

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

S-LINE LLC,

Plaintiff,

v.

B2B SUPPLY and Jerrell P. Squyres,

Defendants.

Civil Action No.: 3:14-CV-02284

**COMPLAINT FOR PATENT  
INFRINGEMENT**

**JURY TRIAL DEMANDED**

Plaintiff S-Line LLC (hereinafter “S-Line”), through its counsel, brings this complaint against Defendants B2B Supply and Jerrell P. Squyres (“Squyres”), and states and alleges as follows:

**PARTIES**

1. Plaintiff S-Line is a Delaware limited liability company with a principal place of business at 301 VZ County Road 1117, Grand Saline, Texas 75140.

2. S-Line is a wholly owned subsidiary of Heico Holding, Inc. (“Heico”), a Delaware corporation with a principal place of business at 5600 Three First National Plaza, Chicago, Illinois 60602.

3. Defendant B2B Supply is a company with a principal place of business at 8525 State Highway 34 S, Quinlan, Texas 75474, which is within the Northern District of Texas, Dallas Division.

4. Defendant Squyres is an individual residing at 703 RS County Road 1530, Point, Texas 75472.

5. Upon information and belief, Defendant B2B Supply has offered for sale and sold, by way of an executed purchase agreement or similar document, bulkheads for cargo transport vehicles to third party ABF Freight System, Inc. (“ABF Freight”).

6. Upon information and belief, these bulkheads have been or will be assembled in the State of Texas and delivered to ABF Freight.

### **JURISDICTION AND VENUE**

7. This is an action for patent infringement arising under the patent laws of the United States, Title 35, United States Code.

8. This Court has subject matter jurisdiction over this action under 28 U.S.C. §§ 1331 and 1338(a).

9. Upon information and belief, B2B Supply has offered for sale and/or sold infringing bulkhead products to third parties, including at least ABF Freight, and has acquired components necessary to manufacture, or has manufactured, infringing products (hereinafter referred to as the “B2B Infringing Bulkhead”) in Texas.

10. This Court has specific personal jurisdiction over B2B Supply pursuant to due process and/or because at least a portion of the infringement alleged herein occurred in this District.

11. For these reasons, personal jurisdiction exists over B2B Supply and venue is proper in this Court under 28 U.S.C. §§ 1391(b), 1391(c), and 1400(b).

12. Upon information and belief, Squyres manages, owns, and/or controls defendant B2B Supply and therefore this Court has personal jurisdiction over Squyres by virtue of his management, ownership and/or control of defendant B2B Supply.

### **THE PATENT IN SUIT**

13. On June 8, 2010, the United States Patent & Trademark Office (“PTO”) duly and legally issued U.S. Patent No. 7,731,462 (“the ’462 Patent”) entitled “Bulkhead for Dividing a Cargo Container Into Two Compartments.” Squyres and Kelly Lee Miller (“Miller”) of Grand Saline, Texas are listed as inventors on the face of the ’462 Patent. The ’462 Patent issued from United States Patent Application No. 11/776,894 (“the ’894 application”). A true and correct copy of the ’462 Patent is attached at Exhibit A of this Complaint.

14. On May 31, 2007 and June 26, 2007 inventors of record Squyres and Miller, respectively, executed an assignment document that memorialized the assignment of all of their individual rights in the ’894 application (and any patent granted from that application) to JPS Corporation, a then Texas Corporation having a place of business at 11414 Mathis, Dallas, Texas 75234. A copy of this assignment document to JPS Corporation is attached at Exhibit B of this Complaint and was recorded in the PTO’s patent assignment database at Reel 019549, Frame 0868.

15. Upon information and belief, as of at least October 22, 2008, Squyres identified himself as the “President” of JPS Corporation and “the Shareholder” in JPS Corporation.

16. On October 22, 2008, certain assets of JPS Corporation were purchased by S-Line, including the ’894 application. An assignment from JPS Corporation to S-Line, which was executed on behalf of JPS Corporation by Squyres, memorializing the assignment of the ’894 application, and any patent issuing therefrom, to S-Line is attached at Exhibit C of this Complaint and was recorded in the PTO’s patent assignment database at Reel 030970, Frame 0791.

17. S-Line is the assignee of the '462 Patent, and is the owner of all right, title, and interest in the '462 Patent, including the right to sue and recover damages for infringement of the '462 Patent.

18. S-Line sells a commercial product covered by one or more claims of the '462 Patent to customers throughout the United States.

19. From October 22, 2008 until on or about October 22, 2011 Squyres was an employee of S-Line.

20. As of about October 22, 2011, Squyres ceased to be employed by S-Line. On information and belief, Squyres utilized his knowledge of S-Line's business, customers, and market strategy to form B2B Supply, and knowingly offered for sale and sold products that infringe S-Line's '462 Patent, including the B2B Infringing Bulkhead.

21. B2B Supply now competes with S-Line and has directly competed with S-Line for at least one customer, ABF Freight.

**FIRST CLAIM FOR RELIEF: INFRINGEMENT OF U.S PATENT NO. 7,731,462**

22. S-Line incorporates by reference each of the preceding allegations of paragraphs 1 – 21 above as though stated herein.

23. In a letter dated May 13, 2014 ("the May 13 letter"), Heico through its in-house counsel notified Squyres of the belief that he, or a company he is affiliated with or controls, was infringing one or more claims of the '462 patent. A copy of the May 13 letter is attached hereto as Exhibit D.

24. Heico requested that Squyres provide, *inter alia*, written assurances by May 30, 2014, that he, or any company he owned or was affiliated with, had ceased and will continue to desist from infringing any claim of the '462 patent, an accounting of the number of infringing

products manufactured, used, offered for sale, or sold, and all proceeds therefrom, and an identification of all parties who have been involved in such infringing activities.

25. Squyres did not respond to the May 13 letter.

26. ABF Freight, in a letter dated May 20, 2014 (“the May 20 letter”), addressed to Squyres and B2B Supply, requested confirmation by May 27, 2014 that the “bulkheads and decking beam products [, which B2B intends to supply,] do not fall within the scope of any patents assigned to Ancra or any related entity, as well as any patents on which you are a named inventor that have been assigned to Ancra or any related entity.” Ancra International LLC (hereinafter “Ancra International”) is affiliated with S-Line and is also a subsidiary of Heico. Ancra International’s management also manages S-Line. A copy of the May 20 letter is attached hereto as Exhibit E.

27. B2B Supply’s and Squyres’ response, if any, to the May 20 letter is unknown to S-Line.

28. B2B Supply’s and Squyres’ silence to at least the May 13 letter, and specifically to the allegations of infringement of the ’462 Patent contained in that letter, creates a strong inference that they are engaging in conduct that infringes one or more claims of the ’462 Patent. Upon information and belief, B2B Supply infringed and continues to infringe one or more claims of the ’462 Patent by making, using, selling, offering for sale, or importing into the United States the B2B Infringing Bulkhead, which embody, incorporate or otherwise practice one or more of claimed inventions of the ’462 Patent.

29. At least independent claim 1 of the ’462 Patent is infringed based upon B2B Supply’s manufacture, offer to sell, and/or sale of the product known as the B2B Infringing

Bulkhead, which includes a bulkhead and at least two bars, where the at least two bars are movably mounted to a first side of the bulkhead.

30. B2B Supply's offer for sale and sale of the B2B Infringing Bulkhead to ABF Freight on or about March 2014 and B2B Supply's continued offers for sale and sales, are without license or authorization from S-Line and infringe one or more claims of the '462 Patent.

31. Squyres, who is an inventor of record of the '462 Patent, assigned all of his rights to JPS Corporation, and as "President" and "the Shareholder" in JPS Corporation executed an Asset Purchase Agreement on behalf of JPS Corporation to sell certain assets (including the '894 application and any patent that granted therefrom) to S-Line on October 22, 2008. Squyres has had knowledge of the '894 application and the later issued '462 Patent since at least May 11, 2007 (the day that Squyres executed a Declaration required under U.S. patent practice, attached to this Complaint at Exhibit F).

32. Upon information and belief, defendant Squyres has actively aided and abetted B2B Supply's infringement of the '462 Patent, has induced B2B Supply's infringement, has directed and participated in B2B Supply's infringement, has profited from (and will continue to profit from) B2B Supply's infringement, has been the moving force behind B2B Supply's infringement, and/or has conspired with B2B Supply to infringe S-Line's '462 Patent.

33. Squyres, by virtue of his execution of the documents memorializing the assignment of the '894 application and the later issued '462 Patent to S-Line from JPS Corporation, has had knowledge that he has no rights to the '462 Patent.

34. By virtue of Squyres' ownership, management, or control of B2B Supply, B2B Supply has knowledge that it has no rights in the '462 Patent, and therefore its offers for sale and

sales of the B2B Infringing Bulkhead to at least ABF Freight are knowing and intentionally infringing acts.

35. As a direct and proximate result of B2B Supply's and Squyres' infringement of the '462 Patent, S-Line has been and continues to be damaged in its business and property, including the loss of revenues in an amount to be determined at trial.

36. B2B Supply and Squyres have both caused damage by their acts of infringement of the '462 Patent, and B2B Supply and Squyres will cause additional damage and irreparable harm unless the Court preliminarily and permanently enjoins B2B Supply and Squyres from continuing such infringing acts and initiating such acts in the future.

37. At all relevant times, B2B Supply and Squyres had direct knowledge of the '462 Patent and their conduct has been, and continues to be, willful, thus entitling S-Line to enhanced damages and attorney's fees.

### **PRAYER FOR RELIEF**

WHEREFORE, by reason of the forgoing, S-Line respectfully requests that this Court enter judgment against defendants B2B Supply and Jerrell P. Squyres and that the Court grant S-Line the following relief:

- (a) That United States Patent No. 7,731,462 be adjudged by this Court to be valid and enforceable;
- (b) Judgment that one or more claims of the '462 Patent have been infringed and continue to be infringed, either literally and/or under the doctrine of equivalents, by B2B Supply and Squyres;
- (c) Judgment that B2B Supply and Squyres account for, and pay to S-Line, all damages and costs sufficient to compensate S-Line for B2B Supply's and Squyres' infringing activities and other conduct complained of herein;

- (d) That B2B Supply's and Squyres' infringement be found to be willful, and that the Court award treble damages for the period of such willful infringement pursuant to 35 U.S.C. § 284;
- (e) That S-Line be granted pre-judgment and post-judgment interest on the damages caused by B2B Supply's and Squyres' infringing activities and other conduct complained of herein;
- (f) That the Court declare this an exceptional case and award S-Line its reasonable attorney's fees and costs in accordance with 35 U.S.C. § 285;
- (g) That B2B Supply and Squyres and their officers, agents, servants, employees, and those persons in active concert or participation with them be preliminarily and permanently enjoined from an further activity or conduct that infringes one or more claims of the '462 Patent; and
- (h) That S-Line be granted such other and further relief as the Court may deem just and proper under the circumstances.

#### **JURY DEMAND**

Plaintiff hereby requests a trial by jury pursuant to Rule 38 of the Federal Rules of Civil Procedure.



Dated: June 23, 2014

Respectfully submitted,

/s/ Jamie H. McDole

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