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Attorneys for Plaintiff Cricut, Inc.

UNITED STATES DISTRICT COURT DISTRICT OF UTAH, CENTRAL DIVISION	
CRICUT, INC., a Delaware corporation, Plaintiff,	COMPLAINT
v.	Case No. 2:24-cv-746
LiPing Zhan,	Judge JURY TRIAL DEMANDED
Defendant.	

Plaintiff Cricut, Inc., by and through the undersigned counsel, hereby complains against Defendant LiPing Zhan for patent infringement and alleges as follows:

PARTIES

- 1. Plaintiff Cricut, Inc. ("Cricut") is a publicly traded corporation (NASDAQ: CRCT) that is headquartered in Delaware, and with its principal place of business at 10855 South River Front Parkway, South Jordan, Utah 84095.
- 2. On information and belief, Defendant LiPing Zhan ("Defendant") is a resident of China who does business under the "Konduone" name. On information and belief, LiPing Zhan's address is at No. 187, YangLinGuan Street, Xingou Town, Jianli County, Jingzhou, China 433300. This address corresponds with the Current Owner Information provided to the USPTO for the "Konduone" trademark, Registration No. 5415520.

MARK	KONDUONE (stylized and/or with design, see https://tmng-al.uspto.gov/resting2/api/img/87275909/large)
CORRESPONDENCE SECTION (current)	
ORIGINAL ADDRESS	Lisa Zhang 764 Route 25A ste 5, East Setauket New York 11733 US 6313559038 usmarkcenter@gmail.com,trademarkusa@outlook.com
NEW CORRESPONDENCE ADDRESS	
NEW ADDRESS	LiPing Zhan No 187, YangLinGuan Street, XinGou Town, JianLi County, JingZhou China 433300 +86-13926192544 2850826959@qq.com; bjspbrand@126.com
AUTHORIZED TO COMMUNICATE VIA E-MAIL	YES

3. On information and belief, Defendant may also be contacted at the following email addresses: 2850826959@qq.com and bjspbrand@126.com. Defendant provided these email addresses to the USPTO in connection with U.S. Registration No. 5415520 and authorized communication via email, as shown above.

4. On information and belief, Defendant may also be contacted at: Shiyong Ye, 250 West 34th Street, One Penn Plaza, Suite 2015, New York, New York, 10119 and at syetm@reidwise.com and atmtrademarks@hotmail.com. This is another address and contact information that LiPing Zhan provided to the United States Patent and Trademark Office in connection with the KONDUONE trademark, U.S. Registration Number 5415520.

JURISDICTION AND VENUE

- 5. This is a civil action for patent infringement arising under the patent laws of the United States, 35 U.S.C. §§ 1 *et seq.* Accordingly, this Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).
- 6. The Court has personal jurisdiction over Defendant because Defendant has, directly or through agents and/or intermediaries, committed acts within the State of Utah, giving rise to this action and/or has established minimum contacts with Utah and this District such that the exercise of jurisdiction would not offend traditional notions of fair play and justice.
- 7. On information and belief, Defendant regularly conducts business in Utah, including this District, and purposefully has availed itself of the privileges of conducting business in Utah. In particular, on information and belief, Defendant, directly and/or through its agents and/or intermediaries, uses, imports, offers for sale, sells, and/or advertises its products in Utah. In addition, Defendant has placed, and continues to place, infringing products into the stream of commerce, via an established distribution channel, with the knowledge and/or understanding that such products are sold in the United States including in Utah.

- 8. For example, Defendant sells and offers to sell infringing products through sales channels, such as Amazon.com.¹ The infringing products have been inventoried in the United States, such that they are shipped to Utah with 2-day shipping.
- 9. Alternatively, and/or in addition, this Court has jurisdiction over Defendant under Federal Rule of Civil Procedure 4(k)(2). This lawsuit arises from actions of Defendant directed toward the United States, including (1) committing at least a portion of the infringing acts alleged herein and (2) regularly transacting business, soliciting business, and deriving revenue from the sale of infringing products to individuals in the United States. Therefore, Defendant has purposefully availed itself of the benefits of the United States, including the District of Utah, and the exercise of jurisdiction over Defendant would not offend traditional notions of fair play and substantial justice.
- 10. Venue is proper in this District under at least 28 U.S.C. § 1391(b), 1391(c), and/or 1400(b). Defendant is a foreign resident that has committed acts of infringement in this District, as detailed throughout this complaint. *See generally In re HTC Corp.*, 889 F.3d 1349 (2018).

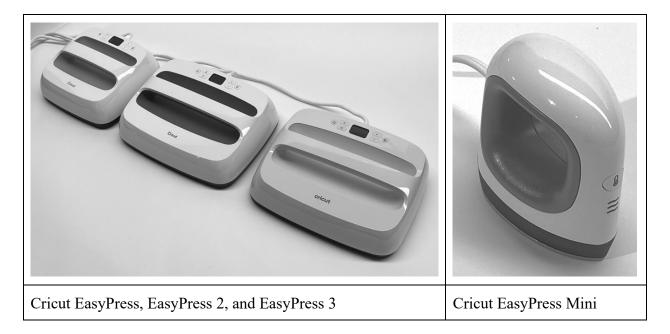
CRICUT'S PATENTED TECHNOLOGY

11. Cricut is an American company that is dedicated to helping people lead creative lives. Cricut's platform and ecosystem of interrelated devices enables its engaged and loyal community of over 8.9 million users (as of December 31, 2023) to turn ideas into "I Did It's" — Do-It-Yourself goods from custom greeting cards and apparel to on-demand gifts and large-scale decor. Cricut created an ecosystem of interconnected cutting machine crafting devices, heat-press

¹ https://www.amazon.com/Machine-Transfer-T-Shirts-Projects-Silver/dp/B0D7CPGLZK/

crafting machines, accessories, and consumable materials for scalability and seamless integration, allowing Cricut to both introduce new products as well as continuously update the functionality and features of existing physical and digital products. This makes the Cricut ecosystem broadly extensible and empowers its users to unlock ever-expanding creative potential.

- 12. The CRICUT® ecosystem of crafting devices consists of interconnected cutting machines, heat presses, and other crafting tools and accessories that provide seamless integration, allowing users to create custom crafts, including greeting cards, apparel, on-demand gifts, wedding-related services, and large-scale decor. The Cricut crafting devices allow users to create their own professional-looking home-made goods, from start to finish, instead of purchasing manufactured goods from a third-party.
- 13. The Cricut heat press devices—including the CRICUT EASYPRESS® line—allow users to evenly adhere those patterns onto T-shirts, totes, or tags. The heat presses provide uniform, consistent and optimal heat in a safe and convenient handheld manner. The heat presses have also adopted an innovative look and feel, embodied in design patents, that spans across multiple generations of heat presses. Before Cricut launched its first line of heat press devices, no other products had the innovative look and feel of the Cricut EasyPress devices, as shown below.



This look and feel enables its users to instantly recognize the heat presses as authentically "Cricut®" and promotes consumer awareness and trust.

- 14. Cricut's release of its innovative heat press machines was followed by a deluge of copycats that other companies have designed abroad, seeking to capitalize off the industry created by Cricut. Such companies have designed their products to mimic the innovative look and feel of the Cricut products. When customers become dissatisfied with the quality and/or performance of these other products, it harms Cricut and the crafting industry.
- 15. Cricut has developed intellectual property, including patents, to protect its innovative, high-quality products. Cricut is committed to protecting its reputation, as well as its customers, employees, and content creators who have made Cricut what it is today. As a result, Cricut is enforcing its intellectual-property rights against illegal outside use. By addressing infringement of its patents, Cricut seeks to not only safeguard its innovations (thus ensuring its

ability to continue to innovate and deliver high-quality products), but also to uphold the trust and satisfaction of its loyal customers. Such patents are the subject of this lawsuit.

ASSERTED PATENTS

- 16. On February 20, 2024, the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 11,905,646 ("the '646 Patent"), entitled "Heat Press."
- 17. On August 18, 2020, the United States Patent and Trademark Office duly and legally issued U.S. Patent No. D893,563 ("the D563 Patent"), entitled "Heat Press."
- 18. The above patents are collectively referred to herein as "Asserted Patents." Copies of each of the Asserted Patents are publicly available through numerous online repositories, including but not limited to the United States Patent and Trademark Office at https://ppubs.uspto.gov/pubwebapp/static/pages/ppubsbasic.html.
- 19. Each of the Asserted Patents is currently asserted against Defendant in a parallel matter before the International Trade Commission in an Investigation *In the Matter of Certain Crafting Machines and Components Thereof.*

DEFENDANT'S INFRINGING ACTIVITY

- 20. Defendant has made, used, sold for importation into the United States, imported into the United States, and/or sold after importation within the United States heat press machines that infringe one or more of the Asserted Patents. These products, referred to as the "Infringing Heat Press Products," include, without limitation: Konduone Smart Heat Press Machine.
 - 21. Further discovery may uncover additional infringing products.

FIRST CAUSE OF ACTION (Infringement of U.S. Patent No. 11,905,646)

- 22. Cricut repeats and re-alleges each of the allegations in the foregoing paragraphs as if fully set forth herein.
- 23. By assignment, duly recorded with the USPTO, Cricut owns all rights to the '646 Patent, including the right to sue and recover damages for all infringement.
- 24. The '646 Patent generally relates to a heat press machine. The '646 Patent provides for a safer and more cost-effective heat press machine that can provide uniform, consistent, and optimal heat in a home-use setting. Certain claims are directed to the structural components of the heat press, including the placement of the components and how the components interact with one another. Certain claims are also directed to the composition of insulating layers.
- 25. Defendant has infringed at least claims 8, 9, and 12 of the '646 Patent by making, using, selling for importation into the United States, importing into the United States, and/or selling after importation within the United States the Infringing Heat Press Products. Non-limiting examples of Defendant's infringing acts can be found in the claim charts attached as Exhibit 1.
- 26. Defendant has directly infringed and continues to directly infringe, literally and/or under the doctrine of equivalents, the '646 Patent under 35 U.S.C. § 271(a).
- 27. Defendant induces infringement and contributes to infringement of the '646 Patent under 35 U.S.C. §271(b) and 35 U.S.C. § 271(c), respectively. Based at least on this complaint and the parallel ITC complaint, Defendant has knowledge of the '646 Patent and of its infringement of the '646 Patent. Defendant actively promotes the sale, use, and importation of Infringing Heat Press Products. For example, Defendant has taken active steps to encourage and facilitate its partners, affiliates, subsidiaries, resellers, and distributors to import the Infringing Heat Press

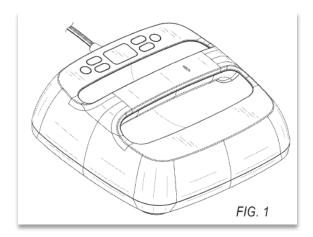
Products into the United States. By these actions, Defendant has had the specific intent to induce, or was willfully blind to inducing infringement of the '646 Patent. Defendant has contributed to the direct infringement of the '646 Patent by selling for importation into the United States, importing into the United States, and/or selling within the United States after importation the Infringing Heat Press Products, which are specially made or adapted for use in an infringing manner and are not staple articles of commerce suitable for substantial non-infringing use.

- 28. Defendant's infringement of the '646 Patent has been and continues to be willful, at least since the time of filing and service of this complaint.
- 29. Defendant's acts of infringement have injured and damaged Cricut and will continue to injure and damage Cricut. Cricut is therefore entitled to recover from Defendant the damages it has sustained as a result of Defendant's wrongful and continued acts in an amount to be proven at trial.
- 30. Defendant's infringement has damaged and will continue to damage Cricut irreparably, and Cricut has no adequate remedy at law for its injuries. In addition to actual damages, Cricut is entitled to a permanent injunction enjoining Defendant from infringing the '646 Patent.
- 31. Cricut has complied with 35 U.S.C. § 287 by marking its patented products with the number of the '646 Patent.

SECOND CAUSE OF ACTION (Infringement of U.S. Patent No. D893,563)

32. Cricut repeats and re-alleges each of the allegations in the foregoing paragraphs as if fully set forth herein.

- 33. By assignment, duly recorded with the USPTO, Cricut owns all rights to the D563 Patent, including the right to sue and recover damages for all infringement.
- 34. The D563 Patent depicts a non-functional visual design of a Cricut hand-held heat press. The D563 Patent includes eight figures and illustrates the integration of a smooth, inviting, rounded, and essentially square overall shape with a handle as seen in the canonical views of the products.



The overall product shape includes a series of small ornamental shapes located generally in the area above the cut outs. These small ornamental shapes include a display shape and ornamental activation surface shapes.

- 35. Defendant has infringed the claim of the D563 Patent by making, using, selling for importation into the United States, importing into the United States, and/or selling after importation within the United States the Infringing Heat Press Products. Non-limiting examples of Defendant's infringing acts can be found in the claim charts attached as Exhibit 2.
- 36. Defendant has directly infringed and continues to directly infringe, literally and/or under the doctrine of equivalents, the D563 Patent under 35 U.S.C. § 271(a).

- 37. Defendant induces infringement and contributes to infringement of the D563 Patent under 35 U.S.C. §271(b) and 35 U.S.C. § 271(c), respectively. Based at least on this complaint and the parallel ITC complaint, Defendant has knowledge of the D563 Patent and of its infringement of the D563 Patent. Defendant actively promotes the sale, use, and importation of Infringing Heat Press Products. For example, Defendant has taken active steps to encourage and facilitate its partners, affiliates, subsidiaries, resellers, and distributors to import the Infringing Heat Press Products into the United States. By these actions, Defendant has had the specific intent to induce, or was willfully blind to inducing infringement of the D563 Patent. Defendant has contributed to the direct infringement of the D563 Patent by selling for importation into the United States, importing into the United States, and/or selling within the United States after importation the Infringing Heat Press Products, which are specially made or adapted for use in an infringing manner and are not staple articles of commerce suitable for substantial non-infringing use.
- 38. Defendant's infringement of the D563 Patent has been and continues to be willful, at least since the time of filing and service of this complaint.
- 39. Defendant's acts of infringement have injured and damaged Cricut and will continue to injure and damage Cricut. Cricut is therefore entitled to recover from Defendant the damages it has sustained as a result of Defendant's wrongful and continued acts in an amount to be proven at trial.
- 40. Defendant's infringement has damaged and will continue to damage Cricut irreparably, and Cricut has no adequate remedy at law for its injuries. In addition to actual damages, Cricut is entitled to a permanent injunction enjoining Defendant from infringing the D563 Patent.

41. Cricut has complied with 35 U.S.C. § 287 by marking its patented products with the number of the D563 Patent.

JURY DEMAND

42. Plaintiff hereby demands a trial by jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays for the following relief:

- A. Declaring that Defendant has infringed the Asserted Patents, directly and indirectly, literally and/or under the doctrine of equivalents.
- B. Declaring that Defendant's infringement has been willful.
- C. Awarding Cricut damages arising out of this infringement of the Asserted Patents, including enhanced damages pursuant to 35 U.S.C. 284.
- D. Permanently enjoining Defendant and its respective officers, agents, servants, employees, and those acting in privity with it, from further infringement, including inducing infringement and contributory infringement, of the Asserted Patents.
- E. Awarding attorneys' fees to Cricut pursuant to 35 U.S.C. 285 or as otherwise permitted by law; and
- F. Awarding to Cricut such other pre- and post-judgment interest, costs, and further relief as the Court deems just and proper.

DATED this 4th day of October, 2024.

SNELL & WILMER, L.L.P.

/s/ Jeremy J. Stewart

Matthew L. Lalli Jeremy J. Stewart

MCDERMOTT WILL & EMERY LLP David J. Tobin (pro hac vice to be filed) Jay H. Reiziss (pro hac vice to be filed) Alexander P. Ott (pro hac vice to be filed)

Attorneys for Cricut, Inc.