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Rigging and Fishing Tackle Inc. d/b/a Chatter Lures*

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

JB CUSTOM OFFSHORE RIGGING AND
FISHING TACKLE INC. D/B/A
CHATTER LURES,

Plaintiff,

v.

STERLING TACKLE LLC,

Defendant.

Civil Action No. _____

Document Electronically Filed

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff JB Custom Offshore Rigging and Fishing Tackle Inc. d/b/a Chatter Lures (“Chatter Lures”), brings this Complaint for patent infringement and unfair competition under the Lanham Act against Sterling Tackle, LLC (“Sterling”) and alleges as follows:

NATURE OF THE ACTION

1. This is a civil action arising out of Sterling’s willful patent infringement in violation of the Patent Laws of the United States, 35 U.S.C. § 100, et seq. Sterling’s accused products infringe U.S. Patent Nos. 11,825,824 (the “’824 Patent”), 11,089,771 (the “’771 Patent”), and 10,368,533 (the “’533 Patent”) (together, the “Chatter Lures Patents”). In addition, Sterling’s

products are creating confusion in the marketplace by mimicking Chatter Lures' distinctive trade dress.

PARTIES

2. Chatter Lures is a corporation organized and existing under the laws of the State of New York, with its principal place of business at 100 Oakland Avenue, Suite 4, Port Jefferson, NY 11777.

3. Sterling is a limited liability company organized and existing under the laws of the State of New Jersey, with its principal place of business at 518 Rt. 9 South, Marmora, New Jersey.

JURISDICTION AND VENUE

4. This Court has original jurisdiction over Chatter Lures' claims for patent infringement under 28 U.S.C. §§ 1331 and 1338(a).

5. This Court has jurisdiction over Chatter Lures' claims for unfair competition under the Lanham Act under 28 U.S.C. § 1338(b) and 28 U.S.C. § 1332 because the parties are diverse and the amount in controversy exceeds \$75,000.

6. This Court has personal jurisdiction over Sterling because Sterling regularly conducts business in the District of New Jersey and its principal place of business is located in this District.

7. On information and belief, Sterling has continuous and systematic contacts in this District, has purposefully distributed the products that infringe the Chatter Lures Patents in this District, and made those products available for sale in this District through an established distribution chain. This litigation arises out of these activities.

8. Venue is appropriate in this District under 28 U.S.C. § 1391(b)(1) because Sterling resides in the District and under 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omissions giving rise to the claim occurred in this District.

BACKGROUND

9. Chatter Lures is an industry leader and dynamic innovator of fishing lures and accessories that are used by anglers and fishing enthusiasts throughout the world.

10. Among Chatter Lures' most innovative fishing technology is its "Side Tracker®" lure line of products, which was developed after years of meticulous research, testing and investigation.

11. Chatter Lures' groundbreaking Side Tracker® lures are specially designed to be used during trolling. The lures use a patented multi-directional side tracker bar, enabling switching the lure to spread to the port or starboard side on the fly. As a result, anglers are able to cover a more substantial area when fishing and they also can use additional fishing rods in their spread.

12. The United States Patent and Trademark Office ("USPTO") awarded Chatter Lures with multiple patents covering its revolutionary Side Tracker® lures, which Chatter Lures has sold since 2017.

13. Chatter Lures is the lawful owner of the '824 Patent, entitled "Side Tracker," which the USPTO duly and legally issued on November 28, 2023. A true and correct copy of the '824 Patent is attached hereto as Exhibit A. The claims of the '824 Patent are valid and enforceable.

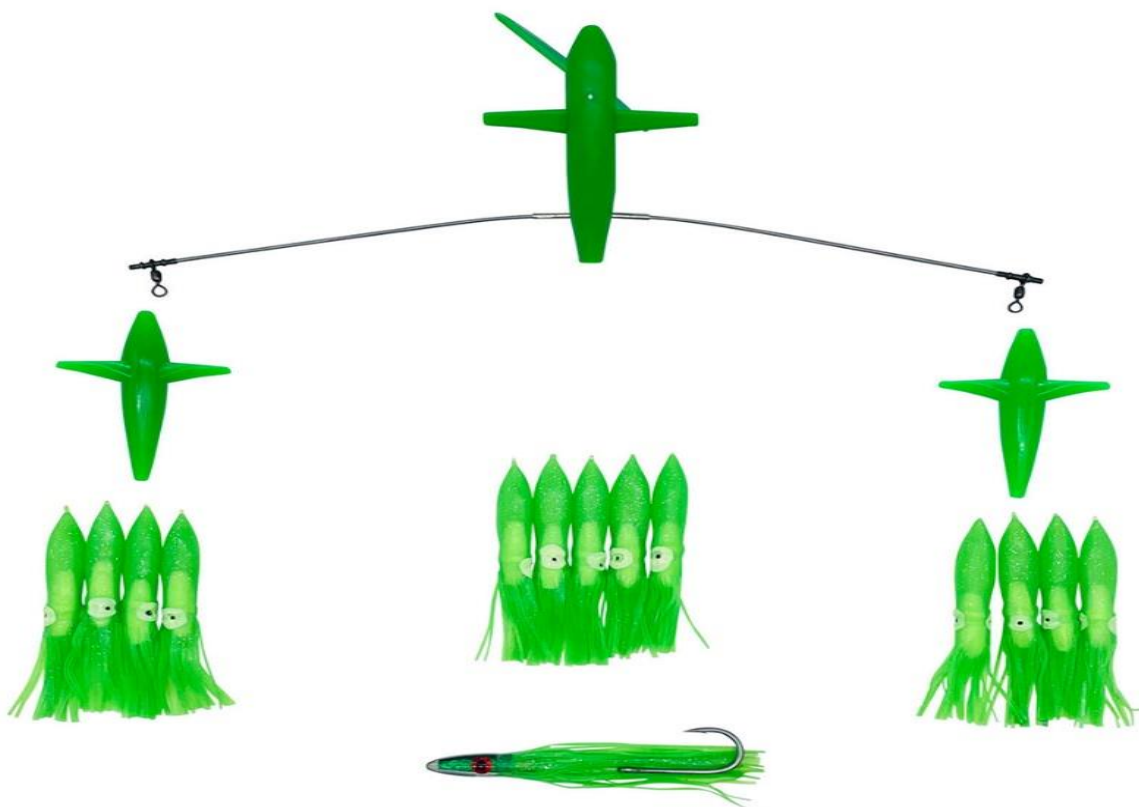
14. Chatter Lures is the lawful owner of the '771 Patent, entitled "Side Tracker," which the USPTO duly and legally issued on August 17, 2021. A true and correct copy of the '771 Patent is attached hereto as Exhibit B. The claims of the '771 Patent are valid and enforceable.

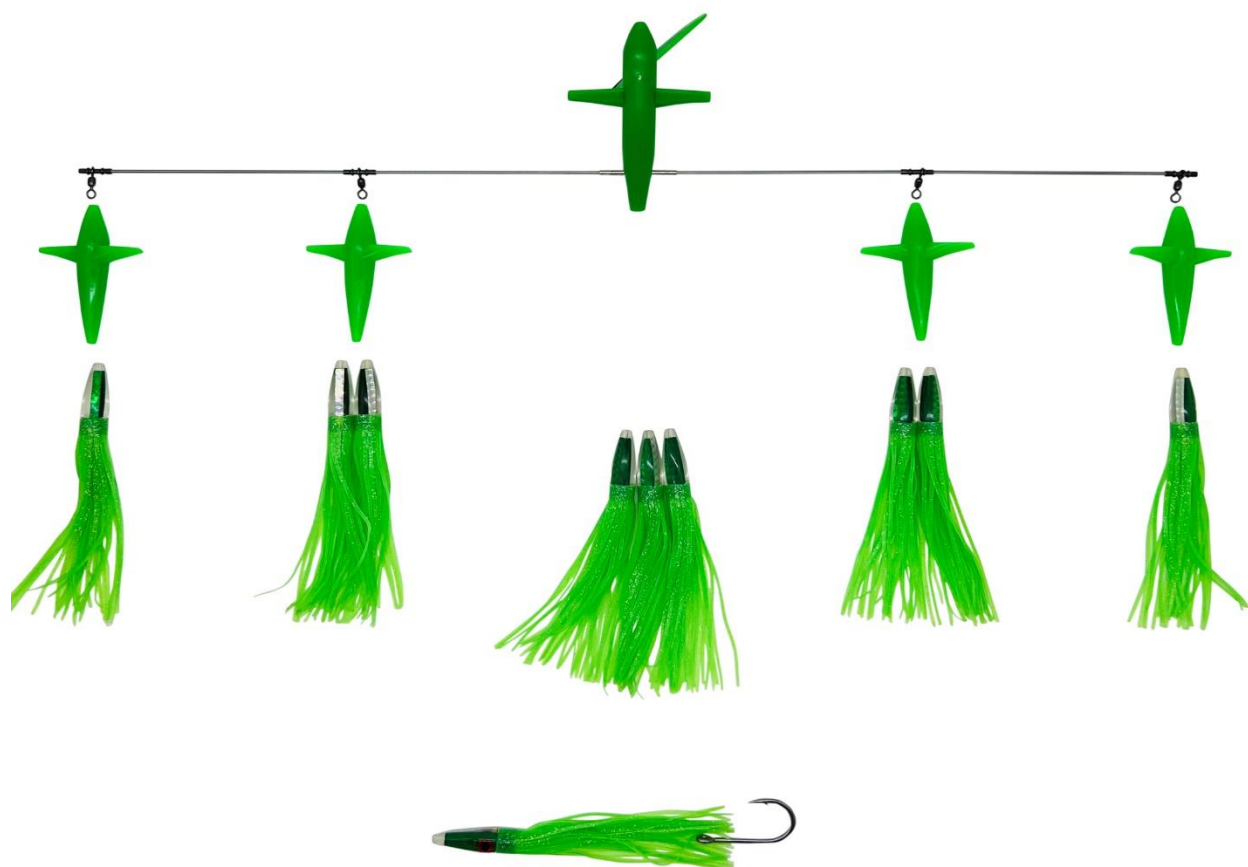
15. Chatter Lures is the lawful owner of the '533 Patent, entitled "Side Tracker," which the USPTO duly and legally issued on August 6, 2019. A true and correct copy of the '533 Patent is attached hereto as Exhibit C. The claims of the '533 Patent are valid and enforceable.

16. The Chatter Lures Patents are all in full force and effect.

17. Chatter Lures practices the inventions claimed in the Chatter Lures Patents with its Side Tracker® fishing lures. An exemplary infringement claim chart is attached hereto as Exhibit D.

18. Chatter Lures' Side Tracker® fishing lures have a unique and distinctive overall appearance and performance that consumers promptly recognize and associate with top-tier, high quality lures that Chatter Lures sells (the "Side Tracker Trade Dress"). The distinctive design of Chatter Lures' Side Tracker® fishing lure is illustrated in the photos below.





19. Chatter Lures has at all times markets its patent practicing Side Tracker® fishing lure packaging with the '824 Patent, the '771 Patent and the '533 Patent, complying with 35 U.S.C. § 287. In addition, Chatter Lures marks its Side Tracker® fishing lure packaging with its registered Side Tracker® trademark.

20. Chatter Lures has invested considerable sums of money to protect its inventions, creativity, and brand of its Side Tracker® fishing lure, including securing the '824 Patent, the '771 Patent and the '533 Patent, registering its Side Tracker® trademark, investing in high quality manufacturing and customer service, and promoting and advertising its Side Tracker® products.

21. As a result, Chatter Lures' Side Tracker® fishing lure has achieved significant sales success, received industry praise, and has acquired an industry-leading reputation.

22. Since at least 2022, Sterling has been making, using, selling, offering for sale, and/or importing a competing fishing lure product (the "Knock-Off Side Tracker").

23. Sterling's Knock-Off Side Tracker infringes the Chatter Lures Patents, as set forth below.

24. Sterling designed and advertises its Knock-Off Side Tracker to mirror Chatter Lures' Side Tracker® lure to create confusion in the market, steal Chatter Lures' customers, diminish Chatter Lures' innovations, and irreparably damage Chatter Lures' trademark and brand.

25. As shown below, Sterling's Knock-Off Side Tracker (shown on the left below) very closely resembles the design of Chatter Lures' Side Tracker® lure (shown on the right below).



26. Sterling's Knock-Off Side Tracker is lower quality, poorer performing, and less durable than Chatter Lures' Side Tracker® lure, resulting in less successful fishing results.

27. An example of Sterling's Knock-Off Side Tracker is shown in the photograph below, which Sterling markets as its "Dial Tracker." As used in this Complaint, "Knock-Off Side

Tracker” refers to all embodiments of Sterling’s fishing lure, configured, or substantially configured, as the “Dial Tracker” illustrated in the photograph hereinbelow.



28. Sterling’s Knock-Off Side Tracker infringes Chatter Lures’ Patents as its Knock-Off Side Tracker has nearly identical features to Chatter Lures’ Side Tracker®, operates and/or purports to operate in the same way as the Side Tracker®’s claimed features, and provides and/or purports to provide the same result as the Side Tracker®’s claimed features. Sterling’s Knock-Off Side Tracker is particularly made or adapted for use in infringing Chatter Lures’ ’824 Patent, ’771

Patent and the '533 Patent, as illustrated, by way of example, from Sterling's website <https://www.sterlingtackle.com/>.

29. Sterling's Knock-Off Side Tracker also infringes Chatter Lures' trade dress.

30. On April 15, 2024, Chatter Lures sent a letter to Sterling advising that its Knock-Off Side Tracker products infringe the Chatter Lures Patents. Chatter Lures demanded that Sterling either cease or desist its infringement or obtain a license from Chatter Lures for use of its infringing products. Chatter Lures provided detailed infringement claim charts showing that Sterling's Knock Off Side Tracker products infringe the Chatter Lures Patents. A true and correct copy of Chatter Lures' notice letter to Sterling is attached hereto as Exhibit D.

31. Notwithstanding Chatter Lures' provision of notice to Sterling, Sterling continues its infringing activity by manufacturing, using, importing, offering to sell, and selling its Knock-Off Side Tracker products.

COUNT I (WILLFUL INFRINGEMENT OF THE '824 PATENT)

32. Each of the preceding paragraphs is incorporated as if fully set forth.

33. Sterling has been, and presently is, infringing the '824 Patent within this District and elsewhere by using, making, selling, offering to sell, and/or importing its Knock-Off Side Tracker products.

34. Upon information and belief, Sterling has distributed and continues to distribute its Knock-Off Side Tracker products through established distribution channels throughout the United States, including, but not limited to Sterling's own sales network and website.

35. Sterling's acts with respect to the Knock-Off Side Tracker lures have been without license or authority from Chatter Lures with respect to the '824 Patent.

36. Sterling's infringement of the '824 Patent has been and continues to be intentional, willful, and without regard to Chatter Lures' rights since at least the April 15, 2024 date that Chatter Lures provided to Sterling a notice letter and detailed infringement claim charts.

37. Chatter Lures is informed and believes, and on that basis alleges, that Sterling has gained profits by virtue of its infringement of the '824 patent.

38. Chatter Lures has suffered, and is continuing to suffer, damages as a direct and proximate result of Sterling's infringement of the '824 Patent, and Chatter Lures is entitled to compensation and other monetary relief to the fullest extent allowed by law.

39. Sterling acted recklessly, willfully, and wantonly, and deliberately engaged in acts of infringement of the '824 Patent, justifying an award to Chatter Lures of increased damages under 35 U.S.C. § 284 and attorneys' fees and costs, pursuant to 35 U.S.C. § 285.

40. On information and belief, Sterling will continue to infringe the '824 patent unless enjoined by this Court, thereby further injuring and irreparably damaging Chatter Lures.

41. By reason of the ongoing and continuous infringement by Sterling of the '824 Patent, Chatter Lures is entitled to the entry of a permanent injunction, enjoining Sterling from further infringement of Chatter Lures' patent rights, pursuant to 35 U.S.C. § 283.

COUNT II (WILLFUL INFRINGEMENT OF THE '771 PATENT)

42. Each of the preceding paragraphs is incorporated as if fully set forth.

43. Sterling has been, and presently is, infringing the '771 Patent within this District and elsewhere by using, making, selling, offering to sell, and/or importing its Knock-Off Side Tracker products.

44. Upon information and belief, Sterling has distributed and continues to distribute its Knock-Off Side Tracker products through established distribution channels throughout the United States, including, but not limited to Sterling's own sales network and website.

45. Sterling's acts with respect to the Knock-Off Side Tracker lures have been without license or authority from Chatter Lures with respect to the '771 Patent.

46. Sterling's infringement of the '771 Patent has been and continues to be intentional, willful, and without regard to Chatter Lures' rights since at least the April 15, 2024 date that Chatter Lures provided to Sterling a notice letter and detailed infringement claim charts.

47. Chatter Lures is informed and believes, and on that basis alleges, that Sterling has gained profits by virtue of its infringement of the '771 patent.

48. Chatter Lures has suffered, and is continuing to suffer, damages as a direct and proximate result of Sterling's infringement of the '771 Patent, and Chatter Lures is entitled to compensation and other monetary relief to the fullest extent allowed by law.

49. Sterling acted recklessly, willfully, and wantonly, and deliberately engaged in acts of infringement of the '771 Patent, justifying an award to Chatter Lures of increased damages under 35 U.S.C. § 284 and attorneys' fees and costs, pursuant to 35 U.S.C. § 285.

50. On information and belief, Sterling will continue to infringe the '771 patent unless enjoined by this Court, thereby further injuring and irreparably damaging Chatter Lures.

51. By reason of the ongoing and continuous infringement by Sterling of the '771 Patent, Chatter Lures is entitled to the entry of a permanent injunction, enjoining Sterling from further infringement of Chatter Lures' patent rights, pursuant to 35 U.S.C. § 283.

COUNT III (WILLFUL INFRINGEMENT OF THE '533 PATENT)

52. Each of the preceding paragraphs is incorporated as if fully set forth.

53. Sterling has been, and presently is, infringing the '533 Patent within this District and elsewhere by using, making, selling, offering to sell, and/or importing its Knock-Off Side Tracker products.

54. Upon information and belief, Sterling has distributed and continues to distribute its Knock-Off Side Tracker products through established distribution channels throughout the United States, including, but not limited to Sterling's own sales network and website.

55. Sterling's acts with respect to the Knock-Off Side Tracker lures have been without license or authority from Chatter Lures with respect to the '533 Patent.

56. Sterling's infringement of the '533 Patent has been and continues to be intentional, willful, and without regard to Chatter Lures' rights since at least the April 15, 2024 date that Chatter Lures provided to Sterling a notice letter and detailed infringement claim charts.

57. Chatter Lures is informed and believes, and on that basis alleges, that Sterling has gained profits by virtue of its infringement of the '533 patent.

58. Chatter Lures has suffered, and is continuing to suffer, damages as a direct and proximate result of Sterling's infringement of the '533 Patent, and Chatter Lures is entitled to compensation and other monetary relief to the fullest extent allowed by law.

59. Sterling acted recklessly, willfully, and wantonly, and deliberately engaged in acts of infringement of the '533 Patent, justifying an award to Chatter Lures of increased damages under 35 U.S.C. § 284 and attorneys' fees and costs, pursuant to 35 U.S.C. § 285.

60. On information and belief, Sterling will continue to infringe the '533 patent unless enjoined by this Court, thereby further injuring and irreparably damaging Chatter Lures.

61. By reason of the ongoing and continuous infringement by Sterling of the '533 Patent, Chatter Lures is entitled to the entry of a permanent injunction, enjoining Sterling from further infringement of Chatter Lures' patent rights, pursuant to 35 U.S.C. § 283.

COUNT IV (UNFAIR COMPETITION - TRADE DRESS INFRINGEMENT)

62. Each of the preceding paragraphs is incorporated as if fully set forth.

63. As a result of Chatter Lures' continuous, exclusive and extensive promotion and sale of Side Tracker® fishing lures incorporating the Side Tracker Trade Dress in commerce and the commercial success and strong performance of these Side Tracker® fishing lures, the Side Tracker Trade Dress, which is non-functional, has developed secondary meaning amongst the relevant consumers as an identifier of the source of Chatter Lures' high-quality Side Tracker® fishing lures.

64. Chatter Lures has established valid and enforceable trade dress rights in the Side Tracker Trade Dress.

65. Sterling distributes, offers for sale, and sells in United States commerce its Knock-Off Side Tracker lure, which is confusingly similar to the Side Tracker Trade Dress.

66. As a result of Sterling's conduct, consumers are confused, and will likely continue to be confused, mistaken, or deceived as to the affiliation, connection, and/or association of Sterling and its lower quality Knock-Off Side Tracker lure with Chatter Lures' superior Side Tracker® fishing lure, as to the origin, sponsorship, or approval of Sterling's product, and/or as to the nature, characteristics, or qualities of Sterling's product.

67. Sterling has infringed Chatter Lures' rights in the Side Tracker Trade Dress and has committed unfair competition under 15 U.S.C. § 1125(a) by advertising, marketing and selling in commerce its Knock-Off Side Tracker products that are likely to cause confusion, mistake or deception by and among consumers as to the source of the parties' respective lures.

68. Sterling's unfair competition is immediate and ongoing.

69. Sterling's unfair competition has been knowing and willful as it was intended to confuse customers by mimicking the Side Tracker Trade Dress.

70. As a direct and proximate result of Sterling's acts of unfair competition, Chatter Lures has suffered and continues to suffer damages and irreparable injury.

71. Chatter Lures has no adequate remedy at law for Sterling's acts of unfair competition and, unless Sterling is enjoined, Chatter Lures will continue to be damaged and irreparably injured.

72. Chatter Lures has a substantial likelihood of prevailing on the merits.

73. The injury to Chatter Lures from Sterling's unfair competition outweighs any damage injunctive relief may cause Sterling.

74. The impact of issuing injunctive relief in favor of Chatter Lures will not be adverse to the public interest.

75. Chatter Lures is entitled to judgment against Sterling for the damages proximately caused by its unfair competition.

PRAYER FOR RELIEF

WHEREFORE, Chatter Lures requests entry of judgment against Sterling as follows:

- A. That the Court enter judgment in favor of Chatter Lures finding that Sterling has infringed the '824 Patent;
- B. That Sterling be required to account for all of its gains, profits, and advantages realized from its infringement and unlawful use and practice of the '824 Patent.
- C. That the Court enter judgment in favor of Chatter Lures finding that Sterling has infringed the '771 Patent;
- D. That Sterling be required to account for all of its gains, profits, and advantages realized from its infringement and unlawful use and practice of the '771 Patent.
- E. That the Court enter judgment in favor of Chatter Lures finding that Sterling has infringed the '533 Patent;
- F. That Sterling be required to account for all of its gains, profits, and advantages realized from its infringement and unlawful use and practice of the '533 Patent.

- G. That Chatter Lures be awarded actual damages against Sterling for its acts of patent infringement;
- H. That Chatter Lures be awarded an amount adequate to compensate it for Sterling's infringement—said damages to be no less than a reasonable royalty;
- I. That Sterling, and each of its members, owners, officers, agents, servants and employees, be preliminarily and permanently enjoined from further acts of infringement of the '824 Patent;
- J. That Sterling, and each of its members, owners, officers, agents, servants and employees, be preliminarily and permanently enjoined from further acts of infringement of the '771 Patent;
- K. That Sterling, and each of its members, owners, officers, agents, servants and employees, be preliminarily and permanently enjoined from further acts of infringement of the '533 Patent;
- L. That Sterling, and each of its members, owners, officers, agents, servants and employees, be preliminarily and permanently enjoined from further trade dress infringement of the Side Tracker Trade Dress pursuant to 15 U.S.C. § 1116;
- M. That Sterling be ordered to pay its profits pursuant to 15 U.S.C. § 1117(a)(1);
- N. That Sterling be ordered to pay any damages sustained by Chatter Lures pursuant to 15 U.S.C. § 1117(a)(2);
- O. That Chatter Lures be awarded treble damages on account of the willful, intentional and deliberate nature of Sterling's patent infringing acts, pursuant to 35 U.S.C. § 284;
- P. That Sterling be ordered to pay treble damages and attorneys' fees pursuant to 35 U.S.C. § 285 and/or 15 U.S.C. § 1117(a)(3);

- Q. That Chatter Lures be awarded pre-judgment interest on any damages awarded to it;
- R. That Sterling be ordered to pay all costs associated with this action; and
- S. That Chatter Lures be granted such other and additional relief as the Court deems just and proper.

Dated: May 23, 2024

By: s/ Michael J. Gesualdo

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LOCAL CIVIL RULE 11.2 CERTIFICATION

Pursuant to Local Civil Rule 11.2, I hereby certify that the matter in controversy in this case is not the subject of any action pending in any court, or of any pending arbitration or administrative proceeding.

Dated: May 23, 2024

By: s/ Michael J. Gesualdo
Michael J. Gesualdo