

1 JOSHUA M. MASUR (SBN 203510)
jmasur@zuberlawler.com
2 **ZUBER LAWLER LLP**
2000 Broadway Street
3 Redwood City, CA 94063
Telephone: (650) 434-8538
4 Facsimile: (213) 596-5621

5 AMROH F. IDRIS (SBN 272993)
aidris@zuberlawler.com
6 **ZUBER LAWLER LLP**
350 S. Grand Avenue, 32nd Floor
7 Los Angeles, California 90071
Telephone: (213) 596-5620
8 Facsimile: (213) 596-5621

9 BRIAN J. BECK (*pro hac vice* to be filed)
bbeck@zuberlawler.com
10 **ZUBER LAWLER LLP**
111 West Jackson Street, Suite 1700
11 Chicago, Illinois 60604
Telephone: (213) 596-5620
12 Facsimile: (213) 596-5621

13 Attorneys for Defendants and Counterclaimants
SHO Products, LLC and MasterMinded, Inc.

14
15 **UNITED STATES DISTRICT COURT**
16 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**
17

18 PUFF CORP., a Delaware corporation,

19 *Plaintiff and*
20 *Counterdefendant,*

21 v.

22 SHO PRODUCTS, LLC, a New York
limited liability company; and
23 MASTERMINDED, INC., a California
corporation,

24 *Defendants and*
Counterclaimants.

Case No. 2:22-cv-02008-GW-KS

**DEFENDANTS SHO PRODUCTS,
LLC AND MASTERMINDED,
INC.S’ ANSWER TO COMPLAINT
AND COUNTERCLAIMS;**

DEMAND FOR JURY TRIAL

25
26 **ANSWER TO COMPLAINT**

27 Pursuant to Rule 8(b) of the Federal Rules of Civil Procedure, Defendants
28 SHO Products, LLC (“SHO”) and MasterMinded, Inc. (collectively, “Defendants”)

1 answer the Complaint of Plaintiff Puff Corp (D.I. 1). For convenience, the headings
2 from the Complaint are reproduced here.

3 **NATURE OF THE CASE**

4 1. Defendants admit that they are involved in marketing, selling, offering
5 for sale, and/or importing the Carta device. Except as so expressly admitted,
6 Defendants deny the allegations of Paragraph 1, including in particular that they
7 have infringed any valid claim of U.S. Patent No. 10,517,334 (the “334 patent”).

8 **PARTIES**

9 2. Defendants lack knowledge or information sufficient to form a belief
10 about the truth of the allegations of Paragraph 2, and therefore deny them.

11 3. Defendants deny that SHO’s principal place of business is 1602
12 Lockness Place, Torrance, California 90501, and aver instead that its principal place
13 of business is 1242 Valencia Street, Los Angeles, California 90015. Except as so
14 expressly denied, Defendants admit the allegations of Paragraph 3.

15 4. Defendants deny that MasterMinded’s principal place of business is
16 1417 W Pico Blvd, Los Angeles, California 90015, and aver instead that its
17 principal place of business is 1602 Lockness Place, Torrance, California 90501.
18 Except as so expressly denied, Defendants admit the allegations of Paragraph 4.

19 5. Defendants admit that the same natural person is CEO of SHO and
20 CEO and CFO of MasterMinded, and that SHO owns 100% of MasterMinded.
21 Defendants deny that SHO has a CFO. Except as so expressly admitted or denied,
22 Defendants aver that the allegations of Paragraph 5 consist of conclusions of law,
23 and on that basis, deny them.

24 **JURISDICTION AND VENUE**

25 6. Defendants admit that the Complaint purports to state claims under the
26 patent laws of the United States, as enacted under Title 35 of the United States
27 Code, and that the United States District Courts have subject matter jurisdiction of
28

1 such actions under 28 U.S.C. § 1331 and § 1338. Except as so expressly admitted,
2 Defendants deny the allegations of Paragraph 6.

3 7. SHO denies that it has infringed any valid claim of the '334 patent
4 anywhere, including in this District. SHO does not contest personal jurisdiction.
5 MasterMinded lacks knowledge or information sufficient to form a belief about the
6 truth of the allegations of Paragraph 7, and therefore denies them.

7 8. MasterMinded denies that it has infringed any valid claim of the '334
8 patent anywhere, including in this District. MasterMinded does not contest personal
9 jurisdiction. SHO lacks knowledge or information sufficient to form a belief about
10 the truth of the allegations of Paragraph 8, and therefore denies them.

11 9. Defendants deny that they have infringed any valid claim of the '334
12 patent anywhere, including in this district. Except as so denied, Defendants do not
13 dispute the allegations of Paragraph 9, and in particular, do not contest venue.

14 **BACKGROUND**

15 **PUFFCO BACKGROUND**

16 10. Defendants admit that Puffco develops and provides portable
17 vaporizing devices. Except as so expressly admitted, Defendants lack knowledge or
18 information sufficient to form a belief about the truth of the allegations of
19 Paragraph 10, and therefore deny them.

20 11. Defendants deny that the “portable vaporizing device that would
21 ultimately be marketed as the Puffco Peak” was developed in 2018, and aver that
22 Plaintiff itself has represented to this Court that it developed the Peak prior to 2017,
23 and began showing and selling it in early 2018. Defendants further deny that that
24 device was “new and innovative.” Except as so expressly denied, Defendants lack
25 knowledge or information sufficient to form a belief about the truth of the
26 allegations of Paragraph 11, and therefore deny them.

27 12. Defendants lack knowledge or information sufficient to form a belief
28 about the truth of the allegations of Paragraph 12, and therefore deny them.

1 13. Defendants lack knowledge or information sufficient to form a belief
2 about the truth of the allegations of Paragraph 13, and therefore deny them.

3 14. Defendants lack knowledge or information sufficient to form a belief
4 about the truth of the allegations of Paragraph 14, and therefore deny them.

5 15. Defendants lack knowledge or information sufficient to form a belief
6 about the truth of the allegations of Paragraph 15, and therefore deny them.

7 16. Defendants lack knowledge or information sufficient to form a belief
8 about the truth of the allegations of Paragraph 16, and therefore deny them.

9 **PUFFCO'S '334 PATENT**

10 17. Defendants lack knowledge or information sufficient to form a belief
11 about the truth of the allegations of Paragraph 17, and therefore deny them.

12 18. Defendants admit that the '334 patent represents on its face that the
13 Patent Office issued it on December 31, 2019, and admit that Exhibit A appears to
14 be a copy of the '334 patent as issued. Except as so expressly admitted, Defendants
15 deny the allegations of Paragraph 18, including in particular the characterization that
16 Plaintiff's "vaporizing device technology" as "groundbreaking."

17 19. Defendants admit that the Patent Office allowed the '334 patent to
18 issue. Defendants deny that the Patent Office "carefully examined the '334 Patent,"
19 and aver that the prosecution history actually evidences an unusual lack of
20 substantive, let alone careful, examination of the application. Except as so expressly
21 admitted or denied, Defendants aver that the allegations of Paragraph 19 consist of
22 conclusions of law, and on that basis, deny them.

23 20. Defendants admit that Paragraph 20 appears to quote the language
24 claim 1 of the '334 patent, but denies that the '334 patent contains the same
25 indentation as set forth in Paragraph 20, and therefore denies any implication
26 deriving therefrom.

27 21. Defendants admit that the face of the '334 patent references a
28 provisional patent application and a Patent Cooperation Treaty application, both

1 filed on January 14, 2019. Except as so expressly admitted, Defendants aver that
2 the allegations of Paragraph 21 consist of conclusions of law, and on that basis, deny
3 them.

4 22. Defendants deny that the '334 claims any valid or protectable
5 invention. Except as so expressly denied, Defendants lack knowledge or
6 information sufficient to form a belief about the truth of the allegations of
7 Paragraph 22, and therefore deny them.

8 23. Defendants admit that this Court issued a Final Consent Judgment and
9 Entry of Permanent Injunction in Case No. CV 20-358. Defendants expressly deny
10 that said Consent Judgment binds or has any preclusive effect against any person not
11 a party thereto, including, in particular, Defendants here. Except as so expressly
12 admitted or denied, Defendants aver that the allegations of Paragraph 23 consist of
13 conclusions of law, and on that basis, deny them, and note further that, as a matter of
14 law, no court can declare a patent valid and enforceable, but can only find that the
15 patent was not proven invalid and unenforceable.

16 **DEFENDANTS [ALLEGEDLY] HAD NOTICE OF**
17 **THE '334 PATENT**

18 24. SHO admits that, on or about January 3, 2020 and February 17, 2022, it
19 received letters from Plaintiff's counsel, and avers that the documents speak for
20 themselves. MasterMinded lacks knowledge or information sufficient to form a
21 belief about the truth of the allegations of Paragraph 24 regarding communications
22 between Plaintiff and SHO, and therefore denies them. Defendants deny the
23 remainder of the allegations of Paragraph 24, including that either has engaged in
24 any infringing activity regarding, or that the Carta infringes, any valid claim of the
25 '334 patent.

26 25. MasterMinded admits that, on or about January 3, 2020 and
27 February 17, 2022, it received letters from Plaintiff's counsel, and avers that the
28 documents speak for themselves. SHO lacks knowledge or information sufficient to

1 form a belief about the truth of the allegations of Paragraph 25 regarding
2 communications between Plaintiff and MasterMinded, and therefore denies them.
3 Defendants deny the remainder of the allegations of Paragraph 25, including that
4 either has engaged in any infringing activity regarding, or that the Carta infringes,
5 any valid claim of the '334 patent.

6 **DEFENDANTS' MARKETING AND SALE OF THE**
7 **[ALLEGEDLY] INFRINGING DEVICE**

8 26. SHO admits that, in a press release issued in April 2019, it described
9 itself using the quoted language, but otherwise denies the allegations of
10 Paragraph 26. MasterMinded lacks knowledge or information sufficient to form a
11 belief about the truth of the allegations of Paragraph 26, and therefore denies them.

12 27. SHO admits the allegations of Paragraph 27. MasterMinded admits
13 that SHO is involved with operating, managing, and/or controlling the brand
14 "Master Minded Distribution" and related website <https://master-minded.com/>, but
15 except as so expressly admitted, MasterMinded lacks knowledge or information
16 sufficient to form a belief about the truth of the allegations of Paragraph 27, and
17 therefore denies them.

18 28. Defendants admit the allegations of Paragraph 28.

19 29. Defendants admit the allegations of the first sentence of Paragraph 29.
20 Defendants admit that the Complaint uses "Carta" to refer to both the Carta and the
21 Carta 2. Defendants lack knowledge or information sufficient to understand what
22 the Complaint refers to as "similar devices by other names," and therefore deny that
23 "Carta" refers to such devices, either in Paragraph 29 or elsewhere in the Complaint.

24 30. Defendants admit the allegations of Paragraph 30.

25 31. Defendants admit the allegations of Paragraph 31.

26 32. Defendants aver that *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544
27 (2007), *Ashcroft v. Iqbal*, 556 U.S. 662 (2009), and other binding precedent do not
28 permit pleading infringement "for illustrative purposes only," and aver that the

1 extent of Plaintiff’s right, if any, to amend or modify its infringement contentions is
2 a conclusion of law; Defendants deny the last sentence of Paragraph 32 accordingly.
3 Defendants deny the remaining allegations of Paragraph 32, including, in particular,
4 that the Carta practices each element of one or more of the claims of the ’334 patent,
5 and that Exhibit B sets out purported correspondence between limitations of claims
6 2-13 of the ’334 patent and any Carta device.

7 33. Defendants admit that they continue to market, offer for sale, sell,
8 and/or import into the United States the Carta. In response to the remainder of
9 Plaintiff’s allegations, in particular regarding correspondence from Plaintiff’s
10 counsel, Defendants incorporate by reference their responses to Paragraphs 24 and
11 25.

12 **COUNT ONE**

13 **[ALLEGED] PATENT INFRINGEMENT**

14 34. Defendants incorporate by reference their responses to the preceding
15 Paragraphs.

16 35. Defendants admit that the ’334 patent represents on its face that the
17 Patent Office issued it on December 31, 2019. Defendants deny that the ’334 patent
18 was “duly and legally issued.”

19 36. Defendants lack knowledge or information sufficient to form a belief
20 about the truth of the allegations of Paragraph 36, and therefore deny them.

21 37. Defendants deny the allegations of Paragraph 37, including, in
22 particular, that the Carta infringes or meets each element of any valid claim of the
23 ’334 patent.

24 38. Defendants deny the allegations of Paragraph 38, including, in
25 particular, that the Carta infringes any valid claim of the ’334 patent.

26 39. Defendants deny the allegations of Paragraph 39, including, in
27 particular, that the Carta infringes any valid claim of the ’334 patent.

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SECOND AFFIRMATIVE DEFENSE

(Limitations on Damages)

44. To the extent that Plaintiff or its licensees have failed to properly mark or give notice as required by 35 U.S.C. § 287, Plaintiff’s claims for relief and prayer for damages are limited in whole or in part. Plaintiff is barred by 35 U.S.C. § 288 from recovering costs. Plaintiff’s claims may be barred, in whole or in part, by its failure to mitigate damages.

THIRD AFFIRMATIVE DEFENSE

(License and Exhaustion)

45. To the extent that any agreements, including between Plaintiff or its predecessors or affiliates and Defendants or their predecessors, suppliers, or affiliates, authorize Defendants and/or their suppliers to practice the ’334 Patent, any right of enforcement has been exhausted.

FOURTH AFFIRMATIVE DEFENSE

(Extraterritoriality)

46. Plaintiff’s claims for patent infringement are precluded in whole or in part to the extent that any accused functionality or acts are located or performed outside the United States.

FIFTH AFFIRMATIVE DEFENSE

(Equitable Defenses)

47. Plaintiff’s claims are barred or limited in whole or in part under principles of equity, including the doctrines of waiver, estoppel, and/or unclean hands.

SIXTH AFFIRMATIVE DEFENSE

(No Injunctive Relief)

48. To the extent that Plaintiff seeks injunctive relief for alleged infringement of the ’334 patent, the relief it seeks is unavailable because any alleged injury to Plaintiff is not immediate or irreparable, the balance of hardships and

1 public interest weigh against the grant of an injunction, and Plaintiff has an adequate
2 remedy at law.

3 **SEVENTH AFFIRMATIVE DEFENSE**

4 **(Plaintiff Cannot Prove Exceptional Case)**

5 49. Plaintiff cannot establish that this is an exceptional case justifying the
6 award of attorneys' fees against Defendants pursuant to 35 U.S.C. § 285.

7 **EIGHTH AFFIRMATIVE DEFENSE**

8 **(Failure to State a Claim)**

9 50. The Complaint fails to state facts sufficient to constitute a cause of
10 action.

11 **NINTH AFFIRMATIVE DEFENSE**

12 **(Reserved Defenses)**

13 51. Defendants reserve all affirmative defenses under Rule 8(c) of the
14 Federal Rules of Civil Procedure, the Patent Laws of the United States, and any
15 other defenses, at law or in equity, which may now exist or in the future may be
16 available based on discovery and further factual investigation in this case.

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18 * * *

19
20 **COUNTERCLAIMS**

21 Pursuant to Rule 13 of the Federal Rules of Civil Procedure, SHO Products,
22 LLC and MasterMinded, Inc. ("Counterclaimants") hereby allege the following
23 Counterclaims against Puff Corp. ("Counterdefendant").

24 **PARTIES**

25 52. Counterclaimant SHO Products is a New York limited liability
26 company with its principal place of business at 1242 Valencia Street, Los Angeles,
27 California 90015.

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1 examiner found that certain claims should be allowed “[t]he prior art does not show
2 the combination of the base, mouthpiece, atomizer inlet, first container inlet, one or
3 more second container outlets and one or more atomizer outlets ... in combination
4 with all the other elements of the claim and the examiner knows of no permissible
5 motivation to combine the prior art [before him] such that the subject matter as a
6 whole would have been obvious at the time the invention was made.”

7 60. In connection with Application 16/373,170, the applicants cited five
8 patent references and 30 non-patent references, and the examiner cited another 14
9 patent references.

10 61. U.S. Published Patent Application 2013/0319437 A1, which was cited
11 by the examiner in connection with Application 16/373,170, is incorporated by
12 reference. It discloses, among other things: “Every part of the hookah device is
13 integrated together in the mode of magnet adsorption and the lock screw with easy
14 disassembly.”

15 62. U.S. Published Patent Application 2016/0219937 A1 was cited by the
16 applicants in connection with Application 16/373,170, is incorporated by reference.
17 It discloses, among other things: “The method includes detaching an adapter
18 module from an atomizer module so as to gain access to a bowl of the atomizer
19 module, the bowl having a sidewall and a proximal edge, a heating element being
20 arranged in the bowl, and depositing a wax having an essential oil into the bowl.
21 The adapter module is reattached to the atomizer module so that an adapter plug of
22 the atomizer module is positioned at or adjacent the heating element.” It further
23 discloses, among other things: “With reference next to FIGS. 3-5, one embodiment
24 of a personal vaporizer 48 comprises an atomizer module 50 and a mouthpiece
25 module 60 that are threadingly attachable to one another and to a battery 20. The
26 illustrated atomizer module 50 has an elongated body 52 having a distal end 56 and
27 a proximal end 58. The distal end 56 is threadingly attachable to the mount boss 30
28 of the battery 20 so that electric power can be provided to a heating element in the

1 atomizer. The mouthpiece module 60 also comprises a distal end 62 and a proximal
2 end 64. The distal end 62 of the mouthpiece module 60 is threadingly attachable to
3 and detachable from the proximal end 54 of the atomizer module 50. The
4 mouthpiece module 60 preferably is tubular, delivering vapor V generated in the
5 atomizer module 50 to and through an outlet 65 at its proximal end 64 for delivery
6 to the user.”

7 63. U.S. Published Patent Application 2016/0366936A1, which was cited
8 by the examiner in connection with Application 16/373,170, is incorporated by
9 reference. It discloses, among other things, that “the atomizing assembly is
10 detachably connected to the connector via the second connecting part.”

11 64. U.S. Published Patent Application 2017/0055579 A1, which was cited
12 by the examiner in connection with Application 16/373,170, is incorporated by
13 reference. It discloses, among other things: “The vapor apparatus generally
14 includes a vessel suitable for holding a liquid; an elongate neck removably
15 couplable to the vessel, the elongate neck having an opening at a distal end and
16 adapted to transport airborne particles from the vessel to a user through the opening;
17 an upwardly disposed stem extending from the vessel, the stem in fluid
18 communication with the liquid within the vessel through a vapor tube extension; a
19 power source electrically connected to the vessel; and a nail assembly removably
20 couplable to the distal end of the stem. The nail assembly generally includes a bowl
21 configured to retain a combustible substance; an opening adapted to allow air to
22 flow into the nail assembly; and a vapor tube adjacent to the bowl and adapted to
23 receive airborne particles of the combustible substance. The nail assembly is
24 adapted to heat the combustible substance to a temperature, and the vapor tube is
25 adapted to transport the airborne particles through the vapor tube extension into the
26 vessel.”

27 65. U.S. Published Patent Application 2017/0079324 A1, which was cited
28 by the applicants in connection with Application 16/373,170, is incorporated by

1 reference. It discloses, among other things: “The ... preferred embodiment of the
2 present invention, provides a compact vaporizer comprising a battery, mouthpiece
3 and pan. The pan comprises a heating element electrically connected to the battery
4 that heats the pan to a desired temperature. The pan is disposed within the vaporizer
5 so as to provide an air pathway between the pan and the mouthpiece. ... The pan is
6 easily and conveniently attached to, and detached from, the battery housing of the
7 vaporizer. When the pan is attached to the battery housing, it is also in electrical
8 contact with the battery. The electrical power from the battery, is controlled by a
9 microprocessor or similar controller.”

10 66. U.S. Published Patent Application 2018/0098569 A1, which was cited
11 by the examiner in connection with Application 16/373,170, is incorporated by
12 reference. It discloses, among other things: “Each color coded chamber (11) is
13 configured to receive and operationally engage a specific color coded capsule.
14 Control panel (17) is electronically connected to each color coded atomizer allowing
15 the user to customize the amount of vapor release through each color coded
16 atomizer (11).”

17 67. U.S. Published Patent Application 2018/0125115 A1, which was cited
18 by the examiner in connection with Application 16/373,170, is incorporated by
19 reference. It discloses, among other things: “In the preferred embodiment the bowl
20 1 and inhalation tube 4 are connected to the reservoir structure 3 at the connection
21 pieces 5 and 9 via beveled connectors due to the ease of assembly and disassembly,
22 and clean-ability. However, these connections could be made in any manner known
23 to those skilled in the art, such as threading or clamps.”

24 68. U.S. Published Patent Application 2018/0271150 A1, which was cited
25 by the examiner in connection with Application 16/373,170, is incorporated by
26 reference. It discloses, among other things: “the aerosol delivery device 100
27 comprises a housing 102 and an enclosure 104 that are either permanently or
28 detachably connected in a functioning relationship.” “In order to produce heat, the

1 heating element 402 comprises conductive heater terminals (e.g., positive and
2 negative terminals) that are configured to direct current flow through the heating
3 element 402 and also for attachment to appropriate wiring or circuitry (not
4 illustrated) to form an electrical connection of the heating element 402 with a
5 battery or other electrical power source.”

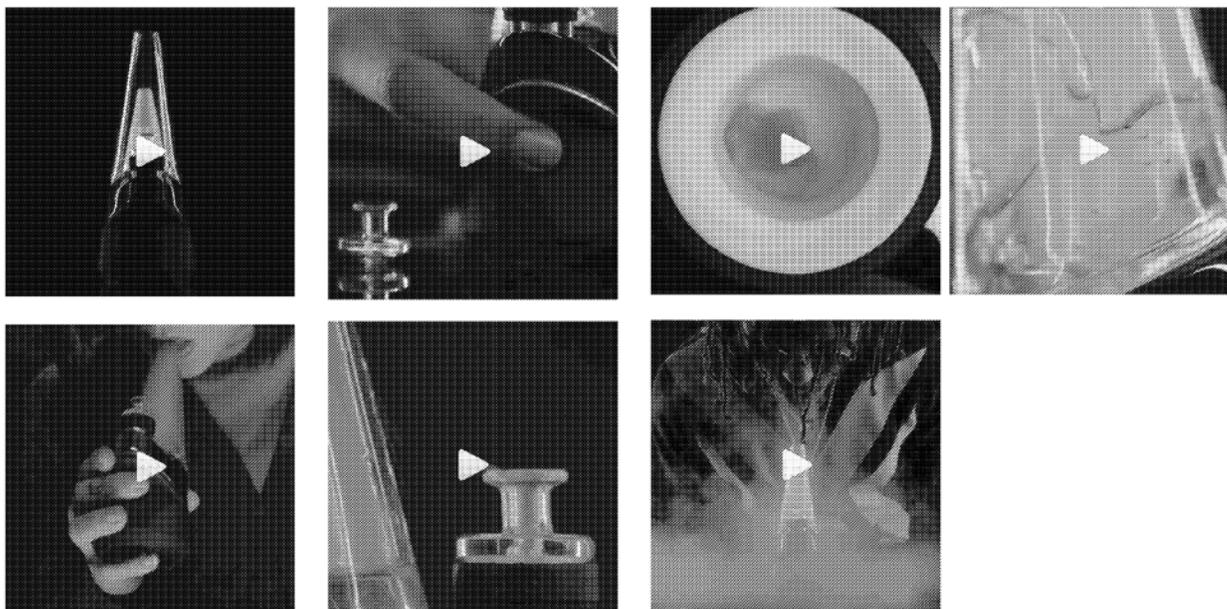
6 69. U.S. Published Patent Application 2019/0174825 A1, which was cited
7 by the examiner in connection with Application 16/373,170, is incorporated by
8 reference. It discloses, among other things: “Vapor generator 100 also comprises
9 vapor generating module 104 manually attachable to and detachable from heating
10 module 102.”

11 70. U.S. Patent No. 10,321,714 B1 and U.S. Published Patent Application
12 2019/0307171 A1, which were cited by the examiner in connection with Application
13 16/373,170, are incorporated by reference. They disclose, among other things:
14 “The heating assembly has a 3 individual vaporizing chambers 58, 58A, 58B to
15 handle herbal, oils and or concentrates of selected material 60 interiorly and a
16 stainless steel cylinder 63 exteriorly. A coupling section 64 extends downwardly
17 from the stainless steel or glass cylinder forming an annular passageway between
18 the vaporizing chamber and the stainless steel or glass cylinder with a lid 66 there
19 above.... Upper screw threads 68 removably couple the heating assembly to the
20 upper case.”

21 71. A document described as “Dr. Dabbler, Vaporizers for sale, retrieved
22 from
23 [https://web.archive.org/web/20170222202821/https://drdabbervaporizersforsale.wee](https://web.archive.org/web/20170222202821/https://drdabbervaporizersforsale.weebly.com/)
24 [bly.com/](https://web.archive.org/web/20170222202821/https://drdabbervaporizersforsale.weebly.com/)”, which was cited by the applicants in connection with Application
25 16/373,170, is incorporated by reference. It discloses, among other things, “the new
26 Snap-Tech technology eliminating the twisting and turning of threading with its
27 magnetic threading. All you have to do is place the atomizer and battery near each
28 other and it will snap securly [*sic*] in place.”

1 72. In connection with Application 16/373,170, the applicants disclosed a
2 document described as “Puff Co., Puffco Peak Video posted on Instagram retrieved
3 from www.instagram.com/p/BdtMs4qIHnH/” that was dated January 8, 2018, more
4 than a year before U.S. Provisional Patent Application 62/792,202 and International
5 Application PCT/US19/13501 were filed on January 14, 2019. That post is no
6 longer available on Instagram; on information and belief, it was deleted or otherwise
7 made unavailable by Counterdefendant and/or applicants. A scanned image that, on
8 information and belief, depicts certain frames contained in the posted video, which
9 image is contained in the official file history for Application 16/373,170, is depicted
10 below:

11 January, 8th 2018



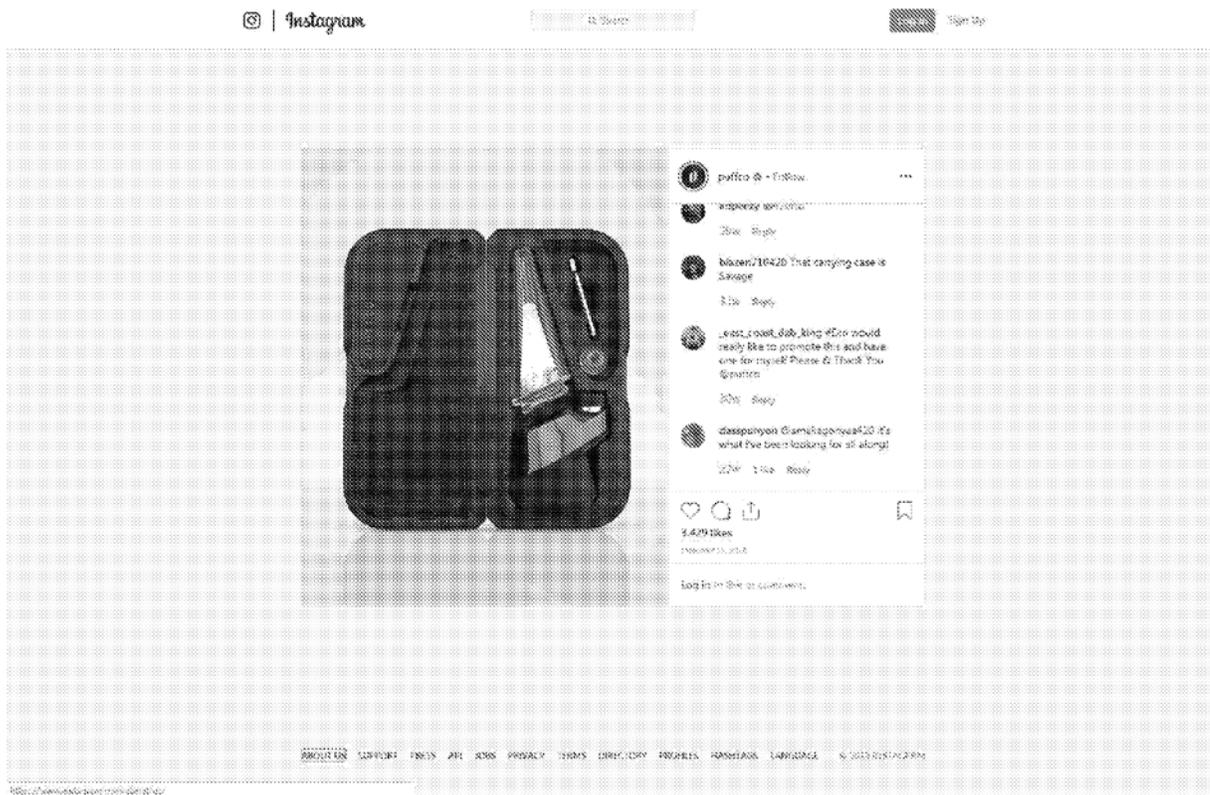
www.instagram.com/p/BdtMs4qIHnH/

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23 73. In connection with Application 16/373,170, the applicants disclosed a
24 document described as “Puff Co., Puffco Peak Hero Shot posted on Instagram
25 retrieved from www.instagram.com/p/BdybEMAI_zX/” that was dated January 10,
26 2018, more than a year before U.S. Provisional Patent Application 62/792,202 and
27 International Application PCT/US19/13501 were filed on January 14, 2019. That
28

1 post is no longer available on Instagram; on information and belief, it was deleted or
2 otherwise made unavailable by Counterdefendant and/or applicants.

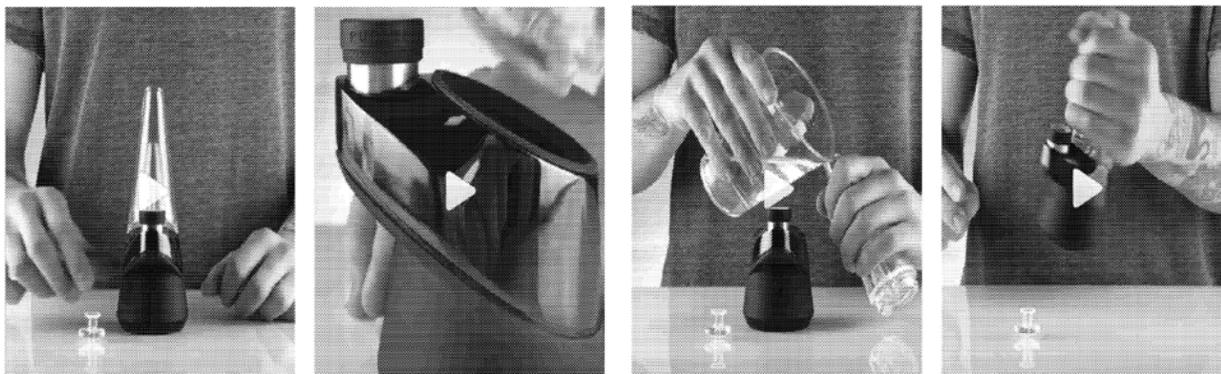
3 74. In connection with Application 16/373,170, the applicants disclosed a
4 document described as “Puff Co., Puffco Peak Case posted on Instagram retrieved
5 from www.instagram.com/p/Bd027vflYzM/” that was dated January 11, 2018, more
6 than a year before U.S. Provisional Patent Application 62/792,202 and International
7 Application PCT/US19/13501 were filed on January 14, 2019. That post is no
8 longer available on Instagram; on information and belief, it was deleted or otherwise
9 made unavailable by Counterdefendant and/or applicants. The scanned image of
10 that post contained in the official file history for Application 16/373,170 is depicted
11 below:

12 www.instagram.com/p/Bd027vflYzM/



1 75. In connection with Application 16/373,170, the applicants disclosed a
2 document described as “Puff Co., Glass Attachment Video posted on Instagram
3 retrieved from www.instagram.com/p/Bd3DfMRIWLo/” that was dated January 12,
4 2018, more than a year before U.S. Provisional Patent Application 62/792,202 and
5 International Application PCT/US19/13501 were filed on January 14, 2019. That
6 post is no longer available on Instagram; on information and belief, it was deleted or
7 otherwise made unavailable by Counterdefendant and/or applicants. A scanned
8 image that, on information and belief, depicts certain frames contained in the posted
9 video, which image is contained in the official file history for Application
10 16/373,170, is depicted below:

11 January, 12th 2018



21
22
23 www.instagram.com/p/Bd3DfMRIWLo/

24 **THE UNCITED PRIOR ART**

25 **Puffco Destroyed the Prior Art Peak Prototypes and**
26 **Did Not Disclose Their Existence to the Patent Office**

27 76. In the Kandypens litigation, Counterdefendant “assert[ed] that ‘it is
28 undisputed that Puffco specifically created two prototypes to take to Pepcom.’”

1 *Kandypens* Docket No. 151 at 26 (quoting *Kandypens* Docket No. 139 at 4 (citing
2 *Kandypens* Docket No. 139-6 ¶ 34). In the *Kandypens* litigation, it was undisputed
3 that Pepcom occurred more than one year before the applications to which the
4 '334 patent claims priority. *See, e.g., Kandypens* Docket No. 151 at 4-5.

5 77. In the *Kandypens* litigation, Counterdefendant alleged “that the
6 Pepcom Prototypes were destroyed in the ordinary course of business shortly after
7 the January 2018 event.” *Kandypens* Docket No. 139-6 ¶ 36; *accord, e.g.,*
8 *Kandypens* Docket No. 151 at 5 (citing same and Docket No. 133-1 ¶ 36). On
9 information and belief, “the January 2018 event” referenced by Counterdefendant
10 was Pepcom, and occurred more than a year before U.S. Provisional Patent
11 Application 62/792,202 and International Application PCT/US19/13501 were filed
12 on January 14, 2019. The '334 patent and the prosecution history for Application
13 16/373,170 represent that the applicants did not disclose to the Patent Office the
14 existence of the “Pepcom Prototypes” in connection with Application 16/373,170.

15 **Puffco Admitted That the Prototypes Embodied Most**
16 **or All Limitations Claimed in the '334 Patent**

17 78. In the *Kandypens* litigation, in connection with cross-motions for
18 summary judgment, the accused infringer alleged, and Counterdefendant disputed,
19 that the '334 patent was anticipated or rendered obvious by the Pepcom
20 Prototypes. “The parties central dispute [was] whether the prototype Peak device
21 included the claimed ‘removably attachable atomizer.’” *Kandypens* Docket No.
22 151 at 24. Counterdefendant also asserted that “There is no evidence the Pepcom
23 Prototypes contained the claim elements of (1) ‘an atomizer housing comprising
24 one or more atomizer housing walls that at least partially define an atomizer
25 internal flow path therein,’ (2) an atomizer containing ‘second container outlets
26 capable of flowing the gas having the vaporizable product entrained therein into
27 [the] atomizer internal flow path,’ or (3) an atomizer containing ‘one or more
28

1 atomizer outlets capable of receiving the flow of gas from the atomizer internal
2 flow path, and providing the flow of gas to the conduit inlet of the base’
3 (collectively, the ‘Atomizer Air Flow Path Limitations’).” *Kandypens* Docket No.
4 139-6 ¶ 22.

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6 79. In the *Kandypens* litigation, Counterdefendant did not dispute that
7 “development of the Puffco Peak began at a kick-off meeting in February 2017.”
8 *Kandypens* Docket No. 139-6 ¶ 22. In the *Kandypens* litigation, Counterdefendant
9 did not dispute that, from the outset, the “requirements for the Peak included that it
10 had to have an atomizer and a mouthpiece that could each be removed
11 independently of the other.” *Kandypens* Docket No. 139-6 ¶ 26.

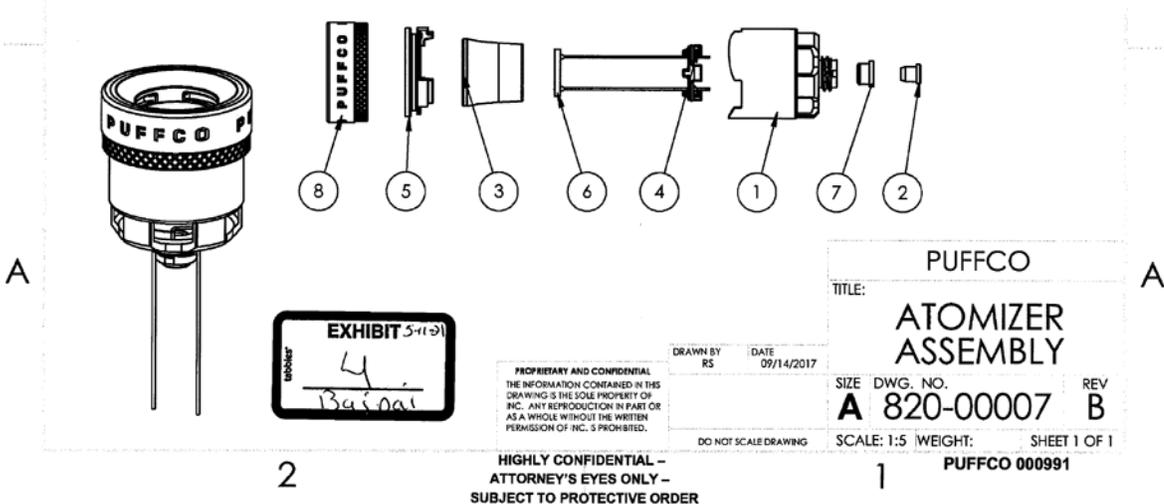
12 80. In the *Kandypens* litigation, on information and belief,
13 Counterdefendant produced a document bearing production number PUFFCO
14 000991. That document was introduced as Exhibit 4 at the May 11, 2021
15 deposition of Avi Bajpai, and portions of the deposition transcript, including
16 Exhibit 4, were introduced as evidence in support of *Kandypens*’ motion for
17 summary judgment in Docket No. 128-6, which is incorporated by reference.

18 81. According to his declaration, proffered by Counterdefendant in
19 support of its opposition to *Kandypens*’ motion for summary judgment, Mr. Bajpai
20 was Counterdefendant’s Head of Product Development. *Kandypens* Docket No.
21 139-3 ¶ 1. The face of the ’334 patent represents that Mr. Bajpai is a named
22 inventor of that patent.

23 82. The face of PUFFCO 000991, shown below, includes the title
24 “Atomizer Assembly” and the date “09/14/2017”:
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ITEM NO.	PART NO	REV	PART NAME	FILE NAME	MATERIAL	QTY.
1	432-00012	G	ATOMIZER HOUSING	PEAK_432-00012_G_Atomizer_Housing_180531	STAINLESS STEEL	1
2	432-00011	A	ATOMIZER ELECTRODE	PEAK_432-00011_A_Atomizer_Electrode_Brass360_GoldPlated_180531	BRASS	1
3	430-00004	C	BOWL	PEAK_430-00004_C_Bowl_95AluminaCeramic_White_180531	ALUMINA	1
4	430-00005	B	BOWL SPACER	PEAK_430-00005_B_Bowl_Spacer_SteatiteCeramic_White_180531	STEATITE	1
5	430-00003	D	THERMAL SPACER	PEAK_430-00003_D_Thermal_Spacer_SteatiteCeramic_White_180531	STEATITE	1
6	147-00002	C	HEATING ELEMENT	PEAK_147-00002_C_Heating_Element_AluminaCeramic_White_180531	MCH	1
7	434-00004	B	ELECTRODE INSULATOR	PEAK_434-00004_B_Electrode_Insulator_PinkSilicone_180531	SILICONE	1
8	434-00010	E	ATOMIZER JACKET	PEAK_434-00010_E_Atomizer_Jacket_BlackSilicone_PM-T2_180531	SILICONE	1



16 *Kandypens* Docket No. 128-6 at 82; see generally *id.* at 33-35 (Bajpai Depo. Tr. at
17 59:4-61:21).

18 83. At deposition, Mr. Bajpai testified that, in the atomizer assembly
19 depicted in PUFFCO 000991, the “structure ... on the right-hand side of
20 component 1 ... is threading that would interface with the thread block in the
21 base.” *Kandypens* Docket No. 128-6 at 35 (Bajpai Depo. Tr. at 61:17-18). Mr.
22 Bajpai also testified that “[s]ince at least September of 2017, the atomizer was
23 intended to be removably attachable.” *Id.* at 53 (Bajpai Depo. Tr. at 84:19-23).

24 84. In his deposition in the *Kandypens* litigation, Counterdefendant’s
25 Founder and CEO, Roger Volodarsky, testified that “typically, atomizers are
26 replaceable. That’s just how it is with most vapes. So for it to be removable was
27 pretty important and standard.” *Kandypens* Docket No. 128-2 at 43 (Volodarsky
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1 Depo. Tr. at 62:2-5). When asked, “Why are atomizers typically replaceable?” he
2 testified “Because of wear and tear. They typically will break over a certain
3 amount of time.” *Id.* (Volodarsky Depo. Tr. at 62:6-8).

4 **Puffco Publicly Used and/or Commercially Exploited**
5 **the Prior Art Peak Prototypes More Than a Year**
6 **Before the Priority Date**

7 85. In his deposition in the *Kandypens* litigation, Counterdefendant’s
8 Founder and CEO, Roger Volodarsky, testified:

9 Q Okay. How did Puffco launch the Peak promotionally?

10 A We made some launch videos.

11 Q What did these launch -- how were these launch videos
12 disseminated?

13 A Instagram.

14 Q Any other channels?

15 A Not that I'm aware of. We did some press.

16 Q Okay. What press did Puffco do?

17 A We did the Pepcom event.

18 Q What's the Pepcom event?

19 A The Pepcom event is a press event that happens in
20 conjunction with CES.

21 *Kandypens* Docket No. 128-2 at 49 (Volodarsky Depo. Tr. at 83:8-20).

22 86. On information and belief, on or about January 2, 2018,
23 Counterdefendant published a post on Instagram at
24 <<https://www.instagram.com/p/Bdc-JCAIXSV/>> (the “1/2/18 Instagram Video”),
25 which is incorporated by reference. The face of that post reflects the following
26 comment attributed to Puffco: “We’ve been burning the midnight oil so that you
27 can evenly vaporize yours like never before, with a device unlike anything you’ve
28

1 experienced before. Passion turned into performance, with quality plumes of vapor
2 to back it all up. The Puffco Peak is coming.”

3 87. On information and belief, on or about January 3, 2018,
4 Counterdefendant published a post on Instagram at
5 <<https://www.instagram.com/p/BdfnaoIFQPT/>> (the “1/3/18 Instagram Video”),
6 which is incorporated by reference. The face of that post reflects the following
7 comment attributed to Puffco: “Have you ever had a feeling or thought that you
8 couldn’t quite find the words to articulate? It’s a buzzing sensation that you have
9 absolute clarity, yet simply can’t share it with others. Our vision for the future of
10 consumption has been clear, and it’s taken years to find the words and physical
11 form to do it justice. Dreams take shape soon.”

12 88. On information and belief, on or about January 4, 2018,
13 Counterdefendant published a post on Instagram at
14 <<https://www.instagram.com/p/BdjA33MIKbl/>> (the “1/4/18 Instagram Video”),
15 which is incorporated by reference. The face of that post reflects the following
16 comment attributed to Puffco: “Our biggest regret of the Puffco Plus was making
17 it look like a vape pen. We love the discreet minimal look, but what’s inside the
18 Plus is a higher level of innovation and consideration in replicating the dab
19 experience. We’re looking forward to the new standard of innovation we’re setting
20 being instantly visible at first glance with the Puffco Peak.”

21 89. On information and belief, the 1/2/18 Instagram Video, the 1/3/18
22 Instagram Video, and the 1/4/18 Instagram Video were published more than a year
23 before U.S. Provisional Patent Application 62/792,202 and International
24 Application PCT/US19/13501 were filed on January 14, 2019. The ’334 patent
25 and the prosecution history for Application 16/373,170 represent that the
26 applicants did not disclose to the Patent Office the existence of the 1/2/18
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1 Instagram Video, the 1/3/18 Instagram Video, or the 1/4/18 Instagram Video in
2 connection with Application 16/373,170.

3 90. In his deposition in the *Kandypens* litigation, Counterdefendant's
4 Founder and CEO, Roger Volodarsky, testified:

5 Q What was the purpose of going to Pepcom 2018?

6 A We were trying to prepare press for the launch of the
7 Puffco Peak.

8 Q How did you prepare journalists for the launch of the
9 Puffco Peak?

10 A Just talked to them.

11 Q Talked to them about what?

12 A What the device is.

13 Q Did you get any interest?

14 A I believe we definitely had a few write-ups.

15 Q What write-ups do you recall?

16 A "Engadget" being one of them, just because I'm a fan of
17 the blog.

18 *Kandypens* Docket No. 128-2 at 53-54 (Volodarsky Depo. Tr. at 87:20-88:9).

19 91. The '334 patent and the prosecution history for Application
20 16/373,170 represent that the applicants disclosed two articles from Engadget
21 dated in March 2018 to the Patent Office in connection with Application
22 16/373,170.

23 92. On information and belief, on January 8, 2018, the website Engadget
24 published a video on Youtube titled "Puffco Peak hands-on at CES 2018" at
25 <https://www.youtube.com/watch?v=3ffpdwia_a8> (the "1/8/18 Engadget
26 Video"), which is incorporated by reference. The 1/8/18 Engadget Video features
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1 images of a device that is, on information and belief, one of the Pepcom
2 Prototypes. On information and belief, the video was created by Engadget.

3 93. In the *Kandypens* litigation, Dana Wollman, the Editor-in-Chief of
4 Engadget, submitted a declaration, which is incorporated by reference, testifying
5 that he had “personal knowledge” that the 1/8/18 Engadget Video was “made at or
6 near the time of [its] publication date,” and that it was “made as part of the regular
7 business practices of Verizon Media and are kept in the ordinary course of
8 business at the company.” *Kandypens* Docket No. 140-14.

9 94. In the *Kandypens* litigation, Counterdefendant did not dispute that its
10 Founder and CEO, Roger “Volodarsky witnessed the filming [of the 1/8/18
11 Engadget Video] and voiced no objection.” However, Counterdefendant
12 responded that “[a] witness who viewed the [1/8/18 Engadget] video and who has
13 personal knowledge of the operation of the Peak testified that in the video the
14 journalist only displayed the exterior of the prototype and did not turn the heating
15 element on or use it for its intended purpose.” *Kandypens* Docket No. 139-6 ¶ 46.

16 95. On information and belief, the 1/8/18 Engadget Video was published
17 more than a year before U.S. Provisional Patent Application 62/792,202 and
18 International Application PCT/US19/13501 were filed on January 14, 2019. The
19 ’334 patent and the prosecution history for Application 16/373,170 represent that
20 the applicants did not disclose to the Patent Office the existence of the 1/8/18
21 Engadget Video in connection with Application 16/373,170.

22 96. On information and belief, on January 8, 2018, the website Engadget
23 published an article titled “The Puffco Peak is the future of dabbing” at
24 <[https://www.engadget.com/2018-01-08-the-puffco-peak-is-the-future-of-](https://www.engadget.com/2018-01-08-the-puffco-peak-is-the-future-of-dabbing.html)
25 [dabbing.html](https://www.engadget.com/2018-01-08-the-puffco-peak-is-the-future-of-dabbing.html)> (the “1/8/18 Engadget Article”), which is incorporated by
26 reference. The 1/8/18 Engadget Article includes two photographs of a device that
27 is, on information and belief, one of the Pepcom Prototypes, which photographs
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1 are attributed to Engadget. The article notes, in part, “The Peak will be available
2 for pre-order beginning January 15th and will begin shipping in early February.”

3 97. On information and belief, the 1/8/18 Engadget Article was published
4 more than a year before U.S. Provisional Patent Application 62/792,202 and
5 International Application PCT/US19/13501 were filed on January 14, 2019. The
6 ’334 patent and the prosecution history for Application 16/373,170 represent that
7 the applicants did not disclose to the Patent Office the existence of the 1/8/18
8 Engadget Article in connection with Application 16/373,170.

9 98. In his deposition in the *Kandypens* litigation, Counterdefendant’s
10 Founder and CEO, Roger Volodarsky, testified:

11 Q Did you demonstrate the Peak at Pepcom 2018?

12 A I demonstrated a prototype of the Peak in 2018.

13 Q Okay. What do you mean -- how did you demonstrate it?

14 A I showed people what it was like, let them hold it.

15 Q That was all on the floor at Pepcom?

16 A That specifically was on the floor of Pepcom.

17 Q Okay. Were there demonstrations otherwise?

18 A Yes. We had invited a few people up to the hotel room to
19 actually try inhaling off the device.

20 Q Who did you invite up?

21 A I don't recall specifically.

22 Q Were these other Pepcom attendees?

23 A Yes.

24 Q Were they journalists?

25 A Yes, I believe so.

26 *Kandypens* Docket No. 128-2 at 60 (Volodarsky Depo. Tr. at 94:4-23).
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1 99. On information and belief, on January 11, 2018, the website Engadget
2 published an article titled “The challenge of showcasing weed tech at CES” at
3 <[https://www.engadget.com/2018-01-11-the-challenge-of-showcasing-weed-tech-](https://www.engadget.com/2018-01-11-the-challenge-of-showcasing-weed-tech-at-ces.html)
4 [at-ces.html](https://www.engadget.com/2018-01-11-the-challenge-of-showcasing-weed-tech-at-ces.html)> (the “1/11/18 Engadget Article”), which is incorporated by reference.
5 The 1/11/18 Engadget Article includes a photograph of a device that is, on
6 information and belief, one of the Pepcom Prototypes, which photograph is
7 attributed to Engadget.

8 100. In the *Kandypens* litigation, Dana Wollman, the Editor-in-Chief of
9 Engadget, submitted a declaration, which is incorporated by reference, testifying
10 that he had “personal knowledge” that the 1/11/18 Engadget Article was “made at
11 or near the time of [its] publication date,” and that it was “made as part of the
12 regular business practices of Verizon Media and are kept in the ordinary course of
13 business at the company.” *Kandypens* Docket No. 140-14.

14 101. The 1/11/18 Engadget Article notes, in part: “There was, as expected,
15 a thin scent of weed in Roger Volodarsky's 28th-floor Mirage hotel suite as the
16 Puffco CEO and founder demonstrated his latest product. It was 11:30 PM the
17 night before CES opened, and seven attendees gathered in the living room
18 overlooking the Vegas strip. A welcoming, tattooed man with a groomed beard
19 and shaved head, Volodarsky was showing off the Puffco Peak, a smart dabbing
20 rig for consuming cannabis concentrates that he'd presented at the Pepcom media
21 event just hours earlier. Away from the mainstream events around CES, he could
22 show how it truly works.” “For Puffco, the decision to come to Vegas was only
23 made four days in advance. ‘We thought, why not show this off at CES? It seems
24 like a place where maybe new eyes that have a respect for great design and strides
25 in industry, maybe they'll respect us there,’ said Volodarsky.” “The showcase
26 ended when Puffco's spokesman got hungry (‘He's done a few demos,’ Voladarsky
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28

1 said) and they headed out for pancakes. Before leaving, Volodarsky grabbed the
2 rig for one more hit.”

3 102. On information and belief, CES 2018 began on January 8, 2018.

4 103. On information and belief, the 1/11/18 Engadget Article was
5 published more than a year before U.S. Provisional Patent Application 62/792,202
6 and International Application PCT/US19/13501 were filed on January 14, 2019.
7 The '334 patent and the prosecution history for Application 16/373,170 represent
8 that the applicants did not disclose to the Patent Office the existence of the 1/11/18
9 Engadget Article in connection with Application 16/373,170.

10 **Puffco Withheld from the Patent Office Its Own Prior**
11 **Art “Puffco Plus” and Its Related Patent Applications,**
12 **Which Feature and Disclose a Vaporizer with an**
13 **“Atomizer That Is Removably Attachable”**

14 104. On information and belief, the Peak was not Counterdefendant’s first
15 vaporizer product. On information and belief, Counterdefendant sold other
16 vaporizers more than a year before U.S. Provisional Patent Application 62/792,202
17 and International Application PCT/US19/13501 were filed on January 14, 2019.

18 105. A page on Counterdefendant’s website,
19 <<https://www.puffco.com/blogs/news/this-is-not-a-vape-pen>>, represents that “In
20 2016, Puffco launched the Plus, the world’s first pocket rig.”

21 106. On information and belief, the Puffco Plus product was sold with a
22 “removably attachable” “product chamber,” and “product chambers” were also sold
23 separately, more than a year before U.S. Provisional Patent Application 62/792,202
24 and International Application PCT/US19/13501 were filed on January 14, 2019.

25 107. On information and belief, Counterdefendant filed patent applications
26 for its Plus product or features thereof, including U.S. Provisional Patent
27 Application No. 62/322,189, on April 13, 2016, and U.S. Patent Application No.
28 15/487,145, on April 13, 2017. U.S. Published Patent Application No.

1 2017/0295845 A1 represents on its face that it is the published version of U.S.
2 Patent Application No. 15/487,145, and that it was published on October 19, 2017.
3 U.S. Provisional Patent Application No. 62/322,189, U.S. Patent Application No.
4 15/487,145, and U.S. Published Patent Application No. 2017/0295845 A1 are
5 incorporated by reference.

6 108. U.S. Provisional Patent Application No. 62/322,189, U.S. Patent
7 Application No. 15/487,145, and U.S. Published Patent Application No.
8 2017/0295845 A1, were all published more than a year before U.S. Provisional
9 Patent Application 62/792,202 and International Application PCT/US19/13501 were
10 filed on January 14, 2019.

11 109. U.S. Provisional Patent Application No. 62/322,189, U.S. Patent
12 Application No. 15/487,145, and U.S. Published Patent Application No.
13 2017/0295845 A1 all disclose on their face that “One end of the product chamber
14 may be mechanically attachable to one end of the first housing and battery
15 component. The product chamber may be attached to the first housing and battery
16 component by screw threads on the battery component, which may be mated to
17 screw threads on the atomizer component.”

18 **FIRST COUNTERCLAIM:**

19 **DECLARATORY JUDGMENT OF INVALIDITY**

20 110. Counterclaimants incorporate by reference their responses and
21 averments contained in the preceding Paragraphs.

22 111. An actual case or controversy exists between Counterclaimants and
23 Counterdefendant as to whether the claims of the '334 patent are valid.

24 112. The claims of the '334 patent are invalid pursuant to one or more
25 provisions of Part II of Title 35, U.S. Code, including but not limited to 35 U.S.C.
26 §§ 101, 102, 103, and/or 112.

27 113. By way of nonlimiting example, the claims of the '334 patent are
28 invalid under 35 U.S.C. § 102, at least because Counterdefendant publicly used

1 and/or commercially exploited the claimed invention more than a year before the
2 effective filing date of the '334 patent.

3 114. A judicial declaration is necessary and appropriate so that
4 Counterclaimants may ascertain their rights regarding the '334 patent.

5 **SECOND COUNTERCLAIM:**
6 **DECLARATORY JUDGMENT OF**
7 **NONINFRINGEMENT**

8 115. Counterclaimants incorporate by reference their responses and
9 averments contained in the preceding Paragraphs.

10 116. An actual case or controversy exists between Counterclaimants and
11 Counterdefendant as to whether Counterclaimants infringe any valid claim of the
12 '334 patent.

13 117. Counterclaimants do not infringe and have not infringed any valid
14 claim of the '334 patent.

15 118. A judicial declaration is necessary and appropriate so that
16 Counterclaimants may ascertain their rights regarding the '334 patent.

17
18 **REQUEST FOR RELIEF**

19 WHEREFORE, Defendants and Counterclaimants respectfully request that
20 this Court enter judgement and order the following relief:

21 A. That the Complaint be dismissed, with prejudice and in its entirety;

22 B. That Plaintiff and Counterdefendant take nothing by reason of its
23 Complaint, and that judgment be entered against Plaintiff and Counterdefendant and
24 in favor of Defendants and Counterclaimants;

25 C. That Defendants and Counterclaimants be awarded their attorneys'
26 fees, costs, and other expenses incurred in connection with this action, including by
27 determining this to be an exceptional case pursuant to 35 U.S.C. § 285; and
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