, any presumably valid claim of the '004 Patent.

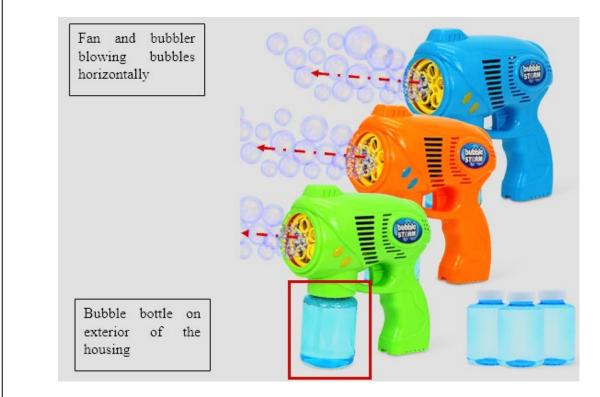
34. For example, the Joyin Bubble Blowers do not meet each and every limitation of independent claims 1 and 11. Likewise, since the independent claims are not infringed, neither are their dependent claims. *Wahpeton Canvas Co. v. Frontier, Inc.*, 870

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F.2d 1546, 1552 n.9, 1553 (Fed. Cir. 1989) (a dependent claim cannot be infringed if any claim from which it depends is not infringed).

35. Regarding independent claims 1 and 11, the Jovin Bubble Blowers do not comprise "a liquid fountain unit disposed in the housing... including a first basin." In comparison, the Blasters clearly comprise a removable bubble bottle that is attached outside the housing.



Further, the Joyin Bubble Blowers do not comprise "a first bubbler 36. configured to eject the liquid bubble solution in an upward direction." For example, the Blasters and Lawnmowers clearly comprise an analogous first bubbler configured to eject liquid bubble solution in a *horizontal* direction. Similarly, the Joyin Bubble Blowers do not comprise "wherein the first bubbler is positioned to introduce the liquid bubble solution upwardly into a first one of the plurality of openings on the disc." For example, the Blasters and Lawnmowers clearly comprise an analogous first bubbler positioned to introduce liquid bubble solution *horizontally*. Similarly, the Joyin Bubble Blowers do not comprise a "fan positioned to blow an upward stream of air." For example, the Blasters and Lawnmowers clearly comprise an analogous fan positioned to blow a *horizontal* stream of air.

37. Moreover, since Claims 1 and 11 are invalid, they cannot be infringed upon.

COUNT II: DECLARATORY JUDGMENT OF PATENT INVALIDITY

38. Joyin incorporates by reference the preceding paragraphs as though fully set forth herein.

39. An actual, continuing and justiciable controversy exists between Joyin and Sunny Days as to the invalidity of the claims of the '004 Patent, as evidenced by Sunny Days' allegations of infringement on Amazon, as set forth above.

40. Pursuant to the Declaratory Judgment Act, Joyin requests a judicial determination and declaration that the claims of the '004 Patent are invalid for failing to satisfy one or more of the statutory conditions of patentability, including 35 U.S.C. § 102 and/or 103, in light of the cited prior art references herein and any prior art references that may come to light during the course of discovery.

41. Under 35 U.S.C. § 102, the claims of the '004 Patent are unpatentable over the Joyin Bubble Blowers themselves, which were offered for sale as early as July of 2019, over twenty-two months before the purported earliest effective filing date of the '004 Patent (June 4, 2021).

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42. For example, the Joyin Bubble Blower identified by ASIN No. B086SP5KMT was first offered for sale as early as April 6, 2020. *See* Exhibit C, Internal Amazon Inventory Webpage showing ASIN No. B086SP5KMT creation date. Moreover, ASIN No. B086SP5KMT has at least two customer reviews from verified purchasers with review dates of December 17, 2020 and August 16, 2020, respectively. *See* Exhibit D, ASIN No. B086SP5KMT Customer Review Webpages.

43. Similarly, the Joyin Bubble Blower identified by ASIN No. B07VFCQ3BT was first offered for sale as early as July 16, 2019. *See* Exhibit E, Internal Amazon Inventory Webpage showing ASIN No. B07VFCQ3BT creation date. Moreover, ASIN No. B07VFCQ3BT has at least two customer reviews from verified purchasers with review dates of May 29, 2020 and August 3, 2020. *See* Exhibit F, ASIN No. B07VFCQ3BT Customer Review Webpages. The Joyin Bubble Blower under ASIN No. B07VFCQ3BT has the identical bubbling design to the ones complained of infringement by Sunny Days. It is telling that Sunny Days did not include this ASIN in its patent infringement claim filed with Amazon as it knew or should have known this ASIN would readily render the '004 Patent invalid and its complaint completely frivolous.

DEMAND FOR JURY TRIAL

Plaintiff, under Rule 38 of the Federal Rules of Civil Procedure, requests a trial by jury of any issues so triable by right.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter a judgment as follows:

A. Preliminary and permanent injunctions ordering Defendant Sunny Days to withdraw all Amazon infringement complaints lodged against the Joyin Bubble Blowers regarding the '004 Patent, and to refrain from lodging any further infringement complaints regarding the same.

 B. A declaration that the Joyin Bubble Blowers do not infringe any of the presumably valid claims of the '004 Patent;

C. A declaration that various claims of the '004 Patent are invalid for failing to satisfy the statutory conditions for patentability;

D. A declaration that this case is exceptional and an award to Plaintiff of its costs, expenses, and reasonable attorney fees incurred in this action pursuant to 35 U.S.C § 285;

E. Any and all other relief that is just and proper.

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1	Dated: April 19, 2024	Respectfully submitted,
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