

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

SENGLED USA, INC. and)	
ZHEJIANG SHENGHUI)	
LIGHTING CO., LTD.,)	
)	
Plaintiffs,)	C.A. No. _____
)	
v.)	
)	
TVL INTERNATIONAL LLC,)	
)	
Defendant.)	
_____)	

COMPLAINT

Plaintiffs SengLED USA, Inc. and Zhejiang Shenghui Lighting Co., Ltd. (collectively, “SengLED”) allege the following as their Complaint against Defendant TVL International LLC (“TVL”):

NATURE OF THE ACTION

1. This is an action for declaratory judgments of invalidity and non-infringement of U.S. Patent No. 8,907,523 (“the ’523 patent”) under the Declaratory Judgment Act, 28 U.S.C. §§ 2201-02, and the patent laws of the United States, 35 U.S.C. §§ 1, et seq. SengLED requests this relief because TVL has alleged that SengLED has and continues to infringe the ’523 patent. A true and correct copy of the ’523 patent is attached as Exhibit 1.

2. This is also an action for breach of a technology development contract between SengLED CN and TVL. As part of TVL’s breach of the parties’ technology development contract, TVL has failed to pay SengLED CN and misappropriated SengLED CN’s technology.

3. This is also an action under the Declaratory Judgment Act, 28 U.S.C. §§ 2201-02, for a declaratory judgment that no valid and enforceable manufacturing contract exists between SengLED CN and TVL.

THE PARTIES

4. Plaintiff SengLED USA, Inc. (“SengLED US”) is a Georgia corporation with its headquarters located at 155 Bluegrass Valley Parkway, Suite 200, Alpharetta, Georgia 30005.

5. Plaintiff Zhejiang Shenghui Lighting Co., Ltd. (“SengLED CN”) is a Chinese corporation with its headquarters located at 39 Shenghui E Road, Xiuzhou Qu, Jiaxing Shi, Zhejiang Sheng, China, 314000.

6. On information and belief, Defendant TVL International LLC is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business at 165 S Trade Street, Matthews, North Carolina 28105.

JURISDICTION AND VENUE

7. This Court has subject matter jurisdiction over SengLED’s requests for declaratory judgment under 28 U.S.C. §§ 2201 and 2202. This Court also has subject matter jurisdiction over SengLED’s patent-related declaratory judgment requests under 28 U.S.C. §§ 1331 and 1338(a).

8. An actual and justiciable controversy exists under 28 U.S.C. §§ 2201 and 2202 between SengLED and TVL as to whether SengLED has and continues to infringe the ’523 patent and whether the ’523 patent is valid at least because TVL has repeatedly alleged that SengLED has and continues to infringe the ’523 patent.

9. An actual and justiciable controversy exists under 28 U.S.C. §§ 2201 and 2202 between SengLED CN and TVL as to whether the parties entered into a valid and enforceable

manufacturing agreement at least because TVL has repeatedly alleged that it has suffered damage based on SengLED CN's alleged failure to manufacture products for TVL.

10. This Court also has subject matter jurisdiction over the breach of contract claim pursuant to 28 U.S.C. § 1332 based on diversity of citizenship. Plaintiffs are a Georgia corporation with its headquarters in Georgia, and its Chinese parent company with its headquarters in China. TVL is a Delaware company with its principal place of business in North Carolina. Therefore, complete diversity of citizenship exists. The amount in controversy, exclusive of interest and costs, exceeds the sum or value of \$75,000.

11. TVL is subject to personal jurisdiction in this judicial district because TVL is incorporated in Delaware.

12. Venue properly lies in this district pursuant to 28 U.S.C. §§ 1391(b), (c) and 1400(b).

FACTUAL BACKGROUND

13. SengLED is one of the world's leading manufacturers of LED light bulbs with over 200 patents and 15 years of industry experience. SengLED's years of experience and technical knowledge has resulted in it becoming an OEM manufacturer for many of the world's leading light bulb companies, as well as a manufacturer of its own-branded bulbs.

14. At a trade show in New York in late 2014, SengLED first met TVL, which was a start-up company trying to develop and market a battery back-up LED light bulb. At that time, TVL was displaying a first generation of its battery back-up LED light bulb.

15. In December 2014, SengLED and TVL entered into a Non-Disclosure Agreement for the purpose of sharing certain technical information so that SengLED CN could provide a quote for producing a battery back-up LED bulb.

16. In December 2014, TVL visited SengLED CN in China to discuss the project and provide a product sample. The provided sample, one of TVL's first generation battery back-up LED bulbs, was not a commercially viable product due to its design, and needed to be re-designed in order to create a viable product. Thus, in addition to finding a company that could reduce the unit cost of TVL's battery back-up LED bulb, TVL needed help to create a second generation of its bulb.

17. In January 2015, SengLED CN provided TVL a price quote for producing TVL's proposed second generation battery back-up LED bulb. As TVL's first generation battery back-up LED bulb was not ready for production, TVL also needed help in developing its second generation bulb. SengLED CN also provided an offer for a technology development contract through which SengLED CN would help TVL develop its second generation bulb. This agreement related to SengLED CN's research and development work relating to the re-design of TVL's bulb and to the creation of tooling for the final product. The work SengLED CN agreed to perform under the parties' technology development contract was intended to be and was performed in China.

18. Through a series of emails and written communications, TVL accepted SengLED CN's technology development contract offer in January 2015. TVL's acceptance of this offer was confirmed by TVL later acknowledging and agreeing to pay SengLED CN for its research and development work under the technology development contract. Despite agreeing to the contract and later acknowledging its obligation to pay SengLED CN, TVL has never paid SengLED CN.

19. As the technology development contract between SengLED CN and TVL did not contain a choice of law provision, the law to be applied to the contract is the law where the

contracted work was to be performed. As set forth above, SengLED CN is located in China and performed all work under the technology development contract in China.

20. Under applicable Chinese law, TVL's breach of the technology development contract results in SengLED CN retaining all rights to the technology it developed during the course of working on the parties' project. On information and belief, TVL has used and/or provided to third parties for their use SengLED's proprietary and confidential technology in further breach of the parties' technology development contract.

21. During the course of the parties' business relationship, SengLED CN and TVL discussed the possibility of SengLED CN becoming the manufacturer for TVL's second generation battery back-up bulb. However, the parties never finalized a manufacturing agreement.

22. After the parties' business relationship ended, SengLED produced its own battery back-up LED bulb, called the Everbright, based on SengLED's own development work.

23. On October 7, 2016, TVL sent a cease and desist letter to SengLED US asserting breach of an NDA, infringement of the '523 patent by SengLED's Everbright battery back-up LED bulb, and breach of an alleged manufacturing contract between SengLED CN and TVL.

24. Within the last three months, TVL has reiterated its position that SengLED's Everbright battery back-up LED bulb infringes the '523 patent. TVL also maintains that SengLED CN has breached an alleged manufacturing contract between the parties. Thus, an actual and justiciable controversy exists between the parties on these issues.

COUNT I
(Declaratory Judgment of Invalidity of U.S. Patent No. 8,907,523)

25. SengLED hereby restates and re-alleges the allegations of paragraphs 1 through 24 and incorporates them by reference as if fully set forth herein.

26. An actual and justiciable controversy exists between SengLED and TVL regarding whether SengLED infringes any valid and enforceable claims of the '523 patent.

27. The claims of the '523 patent are invalid for failure to comply with the requirements for patentability as specified in 35 U.S.C. § 1 et seq., including, without limitation, 35 U.S.C. §§ 101, 102, 103 and/or 112. By way of example and without limitation, the claims of the '523 patent are invalid under 35 U.S.C. §§ 102 and/or 103 in view of at least one or more of: Chinese Patent No. 2814876; European Patent Application No. 2058922A1; U.S. Patent Application Publication Nos. 20040100208A1, 20050157482A1, 20070086128A1, 20070247840A1, US20080024010A1, and 20090059603A1; U.S. Patent Nos. 4323820, 4703191, 5365145, 5473517, 5638245, 5646486, 5859768, 6107744, 6229681, 6502044, 6900595, 7057351, 8203445 and 8415901; and WIPO Publication No. WO2006064209A1.

28. SengLED is therefore entitled to a declaratory judgment that the '523 patent is invalid.

COUNT II

(Declaratory Judgment of Non-Infringement of U.S. Patent No. 8,907,523)

29. SengLED hereby restates and re-alleges the allegations of paragraphs 1 through 28 and incorporates them by reference as if fully set forth herein.

30. An actual and justiciable controversy exists between SengLED and TVL regarding whether SengLED has and/or continues to directly infringe, contributorily infringe, actively induces the infringement of, and/or willfully infringe the '523 patent.

31. SengLED has not and does not directly or indirectly infringe any valid claim of the '523 patent either literally or under the doctrine of equivalents.

32. By way of example and without limitation, Everbright battery back-up LED bulb does not have, at least, the "a signal source operable to output a reference signal via the electrical

interface” feature, the “measure[ing] the voltage differential across a resistive element of the signal source” feature, or the “receiv[ing], via the electrical interface a first signal indicative of a response to the reference signal” feature of claim 1 of the ’523 patent. By way of example and without limitation, the voltage detection unit of Everbright battery back-up LED bulb also lacks, at least, the “determin[ing] a first value of the second signal if the measured voltage differential is zero, in which the first value of the second signal is a value that instructs the light source to not emit light” feature, or the “determin[ing] a second value of the second signal if the measured voltage differential is non-zero, in which the second value of the second signal is a value that instructs the light source to emit light” feature of independent claim 1 of the ’523 patent.

33. By way of further example and without limitation, Everbright battery back-up LED bulb does not have, at least, the “a second set of diodes arranged in parallel spanning the eighth node and a seventh node” feature, or the “a third set of diodes spanning the eighth node and the third node” feature of independent claim 6 of the ’523 patent.

34. By way of further example and without limitation, Everbright battery back-up LED bulb does not have, at least, the “send[ing], in the event that the second response matches a second reference response, a third signal, in which the third signal comprises a pulsating signal at a second voltage that is higher than the first voltage” feature, or the “transmit[ing] a fourth signal causing the activation of a secondary light source in the event that the first response does not match the first reference response, the second response does not match the second reference response, or the third response does not match a third reference response” feature of claim 7 of the ’523 patent.

35. SengLED is therefore entitled to a declaratory judgment that it has not and does not directly infringe, contributorily infringe, actively induce the infringement of, or willfully infringe the '523 patent.

COUNT III
(Breach of Technology Development Contract)

36. SengLED hereby restates and re-alleges the allegations of paragraphs 1 through 35 and incorporates them by reference as if fully set forth herein.

37. SengLED CN and TVL entered into a technology development contract in January 2015. TVL has breached this agreement by failing to pay SengLED CN for its research and development work performed under the contract.

38. On information and belief, TVL has also breached the parties' technology development contract by providing SengLED CN's proprietary and trade secret technology to third parties without the consent of SengLED CN.

39. As a direct result of TVL's breach, SengLED has suffered damages.

COUNT IV
(Declaratory Judgment of No Manufacturing Agreement)

40. SengLED hereby restates and re-alleges the allegations of paragraphs 1 through 39 and incorporates them by reference.

41. An actual and justiciable controversy exists between SengLED and TVL regarding whether SengLED CN and TVL entered into a manufacturing contract.

42. As SengLED CN and TVL never agreed to terms for or executed a manufacturing agreement, no valid and enforceable manufacturing contract exists between SengLED CN and TVL.

43. SengLED is therefore entitled to a declaratory judgment that no manufacturing agreement between it and TVL exists, and SengLED has not and cannot breach any alleged obligations under this non-existent agreement.

PRAYER FOR RELIEF

WHEREFORE, SengLED prays for judgment and relief as follows:

A. That this Court enter an order declaring the claims of the '523 patent invalid under one or more of 35 U.S.C. §§ 101, 102, 103 and/or 112;

B. That this Court enter an order declaring that SengLED has not and does not directly infringe, contributorily infringe, actively induce infringement of, or willfully infringe the '523 patent;

C. That this Court enter an order that TVL and each of its officers, employees, agents, attorneys, and any persons in active concert or participation with them are restrained and enjoined from further prosecuting or instituting any action against SengLED claiming that the '523 patent is valid and infringed, or from representing that SengLED's products infringe the '523 patent;

D. That this Court enter an order declaring this to be an exceptional case within the meaning of 35 U.S.C. § 285 and awarding SengLED its reasonable attorneys' fees and costs;

44. That this Court enter an order declaring that TVL has breached the technology development contract between SengLED and TVL by failing to pay SengLED CN for its research and development work performed under the contract;

E. That this Court enter an order declaring that TVL has breached the technology development contract between SengLED and TVL by providing SengLED CN's proprietary and trade secret technology to third parties without the consent of SengLED CN;

F. That this Court enter an order declaring that due to TVL's breach of the technology development contract between SengLED CN and TVL, SengLED CN owns the proprietary and trade secret technology it has developed under the technology development contract;

G. That this Court enter an order awarding SengLED damages for TVL's breach of the parties' the technology development contract between SengLED and TVL;

H. That this Court enter an order that TVL and each of its officers, employees, agents, attorneys, and any persons in active concert or participation with them are restrained and enjoined from further prosecuting or instituting any action against SengLED based on any alleged misappropriation of any technology developed as part of the technology development contract between SengLED and TVL;

I. That this Court enter an order declaring that no manufacturing agreement between SengLED and TVL exists, and that SengLED has not and cannot breach any alleged obligations under a non-existent agreement;

J. That this Court enter an order that TVL and each of its officers, employees, agents, attorneys, and any persons in active concert or participation with them are restrained and enjoined from further prosecuting or instituting any action against SengLED based on any alleged manufacturing agreement;

K. That this Court enter an order awarding SengLED its costs and expenses in this action;

L. Such other and further relief, in law and in equity, as this Court may deem just and appropriate.

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