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13 P.I.C. INTERNATIONAL INC. and LI CHUNG
14 PLASTICS INDUSTRY CO., LTD.

15 UNITED STATES DISTRICT COURT
16 SOUTHERN DISTRICT OF CALIFORNIA

17 P.I.C. INTERNATIONAL INC.
18 (d.b.a., H2Odyssey), a California
19 corporation, and LI CHUNG
20 PLASTICS INDUSTRY CO., LTD., a
21 Taiwan corporation,

22 Plaintiffs,

23 vs.

24 MIFLEX 2 SPA, an Italy corporation,
25 and MAURO MAZZO, an individual,

26 Defendants.

CASE NO. '17CV556 JAH WVG

**COMPLAINT FOR
DECLARATORY JUDGMENT
OF NON-INFRINGEMENT OF
UNITED STATES PATENT NO.
8,381,772**

NO DEMAND FOR JURY TRIAL

1 Plaintiffs P.I.C. International Inc. (d.b.a., “H2Odyssey”) and Li Chung
2 Plastics Industry Co., Ltd. (“Li Chung”) (collectively, “Plaintiffs”) seek a
3 declaration that they do not infringe United States Patent No. 8,381,772 (“the ‘772
4 patent”), as follows:

5 **NATURE OF ACTION**

6 1. This is an action for a declaratory judgment of non-infringement
7 arising under the patent laws of the United States, Title 35 of the United States
8 Code. Plaintiffs request this relief because Defendants MiFlex 2 SpA (“MiFlex”)
9 and Mauro Mazzo (“Mazzo”) (collectively, “Defendants”) have (1) accused
10 Plaintiffs and at least one of their customers of making and selling scuba hoses that
11 infringe the ‘772 patent, and (2) threatened to take legal action to stop the alleged
12 patent infringement. Defendants’ accusations and threats have cast uncertainty
13 over the commercialization of Plaintiffs’ scuba hoses; endangered Plaintiffs’
14 business and relationships with their customers, distributors, and partners, as well
15 as Plaintiffs’ rights to sell scuba hoses; and created a justiciable controversy
16 between Plaintiffs and Defendants.

17 **THE PARTIES**

18 2. Plaintiff H2Odyssey is a California corporation with its principle place
19 of business at 975 Park Center Drive, Vista, California 92081.

20 3. Plaintiff Li Chung is a corporation organized under the laws of the
21 Taiwan with its principle place of business at No. 96, Ln. 36, Sec. 2, Tanxing
22 Road, Tanzi District, Taichung City, 427 Taiwan (R.O.C.).

23 4. On information and belief, Defendant MiFlex is a corporation
24 organized under the laws of Italy with its principle place of business at 7 Strada
25 Provinciale per Lesmo, 4, Villasanta, Provincia di Monza e della Brianza 20852,
26 Italy. Several distributors of MiFlex’s hoses are located in this District including,
27 but not limited to Aqua-Lung America, Inc. with its principle place of business at
28 2340 Cousteau Court, Vista, California 92081.

1 5. On information and belief, Mazzo is a citizen of Italy residing at Via
2 Monteregio, 14/A, Casatenovo 23880, Italy, and is the president and chief
3 executive officer of MiFlex.

4 **JURISDICTION AND VENUE**

5 6. This action arises under the Declaratory Judgment Act, 28 U.S.C. §
6 2201, and under the patent laws of the United States, 35 U.S.C. §§ 1-390.

7 7. This Court has subject matter jurisdiction over this action under 28
8 U.S.C. §§ 1331, 1338(a), and 2201(a).

9 8. This Court has personal jurisdiction over Defendants because they
10 have a continuous, systematic and substantial presence in this District; because they
11 regularly conduct business and/or solicit business within this District; because they
12 have purposefully directed activities at residents of this District, including
13 H2Odyssey; and because they expressly solicited H2Odyssey in this District to
14 “cease, desist and forever refrain from making, using and/or selling [scuba] hoses”
15 from this District.

16 9. Venue is proper in this District under 28 U.S.C. §§ 1391(b), (c),
17 because a substantial part of the events giving rise to Plaintiffs’ claim occurred in
18 this district, and because Defendants are subject to personal jurisdiction here.

19 10. An immediate, real, and justiciable controversy exists between
20 Plaintiffs and Defendants as to whether Plaintiffs are infringing the ‘772 patent.

21 **THE REEXAMINATION OF THE ‘772 PATENT**

22 11. The ‘772 patent, which is entitled “Low-Pressure Hose for Connection
23 to Diving Cylinders for Underwater Activities,” issued on February 26, 2013, with
24 claims 1-9. Mazzo is designated as the sole inventor of the ‘772 patent. A true and
25 correct copy of the ‘772 patent is attached as **Exhibit 1**.

26 12. According to United States Patent & Trademark Office (PTO) records,
27 the ‘772 patent has not been assigned by Mazzo. On information and belief, Mazzo
28 is the owner of the ‘772 patent and MiFlex is the exclusive licensee of the ‘772

1 patent.

2 13. On August 12, 2013, Li Chung requested *ex parte* reexamination of
3 independent claim 1 of the ‘772 patent on obviousness-type grounds. The *ex parte*
4 reexamination request was granted on October 18, 2013, and accorded reexam
5 control no. 90/012,947 (“the ‘947 *ex parte* reexam”).

6 14. On April 25, 2014, Mazzo traveled to the PTO (in Alexandria, VA) to
7 attend an Examiner interview. During the interview, Mazzo displayed and
8 described a sample of his patented hose, as well as several prior art hoses.

9 15. Mazzo is fluent in English as evident by his participation in the ‘947 *ex*
10 *parte* reexam. On May 7, 2014, Mazzo declared, under penalty of perjury, that he
11 was “fluent in the English language.” See Supplemental Declaration of Mauro
12 Mazzo at ¶ 85 (“I am a native Italian speaker and fluent in the English language.”).
13 A true and correct copy of the Supplemental Declaration of Mauro Mazzo is
14 attached as **Exhibit 2**.

15 16. Mazzo has acknowledged that his ‘772 patent does not implement an
16 adhesive such as glue. For example, on December 22, 2014, Mazzo expressly
17 declared, under penalty of perjury:
18 “One advantage of my invention over Marena is that the inner sheath is secured to
19 the inner tubular element ***without the need of an adhesive. The adhesive is omitted***
20 because the inner tubular element is made of polyurethane while the inner braided
21 sheath is made of polyester. This is the same construction used in the commercially
22 sold products discussed in my prior declarations and in the Fifth Supplemental
23 Declaration being submitted concurrently herewith.”
24 See Fourth Supplemental Declaration of Mauro Mazzo at ¶ 131 (emphasis added).
25 A true and correct copy of the Fourth Supplemental Declaration of Mauro Mazzo is
26 attached as **Exhibit 3**.

27 17. During the prosecution of the ‘947 *ex parte* reexam, claims 1-9 were
28 cancelled. After several unsuccessful attempts to overcome the PTO’s prior art

1 rejections, Mazzo submitted new claims 28, 31-33, 35, 37, 41, and 44-52 on July
2 24, 2015. All of these claims use the close-ended transitional phrase “consisting
3 of,” as opposed to the open-ended transitional phrase “comprising,” thereby
4 substantially narrowing the scope of Mazzo’s invention. The transitional phrase
5 “consisting of” excludes any element not specified in the claim. *See Ex parte Davis*,
6 80 USPQ 448, 450 (Bd. App. 1948) (“consisting of” defined as “closing the claim
7 to the inclusion of materials other than those recited”).

8 18. On September 21, 2015, the Examiner concluded, via a non-final
9 Office Action, that claims 28, 31-33, 35, 37, 41, and 44-52 were allowable (pending
10 resolution of a defective reissue declaration). *See* Non-Final Office Action,
11 September 21, 2015, at 6. A true and correct copy of this Non-Final Office Action
12 is attached as **Exhibit 4**. Particularly, the Examiner noted:

13 *“The claims are written using the term ‘consisting of’ and thus limit the hose to*
14 *the inner tubular element, the inner sheathing layer, the outer sheathing layer,*
15 *and the coupling.* Patents to Marena, Powell, and Martucci, for instance, use
16 coatings or intermediate layers between the braided layers and the inner tubular
17 element, or between first and second braided layers, and therefore do not ‘consist’
18 of only the elements set forth in the claims. In constructions such as these, it would
19 not have been obvious to omit the coatings or intermediate layers because they
20 serve specific functions in the hoses, such as bonding the layers to one another.”
21 *Id.* at 8 (emphasis added).

22 19. On April 26, 2016, the PTO issued an *Ex Parte* Reexamination
23 Certificate for the ‘772 patent. A true and correct copy of this Certificate is attached
24 as **Exhibit 5**. Claims 28, 31-33, 35, 37, 41, and 44-52 from the ‘947 *ex parte*
25 reexam were renumbered as claims 10-25 in the Certificate.

26 20. Absolute intervening rights apply to the ‘772 patent. Defendants
27 cannot recover any damages for infringement of the ‘772 patent prior to April 26,
28 2016.

DEFENDANTS' INFRINGEMENT ACCUSATIONS
AND THREATS OF LEGAL ACTION

21. On April 22, 2013, Defendants sent a cease and desist letter to Li Chung regarding the '772 patent asserting that Li Chung "is making, and/or selling scuba hoses, which infringe the ['772 patent]." This letter stated that "Mauro Mazzo demands that Company Li Chung Plastic Industry Co., LTD immediately cease, desist and forever refrain from making, using and/or selling such hoses in the US and Italian Markets." As noted above, Li Chung requested *ex parte* reexamination of the '772 patent thereafter on August 13, 2013, which was concluded on April 26, 2016, after Mazzo substantially narrowed the scope of the '772 patent claims.

22. On February 6, 2017, Defendants sent a cease and desist letter to H2Odyssey regarding the '772 patent. A true and correct copy of this letter is attached as **Exhibit 6**. In its letter, Defendants state:

"According to the information we have received, and illustrations on page 8 of your catalogue, *your company is making, and/or selling scuba hoses which infringe* the above-identified patent. Accordingly, *Miflex 2 Spa and Mauro Mazzo, demands that your company H2Odyssey immediately cease, desist and forever refrain from making, using and/or selling such hoses*. Please be advised that if you will continue these activities, we will be obliged to ask our lawyer to *start a legal action to stop your Patent infringement*." (emphasis added).

23. On February 27, 2017, Defendants sent a similar cease and desist letter to H2Odyssey customer, Rock 'N Sports, located in Orange County, California, regarding the '772 patent and stating in-part:

"According to the information we have received, and illustrations of your catalogue, your company is making, and/or selling scuba hoses which infringe the above-identified patent. Accordingly, Miflex 2 Spa and Mauro Mazzo, demands that your company ... immediately cease, desist and forever refrain from making,

1 using and/or selling such hoses. Please be advised that if you will continue these
2 activities, we will be obliged to ask our lawyer to start a legal action to stop your
3 Patent infringement.”

4 24. Certain H2Odyssey customers have stopped purchasing the accused
5 scuba hoses in view of Defendants’ accusations and threats.

6 25. H2Odyssey’s customers have expressed reluctance in purchasing the
7 accused scuba hoses out of fear of a lawsuit by Defendants.

8 26. Certain Li Chung distributors have stopped purchasing the accused
9 scuba hoses in view of Defendants’ accusations and threats.

10 27. Li Chung’s distributors have expressed reluctance in purchasing the
11 accused scuba hoses out of fear of a lawsuit by Defendants.

12 28. Plaintiffs have lost approximately \$1,500,000 in sales, annually, due to
13 Defendants’ actions.

14 **PLAINTIFFS DO NOT INFRINGE THE ‘772 PATENT**

15 29. Defendants have accused H2Odyssey’s low pressure scuba hoses
16 including its power inflator (BC) hose (#PLBCR) and low pressure regulator (LP)
17 hose (#PLPHR), which are marketed by H2Odyssey under the trade name “Rhino
18 Hose,” of infringing the ‘772 patent (collectively, “the accused scuba hoses”).
19 H2Odyssey purchases the accused scuba hoses from Li Chung, which are imported
20 into the United States from Taiwan. H2Odyssey sells and ships the accused scuba
21 hoses all over the United States.

22 30. Li Chung manufactures the accused scuba hoses in Taiwan and ships
23 them to H2Odyssey, in San Diego, California, as well as other distributors in the
24 United States.

25 31. The accused scuba hoses do not infringe any claim of the ‘772 patent.
26 Each and every claim recited in the *Ex Parte* Reexamination Certificate for the ‘772
27 patent uses the transitional phrase “consisting of” restricting claims 10-25 to four
28 elements: an inner tubular element, an inner sheathing layer, an outer sheathing

1 layer, and a hose.

2 32. **Exhibit 7** is a true and correct depiction of the accused scuba hoses.
3 As shown in Exhibit 7, the accused scuba hoses include an inner tube, a glue layer,
4 a reinforcement layer, an outer sheathing layer, and a hose coupling. The inner tube
5 is synthetic polyvinylchloride resin (HS-PVC). The reinforcement layer is a
6 polyester fiber braid, which covers and is glued to the inner tube. The outer
7 sheathing layer is a polyester filament braid and covers the reinforcement layer. The
8 hose coupling covers the outer sheathing layer.

9 33. Accordingly, the accused scuba hoses include a glue layer located
10 between the inner tube and the reinforcement layer that is not included in claims
11 10-25 of the '772 patent. As such, the reinforcement layer is separated from the
12 inner tube by the glue layer, and the reinforcement layer cannot be located directly
13 on the inner tube as claimed by the '772 patent. The outer sheathing layer is made
14 of a polyester filament braid, whereas in the '772 patent the outer sheathing layer is
15 made of a nylon braid.

16 34. Particularly, the accused scuba hoses do not meet the limitation, "an
17 inner sheathing layer braided directly over the inner tubular element and consisting
18 of a polyester braid," as recited in claims 10-25 of the '772 patent.

19 35. The accused scuba hoses also do not meet the limitation, "an outer
20 sheathing layer directly on the inner sheathing layer and consisting of a nylon braid
21 to define an abrasion-resistant outermost element of the low pressure hose that is
22 independent from, not attached to, and does not cooperate intimately with the inner
23 tubular element and inner sheathing layer and thereby provides enhanced flexibility
24 and kinking prevention," as recited in claims 10-25 of the '772 patent.

25 36. The accused scuba hoses also do not meet the limitation, "wherein the
26 plastic material comprises polyurethane," as recited in claim 17 of the '772 patent.

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28 ///

FIRST CLAIM FOR RELIEF

(Declaratory Judgment of Non-Infringement of the ‘772 Patent)

37. Plaintiffs repeat, reallege, and incorporate by reference the preceding allegations above as though set forth fully herein.

38. Plaintiffs and Defendants are direct competitors.

39. Mazzo claims to own all rights, title, and interest in the ‘772 patent. On information and belief, MiFlex is the exclusive licensee of the ‘772 patent.

40. Defendants accuse Plaintiffs of infringing the ‘772 patent by making, using, and/or selling the accused scuba hoses.

41. Defendants intend to stop Plaintiffs from forever selling the accused scuba hoses.

42. Defendants have threatened to start a legal action to stop Plaintiffs’ purported infringement.

43. Plaintiffs’ sales of the accused scuba hoses have decreased in response to Defendants’ allegations and threats.

44. Plaintiffs do not directly or indirectly infringe the ‘772 patent.

45. A substantial, immediate, and real controversy therefore exists between Plaintiffs and Defendants regarding whether the accused scuba hoses infringe or have infringed the ‘772 patent. A judicial declaration is necessary to determine the parties’ respective rights regarding the ‘772 patent.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for entry of judgment in their favor and against Defendants as follows:

- (a) Declaring that the accused scuba hoses do not infringe the ‘772 patent;
- (b) Declaring that judgment be entered in favor of Plaintiffs and against Defendants on Plaintiffs’ claim;
- (c) Finding that this is an exceptional case under 35 U.S.C. § 285;
- (d) Awarding Plaintiffs their costs and attorneys’ fees in connection with

1 this action; and

2 (e) Such further and additional relief as the Court deems just and proper.

3 Dated: March 21, 2017

SAN DIEGO IP LAW GROUP LLP

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5 By: /s/Trevor Coddington/

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