

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

Nation Wide Products LLC,

Plaintiff,

v.

MJC America Ltd. (d/b/a Soleus Air
International),
MJC America Holdings Co., Inc., and
Wal-Mart Stores, Inc.

Defendants.

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Civil Action No. 4:10-cv-880

ORIGINAL COMPLAINT

Plaintiff Nation Wide Products LLC (“Nation Wide”), for its Original Complaint against Defendants MJC America Ltd. (d/b/a Soleus Air International) (“Soleus”) and MJC America Holdings Co., Inc. (“MJC Holdings”) (collectively, “MJC”) and Wal-Mart Stores, Inc. (“Walmart”) (collectively “Defendants”), alleges as follows:

PARTIES

1. Nation Wide is a Limited Liability Company duly organized and existing under the laws of the State of Texas, having a principal of business at 1301 S. Treadaway Blvd., Abilene, Texas 79602.

2. Defendant MJC America Ltd. (d/b/a Soleus Air International) is a corporation duly organized and existing under the laws of the State of California, having a principal place of business at 20035 E. Walnut Drive North, City of Industry, California 91789. Although Soleus engages in business in Texas, MJC has not designated or maintained a resident agent for service

of process as required by statute. Defendant Soleus can therefore be served with process by serving the Texas Secretary of State, 1019 Brazos Street, Austin, Texas 78701, as its agent for service of process pursuant to Texas Civil Practice and Remedies Code § 17.044.

3. Defendant MJC America Holdings Co., Inc. is a corporation duly organized and existing under the laws of the State of California, having a principal place of business at 20035 E. Walnut Drive North, City of Industry, California 91789. Although MJC Holdings engages in business in Texas, MJC Holdings has not designated or maintained a resident agent for service of process as required by statute. Defendant MJC Holdings can therefore be served with process by serving the Texas Secretary of State, 1019 Brazos Street, Austin, Texas 78701, as its agent for service of process pursuant to Texas Civil Practice and Remedies Code § 17.044.

4. Defendant Walmart is a corporation duly organized and existing under the laws of the state of Delaware, having a principal place of business at 702 Southwest 8th Street #555, Bentonville, AR 72716. Walmart has an agent for service of process as: CT Corporation System, 350 N. St. Paul Street, Dallas, TX 75201.

JURISDICTION

5. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a) because this action arises under the patent laws, the copyright laws, and the trademark laws of the United States. This Court has supplemental jurisdiction over the non-patent, non-copyright, and non-trademark infringement claims pursuant to 28 U.S.C. § 1367 because all of the remaining claims are so related to the patent, copyright, and trademark infringement claims that they form the same case or controversy under Article III of the United States Constitution. In the alternative, this Court has subject matter jurisdiction over this entire action pursuant to 28

U.S.C. § 1332 because this action is between citizens of different states and the matter in controversy exceeds \$75,000.00.

6. The Court has personal jurisdiction over MJC because MJC does business within the State Texas and this District and MJC has established minimum contacts with the forum such that the exercise of jurisdiction over MJC would not offend traditional notions of fair play and substantial justice. MJC is continuously and systematically present in the State of Texas by advertising and selling products in the State of Texas through MJC retailers and wholesale distributors located and doing business in the State of Texas, and purposefully availing itself of the privilege of acting in the State of Texas by directing its business activities towards Texas residents. Further, MJC owns and operates a website (www.soleusair.com) that is purposefully directed towards the State of Texas and this District.

7. The Court has personal jurisdiction over Walmart because Walmart does business within the State of Texas and this District and Walmart has established minimum contacts with the forum such that the exercise of jurisdiction over Walmart would not offend traditional notions of fair play and substantial justice. Walmart is continuously and systematically present in the State of Texas.

VENUE

8. MJC and Walmart do business in and reside in this District. Further, intellectual property rights that MJC and Walmart are infringing upon in this case are owned by Nation Wide, which is located in this District. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391 (b) and (c), or alternatively, pursuant to 28 U.S.C. §§ 1391 (a) and (c).

FACTS

9. In 1993, when installing a window unit air conditioner in his home, Stewart Burton found that although the mounting instructions called for the provision of external support for the air conditioning unit, no support was furnished with the air conditioner. After determining that available external support products were limited and failed to offer a support option that was not dependent on the type of window, window sill, building walls, air conditioning unit, etc. or that could be installed easily without requiring the insertion of fasteners into the exterior surface of the building wall, Mr. Burton recognized a need for a universal support that could be used to provide external support for a wide variety of window air conditioner units in a variety of mounting conditions. The need for a reliable external and universal support option was made all the more evident by the dangers associated with air conditioning units falling from windows resulting from the use of a makeshift support or an otherwise improperly secured window unit.

10. In the summer of 1994, Mr. Burton founded Outland Engineering, which was a Connecticut sole proprietorship. In 1995, Outland Engineering was converted from a Connecticut sole proprietorship into a Connecticut corporation.

11. In late 1994 through early 1995, Mr. Burton spent a great deal of time taking measurements of various windows and window seals and air conditioning units to determine the variety of situations that might be encountered when installing a window air conditioning unit and developed the concept that would eventually be developed into the invention disclosed in U.S. Patent No. 5,636,816 (“the ‘816 Patent”) and what would become the Universal Air Conditioner Support (“Universal Support”) product that would be manufactured and sold by

Outland Engineering. During that time, Mr. Burton enlisted the services of Robert Hellman to assist in refining the design and functionality of the Universal Support.

12. On October 19, 1995, Mr. Hellman assigned his interest in what would become the '816 Patent to Mr. Burton.

13. On October 25, 1995, Mr. Burton and Mr. Hellman, by and through their attorneys, filed a patent application for the Universal Air Conditioner Mounting Bracket and Method. That patent application issued as the '816 Patent on June 10, 1997.

14. In late 1995, twelve preproduction units of the Universal Support were produced and the first sales of the Universal Support began in early 1996.

15. Since the first Universal Support was sold in 1996, up until the time that Mr. Burton assigned his rights to the '816 Patent to Nation Wide in September 2009, Mr. Burton worked tirelessly to earn loyal customers throughout the HVAC industry and with respect to home improvement centers, retailers, and window unit air conditioner manufacturers. Through Mr. Burton's efforts and the nature of the universal and comprehensive solution embodied by the Universal Support, the Universal Support has been adopted by retailers, resellers, distributors, contractors, and home improvement chains as one of the preferred products used to provide external support to window unit air conditioners.

16. In September 2009, Mr. Burton assigned his rights in the '816 Patent, the Universal Support, and all related intellectual property, including but not limited to copyrights and trade dress, to Nation Wide.

17. The advertising insert that is incorporated into the product packaging of the Universal Support ("Advertising Insert") contains multiple independently copyrightable elements, including but not limited to the photograph of the Universal Support, the textual

description of the product advantages and features of the Universal Support, and the overall organization, form, and appearance of the Advertising Insert. The Advertising Insert in its current form was created and published in 2002.

18. Upon information and belief, MJC sells its “Large Universal Window AC Support” (“MJC Bracket”) throughout the United States in competition with Nation Wide and the Universal Support. Ex. A, Side-By-Side Comparison of Universal Support with MJC Bracket.

19. MJC has slavishly copied multiple independently copyrighted elements of the Advertising Insert. The product packaging of the MJC Bracket includes an advertising insert that is substantially similar to the Advertising Insert used in the product packaging of the Universal Support.

20. MJC has copied the trade dress of the Universal Support in packaging the MJC Bracket, which is likely to cause confusion as the source of the MJC Bracket among distributors, resellers, retailers, contractors, and consumers of the Universal Support. MJC has copied the product packaging of the Universal Support so that the packaging is identical in size, shape, design, form, and composition. MJC also includes in its product packaging an advertising insert that is substantially similar to the Advertising Insert of the Universal Support.

21. Nation Wide (and previously Outland Engineering) not only sells the Universal Support through distribution channels, but it also private labels the Universal Support for third parties using identical packaging with the exception of the advertising insert included in the product packaging cover. The private-labeled versions are properly marked with the ‘816 Patent.

22. Upon information and belief, Walmart purchased and sold private-labeled versions of the Universal Support in at least the years 2003 and 2004.

23. Upon information and belief, Walmart sells at least the small/medium size of the Anymount Universal Air Conditioner Mounting Bracket (“Anymount Bracket”) throughout the United States. Ex. B, Anymount Bracket.

MJC’S INFRINGEMENT OF U.S. PATENT NO. 5,636,816

24. Nation Wide incorporates and adopts by reference paragraphs 1-23 as if fully set forth herein.

25. On November 27, 2001, United States Patent No. 5,636,816 was duly and legally issued for an invention entitled “Universal Air Conditioning Bracket and Method.” A copy of the ‘816 Patent is attached as Exhibit C.

26. The ‘816 Patent was assigned to Nation Wide, and Nation Wide holds all rights and interests in the ‘816 Patent.

27. MJC has engaged and is engaging in unauthorized conduct and activities that violate 35 U.S.C. § 271 et seq., constituting direct infringement, contributory infringement, and/or induced infringement, literally or under the doctrine of equivalents, of one or more claims of the ‘816 Patent, including but not limited to the MJC Bracket directly and/or indirectly infringing at least claims 1, 4, and 7 of the ‘816 Patent.

28. The acts of infringement by MJC have caused damages to Nation Wide, and Nation Wide is entitled to recover from MJC the damages sustained by Nation Wide as a result of its wrongful acts in an amount subject to proof at trial. Each of MJC’s infringement of Nation Wide’s exclusive rights under the ‘816 Patent will continue to damage Nation Wide’s business, causing irreparable harm (including loss of market share), for which there is no adequate remedy at law, unless it is preliminarily and permanently enjoined by this Court.

29. Furthermore, the infringements of the '816 Patent by MJC are willful and deliberate, entitling Nation Wide to increased damages under 35 U.S.C. § 284 and to attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

MJC'S COPYRIGHT INFRINGEMENT

30. Nation Wide incorporates and adopts by reference paragraphs 1-29 as if fully set forth herein.

31. In 2002, Outland Engineering created the Advertising Insert, which contained multiple original elements of authorship, including but not limited to the picture of the Universal Support, the text of the Advertising Insert, and the organization of the protected elements of the Advertising Insert.

32. Outland Engineering transferred its rights in its intellectual property, including Outland Engineering's copyrights, in writing to Nation Wide in 2009. The Bill of Sale and Assignment that transferred Outland Engineering's rights in the copyrighted Advertising Insert to Nation Wide was subsequently recorded in the U.S. Copyright Office.

33. Nation Wide properly registered its copyright in the Advertising Insert with the U.S. Copyright Office on September 16, 2010.

34. MJC copied protectable elements of the Advertising Insert, including but not limited to the picture of the Universal Support, the text of the Advertising Insert, and the general organization of the protected elements of the Advertising Insert. Ex. D, Side-By-Side Comparison of Nation Wide and MJC inserts.

35. MJC had access to Nation Wide's Advertising Insert because the Universal Support is widely marketed, accepted, and sold throughout the United States.

36. Nation Wide is entitled to recover actual damages suffered as a result of MJC's willful copyright infringement and MJC profits from the infringement and is also entitled to preliminary and permanent injunctions preventing MJC from engaging in further actions constituting copyright infringement.

MJC's TRADE DRESS INFRINGEMENT – 15 U.S.C. § 1125 VIOLATION

37. Nation Wide incorporates and adopts by reference paragraphs 1-36 as if fully set forth herein.

38. The design, appearance, and total image of the Universal Support product packaging, which is owned by Nation Wide, is distinctive and constitutes protectable trade dress under the Lanham Act. The Universal Support product packaging is both inherently distinctive and has acquired secondary meaning in the relevant marketplace.

39. MJC is infringing the total image and overall appearance of the Universal Support product packaging, which has been used in commerce for several years.

40. MJC intended to cause consumer confusion and deceive potential consumers as to the source, affiliation, or sponsorship of the MJC Bracket.

41. MJC slavishly copied the product packaging design and appearance with the intent of causing confusion among retailers in order to displace the Universal Support at various resellers by using substantially similar product packaging with the exact same dimensions, mounting configuration, and design in packaging the MJC Bracket. Further, MJC includes in its product packaging an advertising insert that is substantially similar to Nation Wide's Advertising Insert, which is further intended and likely to cause confusion among consumers with respect to the protectable trade dress of the Universal Support's product packaging.

42. As a result of the product packaging similarities between the Universal Support and the MJC Bracket, MJC's infringing product is likely to cause confusion among potential purchasers of the Universal Support.

43. As a result of MJC's infringement of the trade dress of the Universal Support, Nation Wide is entitled to preliminary and permanent injunctive relief to prevent continued infringement and further unfair competition.

44. Nation Wide is also entitled to MJC's profits from the sale of the MJC Bracket, compensatory damages suffered by Nation Wide as a result of the trade dress infringement, and the costs incurred by Nation Wide in prosecuting this action, and in any event, a just amount of damages, including treble damages as a result of MJC's willful and wrongful infringement.

45. MJC's infringement was malicious, fraudulent, deliberate, or willful, and therefore, this case is exceptional; Nation Wide is entitled to an award of reasonable attorneys fees as a result.

MJC's PALMING OFF – COMMON LAW TRADE DRESS INFRINGEMENT

46. Nation Wide incorporates and adopts by reference paragraphs 1-45 as if fully set forth herein.

47. The design, appearance, and total image of the Universal Support product packaging, which is owned by Nation Wide, is distinctive and constitutes protectable trade dress under the common law.

48. MJC is infringing the total image and overall appearance of the Universal Support product packaging, which has been used in commerce for several years.

49. MJC intended to cause consumer confusion and deceive potential consumers as to the source, affiliation, or sponsorship of the MJC Bracket.

50. MJC slavishly copied the product packaging design and appearance with the intent of causing confusion among retailers in order to displace the Universal Support at various resellers by using substantially similar product packaging with the exact same dimensions, mounting configuration, and design in packaging the MJC Bracket. Further, MJC includes in its product packaging an advertising insert that is substantially similar to Nation Wide's Advertising Insert, which is further intended and likely to cause confusion among consumers with respect to the protectable trade dress of the Universal Support's product packaging.

51. As a result of the product packaging similarities between the Universal Support and the MJC Bracket, MJC's infringing product is likely to cause confusion among potential purchasers of the Universal Support.

52. Nation Wide is entitled to compensatory and exemplary damages as a result of Nation Wide's willful palming off under common law.

MJC'S UNFAIR COMPETITION

53. Nation Wide incorporates and adopts by reference paragraphs 1-52 as if fully set forth herein.

54. MJC's actions described herein constitute business conduct that is contrary to honest practice in industrial or commercial matters.

55. MJC gained an unfair advantage in the market by capitalizing on the success of the revolutionary Universal Support by (1) copying features of the Universal Support, its Advertising Insert, and its product packaging, (2) infringing the '816 Patent, and (3) selling its knockoff version of the Universal Support in the marketplace, which are acts that interfered with Nation Wide's ability to conduct its business and that constitute unfair competition under common law. Further, the product packaging of the MJC Bracket was made to be identical in

shape, design, form, and size to the product packaging of the Universal Support in order to facilitate the displacement of the Universal Support in established retail operations by the MJC Bracket and cause confusion among customers of the Universal Support.

56. MJC's acts were willful and in bad faith and MJC has continued to sell its MJC Bracket in direct competition with Nation Wide and will continue to do so, gaining an unfair advantage in the market by these acts of unfair competition.

57. Nation Wide has suffered damages and is entitled to an award of actual and punitive damages as a result of MJC's acts of unfair competition.

WALMART'S INFRINGEMENT OF U.S. PATENT NO. 5,636,816

58. Nation Wide incorporates and adopts by reference paragraphs 1-57 as if fully set forth herein.

59. On November 27, 2001, United States Patent No. 5,636,816 was duly and legally issued for an invention entitled "Universal Air Conditioning Bracket and Method." A copy of the '816 Patent is attached as Exhibit C.

60. The '816 Patent was assigned to Nation Wide, and Nation Wide holds all rights and interests in the '816 Patent.

61. Walmart has engaged and is engaging in unauthorized conduct and activities that violate 35 U.S.C. § 271 et seq., constituting direct infringement, contributory infringement, and/or induced infringement, literally or under the doctrine of equivalents, of one or more claims of the '816 Patent, including but not limited to the Anymount Bracket directly and/or indirectly infringing at least claims 1, 4, 5, 6, 7, 8, 11, 12, and 13 of the '816 Patent.

62. The acts of infringement by Walmart have caused damages to Nation Wide, and Nation Wide is entitled to recover from Walmart the damages sustained by Nation Wide as a result of its wrongful acts in an amount subject to proof at trial. Walmart's infringement of

Nation Wide's exclusive rights under the '816 Patent will continue to damage Nation Wide's business, causing irreparable harm (including loss of market share), for which there is no adequate remedy at law, unless it is preliminary and permanently enjoined by this Court.

63. Furthermore, the infringements of the '816 Patent by Walmart are willful and deliberate, entitling Nation Wide to increased damages under 35 U.S.C. § 284 and to attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

WALMART'S UNFAIR COMPETITION

64. Nation Wide incorporates and adopts by reference paragraphs 1-63 as if fully set forth herein.

65. Walmart's actions described herein constitute business conduct that is contrary to honest practice in industrial or commercial matters.

66. Upon information and belief, Walmart gained an unfair advantage in the market by capitalizing on the success of the revolutionary Universal Support by copying features of the Universal Support, infringing the '816 Patent, commissioning a third party to manufacture the Anymount Bracket while deliberately concealing both the identity of the manufacturer of the Anymount Bracket and Walmart's participation in the scheme, and selling this knockoff version of the Universal Support in the marketplace, which are acts that interfered with Nation Wide's ability to conduct its business and that constitute unfair competition under common law.

67. Walmart's acts were willful and in bad faith and Walmart has continued to sell its Anymount Bracket in direct competition with Nation Wide and will continue to do so, gaining an unfair advantage in the market by these acts of unfair competition.

68. Nation Wide has suffered damages and is entitled to an award of actual and punitive damages as a result of Walmart's acts of unfair competition.

PRAYER

WHEREFORE, Nation Wide respectfully prays that upon final trial a judgment be entered and that the following relief be granted:

(1) For judgments that the '816 Patent has been and will continue to be infringed by Defendants MJC and Walmart;

(2) For judgment that Nation Wide's copyrights have been and will continue to be infringed by Defendant MJC;

(3) For judgment that the trade dress of the Universal Support product packaging has been and will continue to be infringed by Defendant MJC in violation of the Lanham Act and the common law;

(4) For judgment that the MJC and Walmart have engaged in unfair competition under the common law;

(5) For an accounting of all damages sustained by Nation Wide as a result of the acts of patent infringement, copyright infringement, trade dress infringement, and unfair competition by Defendant MJC;

(6) For an accounting of all damages sustained by Nation Wide as a result of the acts of patent infringement and unfair competition by Defendant Walmart;

(7) For preliminary and permanent injunctions enjoining the aforesaid acts of patent, copyright, and trade dress infringement by MJC, its officers, agents, servants, employees, subsidiaries and attorneys, and those persons acting in concert with them, including related individuals and entities, customers, representatives, dealers, and distributors;

(8) For preliminary and permanent injunctions enjoining the aforesaid acts of patent infringement by Walmart, its officers, agents, servants, employees, subsidiaries and attorneys,

and those persons acting in concert with them, including related individuals and entities, customers, representatives, dealers, and distributors;

(9) For actual damages together with prejudgment interest against Defendants MJC and Walmart as a result of their respective acts of patent infringement;

(10) For enhanced damages pursuant to 35 U.S.C. § 284 against Defendants MJC and Walmart;

(11) For awards of attorneys' fees pursuant to 35 U.S.C. § 285 against Defendants MJC and Walmart.

(12) For all actual and punitive/exemplary damages, lost profits, and attorneys' fees against Defendants MJC and Walmart;

(13) For all costs of suit, prejudgment interest, and post-judgment interest as allowed by law; and

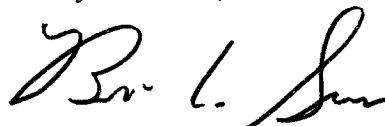
(14) For such other and further relief as the Court may deem just and proper.

JURY DEMAND

Pursuant to Federal Rule of Civil Procedure 38, Plaintiff Nation Wide demands a trial by jury.

Dated: November 18, 2010

Respectfully submitted,



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