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INTEX RECREATION CORP. and
INTEX MARKETING LTD.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

INTEX RECREATION CORP. and
INTEX MARKETING LTD.

Plaintiffs,

vs.

BESTWAY (USA), INC.,
BESTWAY GLOBAL HOLDINGS
INC., BESTWAY (HONG KONG)
INTERNATIONAL, LTD.,
BESTWAY INFLATABLES &
MATERIALS CORPORATION,
and BESTWAY (NANTONG)
RECREATION CORP.,

Defendants.

Case No.: 16-cv-3300

**COMPLAINT FOR
PATENT INFRINGEMENT
DEMAND FOR JURY TRIAL**

1 Plaintiffs Intex Recreation Corp. (“IRC”) and Intex Marketing Ltd. (“IML”)
2 (collectively, “Intex”), for their complaint against Defendants, Bestway (USA), Inc.
3 (“Bestway-USA”), Bestway Global Holdings Inc. (“Bestway-Global”), Bestway
4 (Hong Kong) International, Ltd. (“Bestway-Hong Kong”), Bestway Inflatables &
5 Materials Corporation (“Bestway Inflatables”), and Bestway (Nantong) Recreation
6 Corp. (“Bestway-Nantong”), (collectively, “Bestway” or “Defendants”), allege as
7 follows:

8 **THE PARTIES**

9 1. IRC is a corporation organized and existing under the laws of the State
10 of California.

11 2. IML is a corporation organized and existing under the laws of the British
12 Virgin Islands.

13 3. Intex is in the business of selling many products, including inflatable
14 airbeds and inflatable spas, among many others.

15 4. On information and belief, Bestway-USA is a corporation organized and
16 existing under the laws of the State of Arizona, having a principal place of business at
17 3249 East Harbour Drive, Phoenix, Arizona.

18 5. On information and belief, Bestway-Global is a corporation organized
19 under the laws of the People’s Republic of China, having a principal place of
20 business at No. 3065 Cao An Road, Shanghai, China, 201812. On further
21 information and belief, Bestway-Global is registered to do business in California, and
22 lists an agent for service of process at 20335 Howard Court, Woodland Hills,
23 California.

24 6. On information and belief, Bestway-Hong Kong is a corporation
25 organized under the laws of the Hong Kong Special Administrative Region of the
26 People’s Republic of China, having a principal place of business at 66 Mody Road,
27 Kowloon, Hong Kong.

1 7. On information and belief, Bestway Inflatables is a company organized
2 under the laws of the People's Republic of China, having a principal place of
3 business at No. 3065 Cao An Road, Shanghai, China, 201812.

4 8. On information and belief, Bestway-Nantong is a company organized
5 under the laws of the People's Republic of China, having a principal place of
6 business at No. 8 Huimin West Rd., Economic Development Zone, Rucheng Town,
7 Nantong, Jiangsu, China, 226503.

8 **JURISDICTION AND VENUE**

9 9. Intex realleges and incorporates by reference, as if fully set forth herein,
10 the allegations in paragraphs 1-8, above.

11 10. This is an action for patent infringement arising under the laws of the
12 United States, Title 35 of the United States Code, relating specifically to U.S. Patent
13 Nos. 8,562,773 (the "773 Patent") and 9,156,203 (the "203 Patent") (collectively
14 the "Asserted Patents"). This Court has exclusive subject matter jurisdiction over this
15 action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

16 11. This Court has personal jurisdiction over Bestway-USA. On
17 information and belief, Bestway-USA has conducted, and does regularly conduct,
18 business within the State of California including this District. Bestway-USA has
19 made, used, offered to sell, sold, and/or imported into the United States, including to
20 customers located within the State of California and this District, the Accused
21 Products (as defined below). Bestway-USA has sought the protection and benefit
22 from the laws of the State of California by placing infringing products into the stream
23 of commerce through an established distribution channel with the awareness and/or
24 intent that they will be purchased by consumers in this District.

25 12. This Court has personal jurisdiction over Bestway-Global. On
26 information and belief, Bestway-Global has conducted, and does regularly conduct,
27 business within the State of California including this District. Bestway-Global—
28 directly or through intermediaries (including distributors, retailers, and others),

1 subsidiaries, alter egos, and/or agents—has made, used, offered to sell, sold, and/or
2 imported into the United States, including to customers located within the State of
3 California and this District, the Accused Products. Bestway-Global—directly or
4 through intermediaries (including distributors, retailers, and others), subsidiaries, alter
5 egos, and/or agents—imports into the United States or offers to sell, sells, or uses
6 within the United States the Accused Products, which are made by processes covered
7 by the Asserted Patents. Bestway-Global has purposefully and voluntarily placed one
8 or more of the Accused Products into the stream of commerce with the awareness
9 and/or intent that they will be purchased by consumers in this District. Bestway-
10 Global knowingly and purposefully ships the Accused Products into and within this
11 District through an established distribution channel.

12 13. This Court has personal jurisdiction over Bestway-Hong Kong. On
13 information and belief, Bestway-Hong Kong has conducted, and does regularly
14 conduct, business within the State of California including this District. Bestway-
15 Hong Kong—directly or through intermediaries (including distributors, retailers, and
16 others), subsidiaries, alter egos, and/or agents—has made, used, offered to sell, sold,
17 and/or imported into the United States, including to customers located within the
18 State of California and this District, the Accused Products. Bestway-Hong Kong—
19 directly or through intermediaries (including distributors, retailers, and others),
20 subsidiaries, alter egos, and/or agents—imports into the United States or offers to
21 sell, sells, or uses within the United States the Accused Products, which are made by
22 processes covered by the Asserted Patents. Bestway-Hong Kong has purposefully
23 and voluntarily placed one or more of the Accused Products into the stream of
24 commerce with the awareness and/or intent that they will be purchased by consumers
25 in this District. Bestway-Hong Kong knowingly and purposefully ships the Accused
26 Products into and within this District through an established distribution channel.

27 14. This Court has personal jurisdiction over Bestway Inflatables. On
28 information and belief, Bestway Inflatables has conducted, and does regularly

1 conduct, business within the State of California including this District. Bestway
2 Inflatables—directly or through intermediaries (including distributors, retailers, and
3 others), subsidiaries, alter egos, and/or agents—has made, used, offered to sell, sold,
4 and/or imported into the United States, including to customers located within the
5 State of California and this District, the Accused Products. Bestway Inflatables—
6 directly or through intermediaries (including distributors, retailers, and others),
7 subsidiaries, alter egos, and/or agents—imports into the United States or offers to
8 sell, sells, or uses within the United States the Accused Products, which are made by
9 processes covered by the Asserted Patents. Bestway Inflatables has purposefully and
10 voluntarily placed one or more of the Accused Products into the stream of commerce
11 with the awareness and/or intent that they will be purchased by consumers in this
12 District. Bestway Inflatables knowingly and purposefully ships the Accused Products
13 into and within this District through an established distribution channel.

14 15. This Court has personal jurisdiction over Bestway-Nantong. On
15 information and belief, Bestway-Nantong has conducted, and does regularly conduct,
16 business within the State of California including this District. Bestway-Nantong—
17 directly or through intermediaries (including distributors, retailers, and others),
18 subsidiaries, alter egos, and/or agents—has made, used, offered to sell, sold, and/or
19 imported into the United States, including to customers located within the State of
20 California and this District, the Accused Products. Bestway-Nantong—directly or
21 through intermediaries (including distributors, retailers, and others), subsidiaries, alter
22 egos, and/or agents—imports into the United States or offers to sell, sells, or uses
23 within the United States the Accused Products, which are made by processes covered
24 by the Asserted Patents. Bestway-Nantong has purposefully and voluntarily placed
25 one or more of the Accused Products into the stream of commerce with the awareness
26 and/or intent that they will be purchased by consumers in this District. Bestway-
27 Nantong knowingly and purposefully ships the Accused Products into and within this
28 District through an established distribution channel.

1 16. Venue is proper in this judicial district under 28 U.S.C. §§ 1391 and
2 1400(b).

3 **FACTUAL BACKGROUND**

4 17. Intex realleges and incorporates by reference, as if fully set forth herein,
5 the allegations in paragraphs 1-16, above.

6 **The '773 Patent**

7 18. The '773 Patent, entitled "Method of Producing an Internal Tensioning
8 Structure Useable with Inflatable Devices," was duly and legally issued to inventors
9 Hua Hsiang Lin and Yaw Yuan Hsu on October 22, 2013. A true and accurate copy
10 of the '773 Patent is attached hereto as Exhibit 1.

11 19. IML is the assignee of and owns all rights, title, and interest in the '773
12 Patent.

13 20. IRC is the exclusive licensee to the '773 Patent.

14 **The '203 Patent**

15 21. The '203 Patent, entitled "Method for Producing an Air Mattress," was
16 duly and legally issued to inventors Hua Hsiang Lin and Yaw Yuan Hsu on October
17 13, 2015. A true and accurate copy of the '203 Patent is attached hereto as Exhibit 2.

18 22. IML is the assignee of and owns all rights, title, and interest in the '203
19 Patent.

20 23. IRC is the exclusive licensee to the '203 Patent.

21 **Intex's Products Made Using the Inventive Processes Claimed in the Asserted**
22 **Patents**

23 24. Intex sells products in the United States that are made using the
24 inventive processes claimed in the Asserted Patents, including, but not limited to, the
25 following inflatable airbeds: Comfort Plush with Fiber-Tech® Technology; Roll 'N
26 Go with Fiber-Tech® Technology; Super Tough Airbed with Fiber-Tech®
27 Technology; Deluxe Single-High with Fiber-Tech® Technology; Premium Comfort
28 Plush with Fiber-Tech® Technology; PremAire® AirBed with Fiber-Tech®

1 Technology; Pillow Rest Raised Bed with Fiber-Tech® Technology; Deluxe Pillow
2 Rest Raised Bed with Fiber-Tech® Technology; Raised Downy Bed with Fiber-
3 Tech® Technology; Ultra Plush Airbed with Fiber-Tech® Technology; Supreme Air-
4 Flow Bed with Fiber-Tech® Technology; Foam Top Bed with Fiber-Tech®
5 Technology; Headboard Bed with Fiber-Tech® Technology; and Wal-Mart® Single
6 High Airbed with Fiber-Tech® Technology.

7 25. Intex also sells products in the United States that are made using the
8 inventive processes claimed in the Asserted Patents, including, but not limited to, the
9 following inflatable spas, by item number: 28491E, 28403E, 28405E, 28407E,
10 28409E, 28412WL, 28417WL, 28421E, 28423E, 28435E, 28453E, and 28455E.

11 26. Intex has complied with 35 U.S.C. § 287 by properly marking its
12 products that embody the inventions of, at least, the '773 Patent.

13 **Bestway's Accused Products**

14 27. On information and belief, Bestway is infringing the Asserted Patents
15 directly, jointly, contributorily, and/or by inducement, by, without authority, making,
16 using, importing, selling, or offering for sale in the United States, including in this
17 District, inflatable air beds that are made using the inventive process claimed in the
18 Asserted Patents.

19 28. Specifically, on information and belief, Bestway is infringing the
20 Asserted Patents by making, using, selling, offering for sale, and/or importing into the
21 United States, or by importing into the United States or offering to sell, selling, or
22 using within the United States at least the following inflatable airbeds with Comfort
23 Cell Tech™, which are made by processes covered by the Asserted Patents
24 (collectively, the "Accused Products"): New Comfort Raised (Model Nos. 67493 and
25 67495); Premiere Plus Elevated (Model Nos. 67559 and 67561); Night Rest (Model
26 No. 67537); Sleep Zone Premium (Model Nos. 67489, 67491, and 67531); and Sleep
27 Essence (Model Nos. 67533 and 67535).
28

1 29. On information and belief, the Accused Products are or were available,
2 and are or were being offered for sale and sold at least at: K-Mart stores and
3 kmart.com; Walmart stores and Walmart.com; Sears stores and Sears.com;
4 Wayfair.com; Allmodern.com; Rakuten.com; Bhg.com; and/or Amazon.com.

5 **Bestway's Willful Infringement**

6 30. Bestway's infringement has been, and continues to be, willful and
7 deliberate.

8 31. In a letter dated July 30, 2014, Intex informed Bestway-USA that Intex
9 owned the '773 Patent and U.S. Patent Application No. 14/444,337, which is the
10 application that eventually issued as the '203 Patent (and will be referred to as the
11 "'203 Application"). In its July 30, 2014 letter, Intex included copies of the '773
12 Patent and the '203 Application and explained that products that incorporate
13 Bestway's Comfort Cell Tech™ high density mesh core infringe claims in the '773
14 Patent as well as claims that would issue from the then-pending '203 Application.¹

15 32. Given the nature of the relationship between each of the Defendants, on
16 information and belief, Intex's July 30, 2014 letter (including the copies of the '773
17 Patent and the '203 Application attached thereto) was received by Defendants
18 Bestway-Global, Bestway-Hong King, Bestway-Inflatables, and Bestway-Nantong.

19 33. Accordingly, Bestway has had actual notice of the '773 Patent since at
20 least July 30, 2014—the date of Intex's letter to Bestway—and potentially as early as
21 September 5, 2013. More specifically, on information and belief, Bestway has
22 monitored and currently monitors Intex's filings with the United States Patent and
23 Trademark Office, and, as a result of its monitoring activities, had actual knowledge
24 of U.S. Patent Publication No. 2013/0228368 A1 (the "'773 Publication"), which
25 published on September 5, 2013.²

26
27 ¹ The '203 Application published as U.S. Patent Publication No. 2014/03321391 A1 on November 13, 2014
and issued as the '203 Patent on October 13, 2015. Intex sent a follow-up letter to Bestway on November 19, 2015,
advising Bestway that the '203 Application had issued as the '203 Patent.

28 ² Claims in the '773 Publication are substantially identical, if not identical, to claims that issued in the '773
Patent.

1 34. On information and belief, and based on Intex's July 30, 2014 letter
2 identifying the '203 Application, Bestway has had actual notice of the '203 Patent
3 since at least November 13, 2014, the date on which the '203 Application published
4 as U.S. Patent Publication No. 2014/03321391.³

5 35. On information and belief, with knowledge of the Asserted Patents and
6 its infringing conduct, in 2016, Bestway began to make, use, sell, offer to sell, and/or
7 import the Accused Products and/or import into the United States or offer to sell, sell,
8 or use within the United States the Accused Products, which are made by processes
9 covered by the Asserted Patents.

10 36. With knowledge of the Asserted Patents and its infringing conduct,
11 Bestway continues to make, use, sell, offer to sell, and/or import the Accused
12 Products and/or import into the United States or offer to sell, sell, or use within the
13 United States the Accused Products, which are made by processes covered by the
14 Asserted Patents.

15 37. Intex has suffered and will continue to suffer damages from Bestway's
16 willful and deliberate acts of infringement complained of herein.

17 **COUNT I: INFRINGEMENT OF U.S. PATENT NO. 8,562,773**

18 38. Intex realleges and incorporates by reference, as if fully set forth herein,
19 the allegations in paragraphs 1-37, above.

20 39. Bestway-USA has directly infringed, either individually or as part of a
21 joint enterprise or through the exercise of direction and control over at least one other
22 Defendant or third party, and is still directly infringing, at least Claim 1 of the '773
23 Patent, literally or by the doctrine of equivalents, by making, using, offering to sell
24 and selling, and/or importing the Accused Products, and/or by importing into the
25 United States or offering to sell, selling, or using within the United States the
26 Accused Products, which are made by processes covered by the Asserted Patents.

27
28 ³ Claims in the '203 Publication are substantially identical, if not identical, to claims that issued in the '203 Patent.

1 Bestway-USA will continue to infringe at least Claim 1 of the '773 Patent unless
2 enjoined by this Court.

3 40. Bestway-Global has directly infringed, either individually or as part of a
4 joint enterprise or through the exercise of direction and control over at least one other
5 Defendant or third party, and is still directly infringing, at least Claim 1 of the '773
6 Patent, literally or by the doctrine of equivalents, by making, using, offering to sell
7 and selling, and/or importing the Accused Products, and/or by importing into the
8 United States or offering to sell, selling, or using within the United States the
9 Accused Products, which are made by processes covered by the Asserted Patents.
10 Bestway-Global will continue to infringe at least Claim 1 of the '773 Patent unless
11 enjoined by this Court.

12 41. Bestway-Hong Kong has directly infringed, either individually or as part
13 of a joint enterprise or through the exercise of direction and control over at least one
14 other Defendant or third party, and is still directly infringing, at least Claim 1 of the
15 '773 Patent, literally or by the doctrine of equivalents, by making, using, offering to
16 sell and selling, and/or importing the Accused Products, and/or by importing into the
17 United States or offering to sell, selling, or using within the United States the
18 Accused Products, which are made by processes covered by the Asserted Patents.
19 Bestway-Hong Kong will continue to infringe at least Claim 1 of the '773 Patent
20 unless enjoined by this Court.

21 42. Bestway Inflatables has directly infringed, either individually or as part
22 of a joint enterprise or through the exercise of direction and control over at least one
23 other Defendant or third party, and is still directly infringing, at least Claim 1 of the
24 '773 Patent, literally or by the doctrine of equivalents, by making, using, offering to
25 sell and selling, and/or importing the Accused Products, and/or by importing into the
26 United States or offering to sell, selling, or using within the United States the
27 Accused Products, which are made by processes covered by the Asserted Patents.
28

1 Bestway Inflatables will continue to infringe at least Claim 1 of the '773 Patent
2 unless enjoined by this Court.

3 43. Bestway-Nantong has directly infringed, either individually or as part of
4 a joint enterprise or through the exercise of direction and control over at least one
5 other Defendant or third party, and is still directly infringing, at least Claim 1 of the
6 '773 Patent, literally or by the doctrine of equivalents, by making, using, offering to
7 sell and selling, and/or importing the Accused Products, and/or by importing into the
8 United States or offering to sell, selling, or using within the United States the
9 Accused Products, which are made by processes covered by the Asserted Patents.
10 Bestway-Nantong will continue to infringe at least Claim 1 of the '773 Patent unless
11 enjoined by this Court.

12 44. Bestway directly infringes at least Claim 1 of the '773 Patent, for
13 example, because:

- 14 a. The method of making the Accused Products satisfies the limitation of
15 "aligning a plurality of strands with a strand guide;"
- 16 b. The method of making the Accused Products satisfies the limitation of
17 "positioning a first weld strip adjacent to the plurality of strands;"
- 18 c. The method of making the Accused Products satisfies the limitation of
19 "positioning a second weld strip adjacent to the plurality of strands with
20 the plurality of strands positioned between the first and second weld
21 strips;"
- 22 d. The method of making the Accused Products satisfies the limitation of
23 "positioning a third and fourth weld strips adjacent to the plurality of
24 strands spaced apart from the first and second weld strips;"
- 25 e. The method of making the Accused Products satisfies the limitation of
26 "positioning the plurality of strands into at least one of a welder and an
27 adhesive device;" and
28

1 f. The method of making the Accused Products satisfies the limitation of
2 “activating the welder or adhesive device to fixedly connect the first
3 weld strip to the plurality of strands and couple the first and second weld
4 strips together and the third and fourth weld strips together.”

5 45. With its knowledge of the ’773 Patent, as described above, Bestway-
6 USA has actively induced one or more Defendants and/or third-party manufacturers,
7 distributors, importers, agents, and/or contractors to directly infringe at least Claim 1
8 of the ’773 Patent by, for example, distributing or making available instructions or
9 manuals for manufacturing the Accused Products, and/or providing technical support
10 for doing the same. On information and belief, Bestway-USA does so with
11 knowledge, or with willful blindness of the fact, that the induced acts constitute
12 infringement of at least Claim 1 of the ’773 Patent. Bestway-USA intends to cause
13 infringement by these Defendants, third-party manufacturers, distributors, importers,
14 agents, and/or contractors.

15 46. Bestway-USA has contributorily infringed at least Claim 1 of the ’773
16 Patent by, for example, selling or offering to sell a material or apparatus that is a
17 component for use in practicing at least Claim 1 of the ’773 Patent. On information
18 and belief, Bestway-USA does so with knowledge that the component was especially
19 made or adapted for use in a manner that would infringe at least Claim 1 of the ’773
20 Patent when Bestway-USA sold, offered to sell, or imported the component. On
21 information and belief, these components are not staple articles of commerce capable
22 of substantial noninfringing uses.

23 47. With its knowledge of the ’773 Patent, as described above, Bestway-
24 Global has actively induced one or more Defendants and/or third-party
25 manufacturers, distributors, importers, agents, and/or contractors to directly infringe
26 at least Claim 1 of the ’773 Patent by, for example, distributing or making available
27 instructions or manuals for manufacturing the Accused Products, and/or providing
28 technical support for doing the same. On information and belief, Bestway-Global

1 does so with knowledge, or with willful blindness of the fact, that the induced acts
2 constitute infringement of at least Claim 1 of the '773 Patent. Bestway-Global
3 intends to cause infringement by these Defendants, third-party manufacturers,
4 distributors, importers, agents, and/or contractors.

5 48. Bestway-Global has contributorily infringed at least Claim 1 of the '773
6 Patent by, for example, selling or offering to sell a material or apparatus that is a
7 component for use in practicing at least Claim 1 of the '773 Patent. On information
8 and belief, Bestway-Global does so with knowledge that the component was
9 especially made or adapted for use in a manner that would infringe at least Claim 1 of
10 the '773 Patent when Bestway-Global sold, offered to sell, or imported the
11 component. On information and belief, these components are not staple articles of
12 commerce capable of substantial noninfringing uses.

13 49. With its knowledge of the '773 Patent, as described above, Bestway-
14 Hong Kong has actively induced one or more Defendants and/or third-party
15 manufacturers, distributors, importers, agents, and/or contractors to directly infringe
16 at least Claim 1 of the '773 Patent by, for example, distributing or making available
17 instructions or manuals for manufacturing the Accused Products, and/or providing
18 technical support for doing the same. On information and belief, Bestway-Hong
19 Kong does so with knowledge, or with willful blindness of the fact, that the induced
20 acts constitute infringement of at least Claim 1 of the '773 Patent. Bestway-Hong
21 Kong intends to cause infringement by these Defendants, third-party manufacturers,
22 distributors, importers, agents, and/or contractors.

23 50. Bestway-Hong Kong has contributorily infringed at least Claim 1 of the
24 '773 Patent by, for example, selling or offering to sell a material or apparatus that is a
25 component for use in practicing at least Claim 1 of the '773 Patent. On information
26 and belief, Bestway-Hong Kong does so with knowledge that the component was
27 especially made or adapted for use in a manner that would infringe at least Claim 1 of
28 the '773 Patent when Bestway-Hong Kong sold, offered to sell, or imported the

1 component. On information and belief, these components are not staple articles of
2 commerce capable of substantial noninfringing uses.

3 51. With its knowledge of the '773 Patent, as described above, Bestway
4 Inflatables has actively induced one or more Defendants and/or third-party
5 manufacturers, distributors, importers, agents, and/or contractors to directly infringe
6 at least Claim 1 of the '773 Patent by, for example, distributing or making available
7 instructions or manuals for manufacturing the Accused Products, and/or providing
8 technical support for doing the same. On information and belief, Bestway Inflatables
9 does so with knowledge, or with willful blindness of the fact, that the induced acts
10 constitute infringement of at least Claim 1 of the '773 Patent. Bestway Inflatables
11 intends to cause infringement by these Defendants, third-party manufacturers,
12 distributors, importers, agents, and/or contractors.

13 52. Bestway Inflatables has contributorily infringed at least Claim 1 of the
14 '773 Patent by, for example, selling or offering to sell a material or apparatus that is a
15 component for use in practicing at least Claim 1 of the '773 Patent. On information
16 and belief, Bestway Inflatables does so with knowledge that the component was
17 especially made or adapted for use in a manner that would infringe at least Claim 1 of
18 the '773 Patent when Bestway Inflatables sold, offered to sell, or imported the
19 component. On information and belief, these components are not staple articles of
20 commerce capable of substantial noninfringing uses.

21 53. With its knowledge of the '773 Patent, as described above, Bestway-
22 Nantong, has actively induced one or more Defendants and/or third-party
23 manufacturers, distributors, importers, agents, and/or contractors to directly infringe
24 at least Claim 1 of the '773 Patent by, for example, distributing or making available
25 instructions or manuals for manufacturing the Accused Products, and/or providing
26 technical support for doing the same. On information and belief, Bestway-Nantong
27 does so with knowledge, or with willful blindness of the fact, that the induced acts
28 constitute infringement of at least Claim 1 of the '773 Patent. Bestway-Nantong

1 intends to cause infringement by these Defendants, third-party manufacturers,
2 distributors, importers, agents, and/or contractors.

3 54. Bestway-Nantong has contributorily infringed at least Claim 1 of the
4 '773 Patent by, for example, selling or offering to sell a material or apparatus that is a
5 component for use in practicing at least Claim 1 of the '773 Patent. On information
6 and belief, Bestway-Nantong does so with knowledge that the component was
7 especially made or adapted for use in a manner that would infringe at least Claim 1 of
8 the '773 Patent when Bestway-Nantong sold, offered to sell, or imported the
9 component. On information and belief, these components are not staple articles of
10 commerce capable of substantial noninfringing uses.

11 55. Bestway will continue to infringe the '773 Patent, causing immediate
12 and irreparable harm to Intex, unless this Court enjoins and restrains Bestway's
13 activities.

14 56. Bestway's acts of infringement have deprived, and will continue to
15 deprive, Intex of sales, profits, and other related revenue that Intex would have made
16 or would enjoy in the future; has injured Intex in other respects; and will continue to
17 cause Intex added injury and damage unless and until the Court enters an injunction
18 prohibiting further infringement, and specifically enjoins further manufacture, use,
19 offers for sale, sale, and importation of the Accused Products.

20 57. Intex is entitled to recover damages adequate to compensate for
21 Bestway's infringement, including, but not limited to, lost profits, a reasonable
22 royalty, pre and post judgment interest at the maximum allowable rate, costs,
23 attorneys' fees, and other such relief this Court deems proper.

24 58. To the extent Bestway's acts of infringement occurred prior to October
25 22, 2013, Intex is also entitled to recover damages in the form of a reasonable royalty
26 pursuant to 35 U.S.C. § 154(d).

27 59. On information and belief, Bestway's infringement of the '773 Patent is
28 willful and justifies a trebling of damages pursuant to 35 U.S.C. § 284. Further, this

1 is an exceptional case supporting an award of reasonable attorneys' fees pursuant to
2 35 U.S.C. § 285.

3 **COUNT II: INFRINGEMENT OF U.S. PATENT NO. 9,156,203**

4 60. Intex realleges and incorporates by reference, as if fully set forth herein,
5 the allegations in paragraphs 1- 59, above.

6 61. Bestway-USA has directly infringed, either individually or as part of a
7 joint enterprise or through the exercise of direction and control over at least one other
8 Defendant or third party, and is still directly infringing, at least Claim 1 of the '203
9 Patent, literally or by the doctrine of equivalents, by making, using, offering to sell
10 and selling, and/or importing the Accused Products, and/or by importing into the
11 United States or offering to sell, selling, or using within the United States the
12 Accused Products, which are made by processes covered by the Asserted Patents.
13 Bestway-USA will continue to infringe at least Claim 1 of the '203 Patent unless
14 enjoined by this Court.

15 62. Bestway-Global has directly infringed, either individually or as part of a
16 joint enterprise or through the exercise of direction and control over at least one other
17 Defendant or third party, and is still directly infringing, the '203 Patent, literally or by
18 the doctrine of equivalents, by making, using, offering to sell and selling, and/or
19 importing the Accused Products, and/or by importing into the United States or
20 offering to sell, selling, or using within the United States the Accused Products,
21 which are made by processes covered by the Asserted Patents. Bestway-Global will
22 continue to infringe the '203 Patent unless enjoined by this Court.

23 63. Bestway-Hong Kong has directly infringed, either individually or as part
24 of a joint enterprise or through the exercise of direction and control over at least one
25 other Defendant or third party, and is still directly infringing, the '203 Patent, literally
26 or by the doctrine of equivalents, by making, using, offering to sell and selling, and/or
27 importing the Accused Products, and/or by importing into the United States or
28 offering to sell, selling, or using within the United States the Accused Products,

1 which are made by processes covered by the Asserted Patents. Bestway-Hong Kong
2 will continue to infringe the '203 Patent unless enjoined by this Court.

3 64. Bestway Inflatables has directly infringed, either individually or as part
4 of a joint enterprise or through the exercise of direction and control over at least one
5 other Defendant or third party, and is still directly infringing, the '203 Patent, literally
6 or by the doctrine of equivalents, by making, using, offering to sell and selling, and/or
7 importing the Accused Products, and/or by importing into the United States or
8 offering to sell, selling, or using within the United States the Accused Products,
9 which are made by processes covered by the Asserted Patents. Bestway Inflatables
10 will continue to infringe the '203 Patent unless enjoined by this Court.

11 65. Bestway-Nantong has directly infringed, either individually or as part of
12 a joint enterprise or through the exercise of direction and control over at least one
13 other Defendant or third party, and is still directly infringing, the '203 Patent, literally
14 or by the doctrine of equivalents, by making, using, offering to sell and selling, and/or
15 importing the Accused Products, and/or by importing into the United States or
16 offering to sell, selling, or using within the United States the Accused Products,
17 which are made by processes covered by the Asserted Patents. Bestway-Nantong
18 will continue to infringe the '203 Patent unless enjoined by this Court.

19 66. Bestway directly infringes at least Claim 1 of the '203 Patent, for
20 example, because:

- 21 a. The method of making the Accused Products satisfies the limitation of
22 "providing an upper sheet made of weldable plastic;"
- 23 b. The method of making the Accused Products satisfies the limitation of
24 "providing a lower sheet made of weldable plastic;"
- 25 c. The method of making the Accused Products satisfies the limitation of
26 "providing a side wall made of weldable plastic;"
- 27 d. The method of making the Accused Products satisfies the limitation of
28 "providing a plurality of tensioning structures, each tensioning structure

1 including at least one tensile sheet having a first side, a second side, and
2 plurality of holes extending through the tensile sheet from the first side
3 to the second side and a plurality of weld strips including a first weld
4 strip positioned on the first side of the tensile sheet, a second weld strip
5 positioned on the second side of said tensile sheet, the first and second
6 weld strips welded together with said tensile sheet positioned between
7 the first and second strips, a third weld strip positioned on the first side
8 of said tensile sheet, and a fourth weld strip positioned on the second
9 side of said tensile sheet, the third and fourth weld strips welded together
10 with said tensile sheet positioned between the third and fourth strips;”

11 e. The method of making the Accused Products satisfies the limitation of
12 “welding the plurality of tensioning structures to the upper sheet by
13 welding at least one of the first and second weld strips to the upper
14 sheet;”

15 f. The method of making the Accused Products satisfies the limitation of
16 “welding the plurality of tensioning structures to the lower sheet by
17 welding at least one of the third and fourth weld strips to the lower
18 sheet;”

19 g. The method of making the Accused Products satisfies the limitation of
20 “creating an inflatable chamber defined by the upper sheet, lower sheet,
21 and side wall by the steps of coupling the side wall to the upper sheet,
22 and coupling the side wall to the lower sheet;” and

23 h. The method of making the Accused Products satisfies the limitation of
24 “providing a valve in communication with the inflatable chamber to
25 facilitate inflation and deflation of the air mattress.”

26 67. With its knowledge of the ’203 Patent, as described above, Bestway-
27 USA has actively induced one or more Defendants and/or third-party manufacturers,
28 distributors, importers, agents, and/or contractors to directly infringe at least Claim 1

1 of the '203 Patent by, for example, distributing or making available instructions or
2 manuals for manufacturing the Accused Products, and/or providing technical support
3 for doing the same. On information and belief, Bestway-USA does so with
4 knowledge, or with willful blindness of the fact, that the induced acts constitute
5 infringement of at least Claim 1 of the '203 Patent. Bestway-USA intends to cause
6 infringement by these Defendants, third-party manufacturers, distributors, importers,
7 agents, and/or contractors.

8 68. Bestway-USA has contributorily infringed at least Claim 1 of the '203
9 Patent by, for example, selling or offering to sell a material or apparatus that is a
10 component for use in practicing at least Claim 1 of the '203 Patent. On information
11 and belief, Bestway-USA does so with knowledge that the component was especially
12 made or adapted for use in a manner that would infringe at least Claim 1 of the '203
13 Patent when Bestway-USA sold, offered to sell, or imported the component. On
14 information and belief, these components are not staple articles of commerce capable
15 of substantial noninfringing uses.

16 69. With its knowledge of the '203 Patent, as described above, Bestway-
17 Global has actively induced one or more Defendants and/or third-party
18 manufacturers, distributors, importers, agents, and/or contractors to directly infringe
19 at least Claim 1 of the '203 Patent by, for example, distributing or making available
20 instructions or manuals for manufacturing the Accused Products, and/or providing
21 technical support for doing the same. On information and belief, Bestway-Global
22 does so with knowledge, or with willful blindness of the fact, that the induced acts
23 constitute infringement of at least Claim 1 of the '203 Patent. Bestway-Global
24 intends to cause infringement by these Defendants, third-party manufacturers,
25 distributors, importers, agents, and/or contractors.

26 70. Bestway-Global has contributorily infringed at least Claim 1 of the '203
27 Patent by, for example, selling or offering to sell a material or apparatus that is a
28 component for use in practicing at least Claim 1 of the '203 Patent. On information

1 and belief, Bestway-Global does so with knowledge that the component was
2 especially made or adapted for use in a manner that would infringe at least Claim 1 of
3 the '203 Patent when Bestway-Global sold, offered to sell, or imported the
4 component. On information and belief, these components are not staple articles of
5 commerce capable of substantial noninfringing uses.

6 71. With its knowledge of the '203 Patent, as described above, Bestway-
7 Hong Kong has actively induced one or more Defendants and/or third-party
8 manufacturers, distributors, importers, agents, and/or contractors to directly infringe
9 at least Claim 1 of the '203 Patent by, for example, distributing or making available
10 instructions or manuals for manufacturing the Accused Products, and/or providing
11 technical support for doing the same. On information and belief, Bestway-Hong
12 Kong does so with knowledge, or with willful blindness of the fact, that the induced
13 acts constitute infringement of at least Claim 1 of the '203 Patent. Bestway-Hong
14 Kong intends to cause infringement by these Defendants, third-party manufacturers,
15 distributors, importers, agents, and/or contractors.

16 72. Bestway-Hong Kong has contributorily infringed at least Claim 1 of the
17 '203 Patent by, for example, selling or offering to sell a material or apparatus that is a
18 component for use in practicing at least Claim 1 of the '203 Patent. On information
19 and belief, Bestway-Hong Kong does so with knowledge that the component was
20 especially made or adapted for use in a manner that would infringe at least Claim 1 of
21 the '203 Patent when Bestway-Hong Kong sold, offered to sell, or imported the
22 component. On information and belief, these components are not staple articles of
23 commerce capable of substantial noninfringing uses.

24 73. With its knowledge of the '203 Patent, as described above, Bestway
25 Inflatables has actively induced one or more Defendants and/or third-party
26 manufacturers, distributors, importers, agents, and/or contractors to directly infringe
27 at least Claim 1 of the '203 Patent by, for example, distributing or making available
28 instructions or manuals for manufacturing the Accused Products, and/or providing

1 technical support for doing the same. On information and belief, Bestway Inflatables
2 does so with knowledge, or with willful blindness of the fact, that the induced acts
3 constitute infringement of at least Claim 1 of the '203 Patent. Bestway Inflatables
4 intends to cause infringement by these Defendants, third-party manufacturers,
5 distributors, importers, agents, and/or contractors.

6 74. Bestway Inflatables has contributorily infringed at least Claim 1 of the
7 '203 Patent by, for example, selling or offering to sell a material or apparatus that is a
8 component for use in practicing at least Claim 1 of the '203 Patent. On information
9 and belief, Bestway Inflatables does so with knowledge that the component was
10 especially made or adapted for use in a manner that would infringe at least Claim 1 of
11 the '203 Patent when Bestway Inflatables sold, offered to sell, or imported the
12 component. On information and belief, these components are not staple articles of
13 commerce capable of substantial noninfringing uses.

14 75. With its knowledge of the '203 Patent, as described above, Bestway-
15 Nantong has actively induced one or more Defendants and/or third-party
16 manufacturers, distributors, importers, agents, and/or contractors to directly infringe
17 at least Claim 1 of the '203 Patent by, for example, distributing or making available
18 instructions or manuals for manufacturing the Accused Products, and/or providing
19 technical support for doing the same. On information and belief, Bestway-Nantong
20 does so with knowledge, or with willful blindness of the fact, that the induced acts
21 constitute infringement of at least Claim 1 of the '203 Patent. Bestway-Nantong
22 intends to cause infringement by these Defendants, third-party manufacturers,
23 distributors, importers, agents, and/or contractors.

24 76. Bestway-Nantong has contributorily infringed at least Claim 1 of the
25 '203 Patent by, for example, selling or offering to sell a material or apparatus that is a
26 component for use in practicing at least Claim 1 of the '203 Patent. On information
27 and belief, Bestway-Nantong does so with knowledge that the component was
28 especially made or adapted for use in a manner that would infringe at least Claim 1 of

1 the '203 Patent when Bestway-Nantong sold, offered to sell, or imported the
2 component. On information and belief, these components are not staple articles of
3 commerce capable of substantial noninfringing uses.

4 77. Bestway will continue to infringe the '203 Patent, causing immediate
5 and irreparable harm to Intex, unless this Court enjoins and restrains Bestway's
6 activities.

7 78. Bestway's acts of infringement have deprived, and will continue to
8 deprive, Intex of sales, profits, and other related revenue that Intex would have made
9 or would enjoy in the future; has injured Intex in other respects; and will continue to
10 cause Intex added injury and damage unless and until the Court enters an injunction
11 prohibiting further infringement, and specifically enjoins further manufacture, use,
12 offers for sale, sale, and importation of the Accused Products.

13 79. Intex is entitled to recover damages adequate to compensate for
14 Bestway's infringement, including, but not limited to, lost profits, a reasonable
15 royalty, treble damages, pre and post judgment interest at the maximum allowable
16 rate, costs, attorneys' fees, and other such relief this Court deems proper.

17 80. To the extent Bestway's acts of infringement occurred prior to October
18 13, 2015, Intex is also entitled to recover damages in the form of a reasonable royalty
19 pursuant to 35 U.S.C. § 154(d).

20 On information and belief, Bestway's infringement of the '203 Patent is willful
21 and justifies a trebling of damages pursuant to 35 U.S.C. § 284. Further, this is an
22 exceptional case supporting an award of reasonable attorneys' fees pursuant to 35
23 U.S.C. § 285.

24 **REQUEST FOR RELIEF**

25 WHEREFORE, Plaintiffs, Intex Recreation Corp. and Intex Marketing
26 Ltd., respectfully request that the Court enter judgment in its favor and against
27 Bestway, and provide Intex the following relief:
28

1 A. Order, adjudge, and decree that U.S. Patent 8,562,773 is valid,
2 enforceable, and infringed by Bestway;

3 B. Order, adjudge, and decree that U.S. Patent 9,156,203 is valid,
4 enforceable, and infringed by Bestway;

5 C. Enter a permanent injunction against Bestway enjoining it, its
6 directors, officers, agents, employees, successors, subsidiaries, assigns, and all
7 persons acting in privity or in concert or participation with Bestway from making,
8 using, selling, or offering for sale in the United States, or importing into the United
9 States, any and all products and/or services embodying the patented inventions
10 claimed in the Asserted Patents;

11 D. Award Intex its damages for patent infringement pursuant to 35
12 U.S.C. § 284 and, to the extent applicable, 35 U.S.C. § 154(d), and pre and post
13 judgment interest as allowed by law;

14 E. Order, adjudge, and decree that Bestway's infringement of the
15 Asserted Patents has been deliberate and willful, and award Intex treble damages
16 under 35 U.S.C. § 284;

17 F. Find that this case is "exceptional" under 35 U.S.C. § 285, and
18 award Intex its costs and reasonable attorney's fees as provided in 35 U.S.C. § 285;

19 G. Award such other and further relief as the Court deems just and
20 proper.

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REQUEST FOR TRIAL BY JURY

Plaintiffs, Intex Recreation Corp. and Intex Marketing Ltd. respectfully request a trial by jury on all issues so triable.

Dated: May 13, 2016

FAEGRE BAKER DANIELS LLP

By: /s/ Tarifa B. Laddon

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