

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

<p>In the Matter of:</p> <p>Dual Access Locks and Products Containing Same</p>	<p>Investigation No. 333-TA-_____</p>
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**COMPLAINT UNDER SECTION 337
OF THE TARIFF ACT OF 1930, AS AMENDED**

COMPLAINANTS:

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(347) 200-9259

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RESPONDENTS:

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Diplomat
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Hangzhou Gema Suitcases & Bags Co. Ltd.
M16-1-5 Hangshou Economic and
Technologic Development Zone, Hangzhou,
Zhejiang, China

La Pearl Luggage and
Leather Goods Co., Ltd.
No. 441, Xihuan Rd, Jiangmen Guangdong
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Hinomoto Jomae, Ltd.
1-19-19 Nishigahara, Kita-ku, Tokyo
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Sinox Company, Ltd.
3F, No. 2, Lane 93, Chien-1 Road
Chung-Ho City, Taipei Hsien, 235,
Taiwan

Yi Feng Manufacturing, Co., Ltd.
Zhangyang Zone, Shangmutou Town,
Dongguan City, China 523637

Jin Tay industries Co., Ltd.
486 Section 3, Ming Chih Rd.,
Taishan Hsiang, Taipei Hsien,
Taiwan

FULLYEAR-Brother Enterprise, Co., Ltd.
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Zhuhai SkyGood Tech. Industrial Corp., Ltd.
4/F., 3Rd. Building, 30 Nanwan Road (north)
Nanping, Zhuhai, Guangdong, China

Ningbo Xianfeng Art & Craft Co., Ltd.
Room B-303, Zhongshanyinzuo,
No. 579, Zhongshan East Road, Ningbo,
China

Paloma Enterprises Co., Ltd.
3F, No. 1320, Chung-Cheng Road
Taoyun City, Taiwan

Tekraft Industrial Co., Ltd.
Room 5E10, No. 5 Hsin Yi Road,
Sec. 5, Taipei, Taiwan

Hangzhou Travelsky Co., Ltd.
1-6-G Guodu Development Building,
182 Zhaohui Road,
Hangshou, P.R. China

The Sun Lock Company Ltd.
Room 5, Block C, 16/F, Hang Wai
Industrial Center, 6 Kin Tai Street,
Tuen Mun, New Territories, Hong Kong

Alloy Metal Manufactory, Ltd.
Flat H, 3/F, On Ho Industrial Bldg.
17-19 Shing Wan Road, Tai Wai, Shatin,
New Territories, Hong Kong

Cometform, Ltd.
Unit 24 Irving Way, Garrick Industrial
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Design Go Ltd.
Unit 1, Mill Hill Industrial Estate,
Flower Lane, London NW7 2HU
England

Franzen International
S. Franzen Sohne GmbH, Fuerbachstrabe 8,
D-42719 Solingen, Germany

M-Power Lock Manufactory
Unit 2702. Modern Warehouse,
6 Shing Yip Street, Kwun Tong, Kowloon
Hong Kong

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1. U.S. Patent No. 7,021,537
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9. La Pearl- Sales and Marketing Material
10. Hinomoto- Sales and Marketing Material
11. Sinox- Sales and Marketing Material
12. Yi Feng- Sales and Marketing Material
13. Jin Tay- Sales and Marketing Material
14. Fullyear- Sales and Marketing Material
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16. Ningbo- Sales and Marketing Material
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21. Alloy- Sales and Marketing Material
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27. Declaration of David Tropp (Importation)
28. Declaration of David Tropp (Industry) **CONFIDENTIAL**

I. INTRODUCTION

1. David Tropp (hereinafter “Tropp”) and Safe Skies, LLC (hereinafter “Safe Skies”) file this Complaint pursuant to Section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337, based on the importation into the United States, sale for importation, and/or sale after importation of certain locks, luggage and baggage containing dual access locks that are intentionally and willfully designed to be used, and are used, in such a manner as to infringe certain methods of improving airline luggage inspection that are covered by U.S. Patent No.: 7,021,537 (hereinafter the “ ‘537 patent”), and U.S. Patent No.: 7,036,728 (hereinafter the “ ‘728 patent”) which are both entitled “Method of Improving Airline Luggage Inspection.” Certified copies of the ‘537 patent and ‘728 patent accompany this Complaint as Exhibits 1 and 2. The ‘537 patent and the ‘728 patents are owned by Tropp.

2. Due to the threat of terrorism and other safety reasons, in the weeks prior to January 1, 2003, the Transportation Security Administration (hereinafter “TSA”), a division of the United States Department of Homeland Security, announced that if a TSA luggage screener at a United States airport is unable to open a traveler’s luggage for inspection because it is locked, the screener may clip or break open the luggage lock. While this plainly is intended to promote safety, it results in travelers’ luggage being rendered “unlockable” after the inspection process.

3. Recognizing the limitation of the above inspection process, in late 2002, Tropp developed an innovative system for making airline luggage inspection secure while accommodating the needs of the traveler. The system involves making a special dual access lock (hereinafter “TSA Lock”) available to airline travelers that can be opened by both the luggage

owner and the TSA, as more particularly described and claimed in the '537 patent and the '728 patent (hereinafter collectively, "the patents-in-suit").

4. Tropp subsequently applied for, and was granted, patents protecting his novel idea. In particular, on April 4, 2006, the United States Patent & Trademark Office (hereinafter "PTO") duly and properly issued to Tropp the '537 patent, entitled "Method of Improving Airline Luggage Inspection." On May 2, 2006, the PTO duly and properly issued to Tropp the second patent-in-suit, the '728 patent, also entitled "Method of Improving Airline Luggage Inspection." Through his company, Tropp makes his patented system available to the public.

5. Tropp's patented system provides a solution to the airline traveler's problem of clipped locks resulting from the TSA's policy of clipping locks on luggage, if necessary, for inspection. In particular, it provides for making available to consumers TSA Locks that have an identification structure of matches an identification structure previously provided to the luggage screening entity and a *distinctive marking* on them, e.g. an identifying logo, that conveys to TSA luggage screeners that the locks are special locks that the luggage screening entity has agreed to process in accordance with a special procedure and thus can be opened using a master key previously provided to them. It further provides for marketing the TSA Locks to consumers in a manner that conveys to them that the TSA luggage screeners will subject those locks to a special procedure, whereby the TSA Locks will be opened, when necessary during screening, instead of being clipped. Consumers can, as a result, feel confident once again that the contents of their luggage will be protected, and the TSA can enjoy the public relations benefits and reduced liability of providing an alternative to its lock-clipping policy, while eliminating the danger of, and potential security issues related to, possible tampering with luggage that has had its lock

clipped. The specific features of Tropp's invention are set forth in the claims of the patents-in-suit.

6. Respondents manufacture for importation and sale in the United States, import into the United States, and/or sell after importation into the United States locks, and luggage and baggage containing such locks, that are especially adapted and designed to be used and are used in such a manner as to infringe the patents-in-suit. Respondents make and sell such locks, and luggage and baggage containing the subject locks, under license from a company called Travel Sentry, Inc. (hereinafter "Travel Sentry"), a Florida corporation with its principal place of business in Durham, New Hampshire. Travel Sentry's business includes the marketing and licensing of its travel lock system for luggage. That system uses a dual access lock that can be opened by the luggage owner and by TSA baggage screeners. Travel Sentry's travel lock system matches, corresponds with, or is *identical* in all material respects to the TSA Lock developed and patented by Tropp and infringes the patents-in-suit.

II. COMPLAINANTS

7. David Tropp of Brooklyn, New York, is the inventor and owner of the patents-in-suit. Tropp is the President and principal owner of Safe Skies.

8. Safe Skies, LLC is organized under the laws of the State of New York with its principal place of business at 165 Norfolk Street, Brooklyn, NY. Safe Skies manufactures, licenses for sale, and sells TSA Locks, and luggage and baggage containing such locks, which are respectively designed to be used in connection with the method covered by the claims of the patents-in-suit. *See* Exhibit 3.

III. PROPOSED RESPONDENTS

9. C&C Luggage Manufacturing Co., Ltd. (hereinafter "Crown") is a Chinese corporation with its principal place of business at No.1, Crown Road, The Second Ind. Park, Sanxiang, Zhongshan, Guangdong, China, Postal Code 528463 which manufactures and sells luggage, which includes the subject locks.

10. Diplomat is a Chinese corporation with its principal place of business at Room 1102, 11th Floor, 328 Sung Chiang Road, Taipei, Taiwan, 104 which manufactures and sells luggage, which includes the subject locks..

11. Hangzhou Gema Suitcases & Bags Co. Ltd. (hereinafter "Gema") is a Chinese corporation with its principal place of business at M16-1-5 Hangzhou Economic and Technologic Development Zone, Hangzhou, Zhejiang, China, which manufactures and sells luggage, which includes the subject locks..

12. La Pearl Luggage and Leather Goods Co., Ltd. (hereinafter "La Pearl") is a Chinese corporation with its principal place of business at No. 441, Xihuan Rd, Jiangmen Guangdong, 529000 P.R. China, which manufactures and sells luggage, which includes the subject locks..

13. Hinomoto Jomae, Ltd. (hereinafter "Hinomoto") is a Japanese corporation with its principal place of business at 1-19-19 Nishigahara, Kita-ku, Tokyo, Japan, which manufactures and sells both locks and luggage.

14. Sinox Company, Ltd. (hereinafter "Sinox") is a corporation from Taiwan with its principal place of business at 3F, No. 2, Lane 93, Chien-1 Road, Chung-Ho City, Taipei Hsien, 235, Taiwan, which manufactures and sells locks.

15. Yi Feng Manufacturing Co., Ltd. (hereinafter “Yi Feng”) is a Chinese corporation with its principal place of business at Zhangyang Zone, Zhangmutou Town, Dongguan City, China 523637 which manufactures and sells locks.

16. Jin Tay Industries Co., Ltd. (hereinafter “Jin Tay”) is a corporation from Taiwan with its principal place of business at 486 Section 3, Ming Chih Rd, Taishan Hsiang, Taipei Hsien, Taiwan, R.O.C. which manufactures locks.

17. FULLYEAR-Brother Enterprise Co., Ltd. (hereinafter “Fullyear”) is a corporation from Taiwan with its principal place of business at 41-21, Guan Tso Street, Fu Shing, Changhwa Taiwan, 506 which manufactures and sells locks.

18. Zhuhai SkyGood Tech. Industrial Corp, Ltd. (hereinafter “Sky Good”) is a Chinese corporation with its principal place of business at 4/F., 3Rd. Building, 30 Nanwan Road (north), Nanping, Zhuhai, Guangdong, China, which manufactures and sells locks.

19. Ningbo Xianfeng Art & Craft Co., Ltd. (hereinafter “Ningbo”) is a Chinese corporation with its principal place of business at Room B-303, Zhongshanyinzu, No. 579, Zhongshan East Road, Ningbo, China, which manufactures and sells locks.

20. Paloma Enterprises Co., Ltd. (hereinafter “Paloma”) is a corporation from Taiwan with its principal place of business at 3F, No 1320, Chung-Cheng Road, Taoyun City, Taiwan, which manufactures and sells luggage, which includes the subject locks.

21. Tekraft Industrial Co., Ltd. (hereinafter “Tekraft”) is a corporation from Taiwan with its principal place of business at Room 5E10, No. 5 Hsin Yi Road, Sec. 5, Taipei, Taiwan, which manufactures and sells locks.

22. Hangzhou Travelsky Co., Ltd. (hereinafter “Travelsky”) is a Chinese corporation with its principal place of business at 1-6-G Guodu Development Building, 182 Zhaohui Road, Hangzhou, P.R. China, which manufactures and sells locks.

23. The Sun Lock Company Ltd. (hereinafter “Sun Lock”) is a corporation from Hong Kong with its principal place of business at Room 5, Block C, 16/F, Hang Wai Industrial Center, 6 Kin Tai Street, Tuen Mun, New Territories, Hong Kong, which manufactures and sells locks.

24. Alloy Metal Manufactory Ltd. (hereinafter “Alloy”) is a corporation from Hong Kong with its principal place of business at Flat H, 3/F, On Ho Industrial Bldg., 17-19 Shing Wan Road, Tai Wai, Shatin, New Territories, Hong Kong, which manufactures and sells locks.

25. Cometform, Ltd. (hereinafter “Cometform”) is an English corporation with its principal place of business at Unit 24 Irving Way, Garrick Industrial Estate, Hendon, London NW9 6AQ, which manufactures and sells locks to duty free stores.

26. Design Go Ltd. (hereinafter “Design Go”) is an English corporation with its principal place of business at Unit 1, Mill Hill Industrial Estate, Flower Lane, London, NW7. 2HU, which manufactures and sells locks to the U.S. cruise ship market.

27. Franzen International (hereinafter “Franzen”) is a German corporation with its principal place of business at S. Franzen Söhne GmbH, Fuerbachstraße 8, D-42719 Solingen, Germany, which sells locks to luggage original equipment manufacturers (“OEMS”) for inclusion in luggage to be imported into the United States...

28. M-Power Lock Manufactory (hereinafter “M-Power”) is a corporation from Hong Kong with its principal place of business at Unit 2702, Modern Warehouse, 6 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong, which manufactures and sells locks.

IV. '537 PATENT

A. Identification of the Patent-in-Suit and Ownership by Tropp

29. The '537 patent is entitled "Method of Improving Airline Luggage Inspection" and was issued on April 4, 2006, to the inventor, David Tropp. *See* Exhibit 1.

30. Tropp owns all right, title, and interest in the '537 patent.

31. Pursuant to Rule 210.12(c), this Complaint is accompanied by one certified copy and three additional copies of the prosecution history of the '537 patent; and four copies of the '537 patent and the applicable pages of each technical reference mentioned in the prosecution history.

32. The '537 patent is licensed to Safe Skies Australia, Bronte, NSW, Australia.

B. Background of the Invention

33. As noted *supra*, due to the threat of terrorism and other safety reasons, in the weeks prior to January 1, 2003, the TSA implemented an inspection procedure providing that if a TSA luggage screener at a United States airport is unable to open a traveler's luggage for inspection because it is locked, the screener may clip or break open the luggage lock. While this plainly is intended to promote safety, it results in a traveler's luggage being rendered "unlockable" after the inspection process.

34. Recognizing the limitation of the above inspection process, in late 2002, Tropp developed an innovative system for making airline luggage inspection secure while accommodating the needs of the traveler. The system involves making a special dual access lock, the TSA Lock, available to airline travelers that can be opened by both the luggage owner and the TSA or other approved luggage screening authority.

C. Non-Technical Description of the Invention

35. With the invention of the '537 patent, an airline passenger can lock their luggage and have the luggage inspected, if necessary, without the need to have the TSA Lock clipped or broken. Likewise, the TSA or luggage screening authority can inspect locked baggage without the need to clip or break open the TSA Lock, which ordinarily would result in the lock being rendered "unlockable" or damaged after the inspection process.

36. In the prior art, an airline traveler had to make the choice of either leaving their luggage unlocked and thus exposing their belongings to theft or tampering or locking their luggage and risking that TSA or the authorized screening authority would clip or break open the lock causing monetary damage and frustration to the luggage owner and exposing the luggage to theft or tampering for the remainder of the trip.

37. The '537 patent overcame these obstacles by making dual access TSA Locks available to airline travelers having a combination lock portion that can be opened by the luggage owner with a combination, and a master lock portion that can be opened by the TSA or authorized screening authority with a master key. This special TSA Lock is to be used in Complainants' process especially adapted and designed to be applied to an individual piece of airline luggage or embedded in the airline luggage. The TSA Lock bears certain indicia or identification structure conveying to the luggage purchasers or consumers that the TSA Lock is approved by the TSA or luggage or baggage screening authority and that it is a lock that the TSA or the appropriate luggage screening authority has agreed not to break and will be subjected by the luggage or baggage screening entity to the special procedure.

38. Further, the indicia conveys to the luggage screening authority or entity that the TSA Lock is subject to the special procedure and can be opened by using a master key. The TSA or applicable luggage screening authority or entity are provided with exclusive access to a

master key so that they can act pursuant to the prior agreement to , if necessary, open the individual piece of luggage or baggage to conduct an inspection of airline luggage or carrier baggage.

V. '728 PATENT

A. Identification of the Patent-in-Suit and Ownership by Tropp

39. The '728 patent is entitled "Method of Improving Airline Luggage Inspection" and was issued on May 2, 2006, to the inventor, David Tropp. *See* Exhibit 2.

40. Tropp owns all right, title, and interest in the '728 patent.

41. Pursuant to Rule 210.12(c), this Complaint is accompanied by one certified copy and three additional copies of the prosecution history of the '728 patent; and four copies of the '728 patent and the applicable pages of each technical reference mentioned in the prosecution history.

42. The '728 patent is licensed to Safe Skies Australia, Bronte, NSW, Australia.

B. Background of the Invention

43. The non-technical background of the invention is the same as set forth on paragraphs 33 and 34, *supra*, which are incorporated by reference as if fully set forth herein.

C. Non-Technical Description of the Invention

44. The description of the invention is the same as set forth in paragraphs 35-38, *supra*, which are incorporated by reference as if fully set forth herein.

VI. RESPONDENTS' UNFAIR ACTS

45. Respondents infringe, induce infringement and contribute to the infringement of claims 1-21 of the '537 patent and claims 1-20 of the '728 patent. On information and belief, Respondents have knowledge and are aware of the patents-in-suit and Complainants' allegations

of infringement. Travel Sentry is certainly aware; it brought suit against David Tropp for declaratory judgment of the invalidity of the patents-in-suit, see paragraph 100 *infra*, and all of the Respondents are licensees of Travel Sentry. Travel Sentry performs or causes to be performed every step of the patented methods as required for finding of direct patent infringement.

46. Use of Respondents products' is covered by claims 1- 21 of the '537 patent, and 1-20 of the '728 patent.

47. All of Respondents' locks are essentially identical. They are all dual entry locks with the Travel Sentry logo to identify them as TSA approved. They are all intended to be used primarily, if not solely, in a manner that infringes the methods of the claims in the patents-in-suit.

48. A claim chart setting forth claims 1, 9, 14 and 18 of the '537 patent for an exemplary Respondent's product is attached as Exhibit 4.

49. A claim chart setting forth claims 1 and 10 of the '728 patent for an exemplary Respondent's product is attached as Exhibit 5.

50. All of the Respondents make the locks, and/or the baggage or luggage that incorporate locks for importation and sale in the United States and which are especially made or especially adapted for us in Complainants' process. The consumer buys these locks and/or baggage or luggage containing the locks for the purpose of using them to go through luggage and baggage security systems, primarily the TSA security system at U.S. airports. Therefore, Respondents are infringing, inducing infringement and contributing to the infringement of the claims of the patents-in-suit.

51. The locks and/or baggage or luggage containing the locks are especially made or especially adapted for use in Complainants' process and purchased by the consumers primarily, if not solely, for use under the methods covered by the claims of the patents-in-suit.

52. The importation, sale, and promotion of the accused locks, and luggage and baggage containing such locks, actively induces infringement, and contributes to the infringement of the patent claims, at issue by third parties.

VII. SPECIFIC INSTANCES OF UNFAIR IMPORTATION AND SALE

53. All the Respondents make TSA locks or baggage or luggage incorporating TSA locks under license with Travel Sentry specifically for the U.S. market. The locks are readily identified by the red diamond identification structure on them which indicates to the TSA at the security screening areas in the airports that the lock is a TSA Lock that they can access pursuant to the prior agreement and that it can be opened for inspection by a dual lock master key. A copy of Travel Sentry's licensees is attached. *See* Exhibit 26.

54. The TSA locks are imported into the United States primarily in three manners: 1) standalone locks which then go to luggage manufacturers for inclusion in their luggage or to wholesalers and retailers who sell direct to consumers; 2) a standalone lock which is included within luggage imported into the United States for use on that luggage and 3) a lock which is built into, incorporated within the luggage itself.

55. The TSA screens every passenger's checked baggage before it is placed on an airplane. The TSA screens about 1.5 million checked bags each day in U.S. airports. After initial

screening, the TSA determines to open and inspect a certain percentage of those bags. Exhibit 27, Declaration of David Tropp – Importation, ¶3.

56. In January 2003, TSA put into practice a new policy of screening each and every checked bag placed on an airplane. If a piece of checked baggage needs to be inspected by a TSA security officer, TSA security officers are authorized to forcibly enter the luggage (i.e. clip any luggage lock on that piece of luggage and/or break open the suitcase if necessary). This creates the problem of being able to inspect the bags without damaging or destroying them while still allowing passengers to lock their bags for safety and security. *Id.*, ¶4.

57. New airport security friendly luggage locks solve this problem. Safe Skies and Travel Sentry luggage locks are officially recognized and accepted by the TSA and by Her Majesty's Revenue and Customs (HMRC) in the United Kingdom. These special luggage locks enable airport security officers to open luggage for physical inspection when required, without the need to cut off or break open locks. This means that passenger luggage can be left securely locked for the entire trip and not delayed or damaged for security inspection. *Id.*, ¶5.

58. The TSA has issued an Air Travel Assistant which clearly identifies TSA-recognized locks showing the identification signals of both Safe Skies and Travel Sentry. The TSA notice specifically states that "TSA has worked with several companies to develop locks that can be opened by security officers using universal 'master' keys so that the locks may not have to be cut. These locks are available at airports and travel stores nationwide. The packaging on the locks indicates whether they can be opened by TSA." *Id.*, ¶6 and Exhibit A-1.

59. As is shown by the TSA Travel Assistant, the TSA locks are identified by either Safe Skies' recognizable red liberty torch and flame or Travel Sentry's red diamond. The only reason that these registered trademarks are put on a lock is to identify them as TSA locks. Safe

Skies and Travel Sentry are the only two companies who have a memorandum of understanding (MOU) with the TSA regarding these locks. *Id.*, ¶7 and Exhibits A-2 and A-3.

60. Travel Sentry markets its locks through a licensing program whereby it licenses lock manufacturers and luggage and baggage manufacturers to use its trademarked red diamond so as to qualify under the TSA lock program. One's locks do not qualify under the program unless they have either Safe Skies' or Travel Sentry's identification mark on them, regardless of the locks' construction. One would not pay the rather significant license fees if one were not going to sell the locks into the United States market. The United States comprises over ninety-five percent (95%) of the world market for TSA locks; therefore, if one sees the Travel Sentry red diamond on a lock, it is almost a certainty that that lock is being exported to and imported into the United States. *Id.*, ¶8.

61. Crown manufactures luggage that includes the subject locks in China for sale in the United States. Crown makes luggage for the top luggage companies in the United States including Macy's, Bloomingdales, HSN and Sam's Club. Crown manufactures primarily for the high-end of the U.S. luggage market. Much of the luggage that Crown manufactures for sale in the United States includes TSA Locks. *See* Exhibit 6; Exhibit 31-B, ¶1.

62. Diplomat manufactures luggage that includes subject locks in China for sale in the United States. It sells luggage to Heys Luggage among other companies. Diplomat primarily is a supplier to the second tier of U.S. luggage manufacturers. Much of the luggage that Diplomat manufactures for sale in the United States includes TSA Locks. *See* Exhibit 7; Exhibit 31-B, ¶2.

63. Gema manufactures luggage that includes subject locks in China for sale in the United States. Much of the luggage that Gema sells in the United States includes TSA Locks. *See* Exhibit 8; Exhibit 31-B, ¶3, C-33.

64. La Pearl manufactures luggage that includes subject locks in China for sale in the United States. Much of the luggage that La Pearl sells includes TSA Locks. *See* Exhibit 9; Exhibit 31-B, ¶4.

65. Hinomoto manufactures TSA Locks in Japan, which it then sells to luggage OEMS for inclusion in luggage to be imported into the United States. *See* Exhibit 10; Exhibit 31-B, ¶5.

66. Sinox manufactures TSA Locks in Taiwan. Sinox is the largest lock manufacturer in the world and the largest TSA Lock manufacturer in the world. Sinox manufactures TSA Locks for sale in the United States. Sinox sells to, among other companies, Walgreens, Leeds, Hudson News, Innovation Luggage, Travelsmith,, BJ's, Target, Walmart, Rite-Aid, CVS, Home Depot, Lowes, Bed Bath and Beyond, HMS Host and other major luggage and mass retailing companies. Sinox TSA Locks were seized by U.S. Customs and Border Protection (hereinafter "CBP") for infringing Complainants' copyrights on or about November 27, 2007. The importer was Travelpro International, Boca Raton, Fl. *See* Exhibit 11; Exhibit 31-B, ¶6, C-1, C-5, C-7, C-11, C-15, C-16, C-17, C-18, C-19, C-22, C-23, C-25, C-26, C-27.

67. Yi Feng manufactures TSA Locks in China for sale in the United States. Yi Feng produces primarily for the second tier of the U.S. market. Yi Feng sells to Walgreen's, Calloway Golf, and Target, among other companies,. TSA Locks manufactured by Yi Feng are also sold a Macy's, Bloomingdales and Golf Smith, among other companies. *See* Exhibit 12; Exhibit 31-B, ¶7, C-43, C-44, C-45, C-46, C-47, C-48, C-49.

68. Jin Tay Industries manufactures TSA Locks in Taiwan for sale in the United States. *See* Exhibit 13; Exhibit 31-B, ¶8.

69. Fullyear manufactures TSA Locks in Taiwan for sale in the United States. Fullyear sells to Travelsmith, ABC Stores, Walgreens, LL Bean, Golfsmith, Cabelas, Paradies Stores, AAA Travel Center, HMS Host and Target, among other companies. *See* Exhibit 14; Exhibit 31-B, ¶9, C-9, C-13, C-24, C-36, C-37, C-38, C-39, C-40, C-41, C-42.

70. Sky Good manufactures TSA Locks in China for sale in the United States. *See* Exhibit 15; Exhibit 31-B, ¶10.

71. Ningbo manufactures TSA Locks in China for sale in the United States. Ningbo sells to CVS, Target, Ace Hardware, Hampton Products and Walmart, among other companies. *See* Exhibit 16; Exhibit 31-B, ¶11, C-12, C-21, C-28, C-29, C-30, C-31, C-32, C-34, C-35.

72. Paloma manufactures luggage in Taiwan, which includes TSA Locks for sale in the United States. *See* Exhibit 17; Exhibit 31-B, ¶12.

73. Tekraft manufactures TSA Locks in Taiwan for sale in the United States. Tekraft manufactures an integrated lock for inclusion in luggage, which luggage is then sold in the United States. *See* Exhibit 18; Exhibit 31-B, ¶13.

74. Travelsky manufactures TSA Locks in China for sale in the United States. *See* Exhibit 19; Exhibit 31-B, ¶14, C-4.

75. Sun Lock manufactures TSA Locks in Hong Kong for sale in the United States. Sun Lock sells to Duane Reade, Target and True Value, among other companies. *See* Exhibit 20; *Id.* Exhibit B, ¶15, C-2, C-3, C-6, C-8, C-10, C-14, C-20.

76. Alloy manufactures TSA Locks in Hong Kong for sale in the United States. *See* Exhibit 21; Exhibit 31-B, ¶16.

77. Cometform manufactures TSA Locks in England for sale in the United States. Cometform sells primarily to the duty-free market in the United States. *See* Exhibit 22; Exhibit 31-B, ¶17.

78. Design Go manufactures TSA Locks in England for sale in the United States. Design Go sells primary to the luxury cruise market in the United States. *See* Exhibit 23; Exhibit 31-B, ¶18.

79. Franzen manufactures TSA Locks in Germany for sale in the United States, which it then sells to luggage OEMS for inclusion in luggage to be imported into the United States. *See* Exhibit 24; Exhibit 31-B, ¶19.

80. M-Power manufactures locks in Hong Kong for sale in the United States. Much of the locks that M-Power manufactures for sale in the United States includes TSA Locks. M-Power sells to Wal-Mart, JC Penny, K-Mart and Macy's among other companies. *See* Exhibit 25; Exhibit 31-B, ¶20, C-50, C-51, C-52, C-53.

81. All of the TSA Locks identifiable by the "telltale" red triangle identification structure made by Respondents have an identifiable TSA Lock indicia imprinted on the bottom of the lock. This number is to indicate that the special lock will be subjected by the luggage or baggage screening entity to a special procedure and to identify to TSA officials which master key they must to use to open the lock. Currently, there are seven master keys for Respondents' locks. Safe Skies, by contrast, has only one master key and in this regard its lock system is superior. The seven different master keys for Respondents locks are identified by the number system TSA001, TSA002, etc. up to TSA007. The seven master keys were necessitated by the differing specifications of the various Respondents and the U.S. customers, which prevented Respondents from using a single master key solution. These master key identification numbers

are on the locks purely for the purpose of identifying the master key lock to TSA officials in the United States. Examples of the number associated with each Respondent's lock are: Ningo – TSA001; Sinox – TSA002; Fullyear – TSA003; CCL Security Products – TSA004; Shared key among several manufacturers – TSA006; Sun Lock – TSA005; Yi Feng – TSA007, among several manufacturers.

82. Complainants have purchased a number of TSA locks manufactured by respondents at various retail outlets in the United States, or have had them sent to Complainants by the lock manufacturer for purchase in the United States. These locks are shown in Exhibit 30, Declaration of David Tropp – Importation, ¶10 and Exhibits C-1 through C-53. Complainants have in their custody these locks and will make them available upon request.

83. All of Respondents' TSA Locks, including standalone locks, locks included in luggage, and locks incorporated in luggage, are manufactured for one purpose and one purpose only, importation and sale into the United States for the purpose and use of infringing the patents-in-suit.

VIII. CLASSIFICATION OF INFRINGING PRODUCTS UNDER THE HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES

84. Upon information and belief, Respondents' products, including standalone locks, locks included in luggage and, locks incorporated into luggage may be classified under subheadings 8301.40.3000, 8301.40.60 and 4202.11.00 through 4202.99.9000 of the Harmonized Tariff Schedule of the United States.

IX. THE DOMESTIC INDUSTRY

85. Pursuant to Section 337(a)(2), Complainants are an industry in the United States relating to the articles used in the methods protected by the patents-in-suit, or are an industry in the process of being established.

86. Pursuant to Section 337(a)(3), Complainants are an industry in the United States with respect to the methods protected by the patents-in-suit because of (A) significant investment in plant and equipment; (B) significant employment of labor or capital; or (C) substantial investment in its exploitation, including engineering, research and development, or licensing.

87. All design, engineering, testing, research and development on the TSA Locks used pursuant to the methods claimed in the patents-in-suit are performed by Complainants in the United States. These activities are performed at Complainants' offices and warehouse in Brooklyn, New York. Complainants also have a second distribution warehouse of approximately 15,000 square feet located in Rahway, New Jersey. Safe Skies has significant investment in plant and equipment at these facilities and has made substantial investment in the research, design and development of the TSA Locks, and the methods for their use, covered by the claims of the patents-in-suit. *See* Exhibit 27, Declaration of David Tropp - Industry, ¶4.

88. Complainants have on retainer thirteen expert consultants who are used for continual improvements of the TSA Locks used in, and the methods claimed in, the patents-in-suit. Complainants have currently twenty-three employees in the United States. *Id.*, ¶3.

89. All distribution of catalogs, samples, sales brochures, advertising in trade publications, U.S. trade show attendance, website and internet marketing, and sales of the TSA Locks are performed at Complainants' Brooklyn facility. *Id.*, ¶5.

90. Likewise, all repackaging, applying of bar codes, graphic designs, customer service requirements and warranty work are performed at the Brooklyn facility. Two employees work entirely on warranty repairs.

91. Complainants “price ticket” (apply retail price sticker) for certain customers, do all shipping, paperwork, bills of lading, preset the combination for retail customers and screen engrave specialty logos on the TSA Locks at their Brooklyn facility.

92. Complainants have over 120 models of TSA Locks. All were researched and developed, and designed in the United States.

93. Complainants conduct an active worldwide licensing campaign from the Brooklyn facility. A license has been entered into for use of the methods claimed by the patents-in-suit by a company in Australia.

94. Complainants are currently in the process of establishing domestic manufacture of the TSA Locks in the United States which are used pursuant to the methods covered by the patents-in-suit. Currently, the locks are manufactured in China. The TSA Locks are to be manufactured by KRE Management Group at its facilities in Sterling, Illinois. Production is projected to commence in March 2010. Initial capacity is to be 30,000 TSA locks, expanding to a capacity of 150,000 TSA locks by 2012. *Id.*, ¶6.

95. The master keys utilized in practicing the methods covered by the patents-in-suit are used by over 50,000 TSA Transportation Security Officers at more than 400 airports.

X. ESTABLISHMENT OF A DOMESTIC INDUSTRY

96. Complainants hereby incorporate paragraphs 84-95 of this complaint as if fully set forth herein.

97. An industry in the United States is in the process of being established pursuant to Section 337(a)(2). Complainants are establishing the manufacturing capability in the United States of the TSA Locks used pursuant to the methods covered by the patents-in-suit, and expanding their international licensing program. This will significantly increase Complainants investment in plant and equipment and employment of labor and capital. It will also substantially increase investment in the exploitation of the patents-in-suit. *Id.*, ¶6

98. Complainants' efforts to establish manufacturing in the United States, and to expand the international licensing program, have been severely hindered by Respondents' unfair acts and unfair methods of competition. Respondents' unfair acts and unfair methods of competition have also depressed Complainants' sales which have hindered the expansion of employment of labor and capital in the United States.

99. Respondents' TSA Locks are imported and sold in the United States at extremely low prices. These extremely low prices make it extremely difficult to manufacture the TSA Locks in the United States at a competitive price.

XI. RELATED LITIGATION

100. The patents-in-suit are the subject of *Travel Sentry, Inc. v. David A. Tropp*, Civil Action No.: 1:06-cv-06415 (E.D.N.Y., filed December 4, 2006). In that suit, Travel Sentry filed a complaint for declaratory judgment of the invalidity of the patents-in-suit, non-liability for infringement of the patents-in-suit and non-infringement of the patents-in-suit. Tropp filed counterclaims for patent infringement of the patents-in-suit. The Markman hearing in the case was held on December 16, 2008, with supplemental briefs filed related to the Markman hearing on May 8, 2009. The Markman decision currently is under submission.

101. The patents-in-suit are the subject of *David A. Tropp v. Conair Corporation, et al.*, Civil Action No.: 1:08-cv-04446-ENV-RLM (E.D.N.Y., filed November 3, 2008). In this case, Tropp filed a complaint against Conair Corporation and several other entities alleging infringement of the patents-in-suit. A motion is pending in that matter to stay the proceedings pending resolution of the related patent litigation referenced in paragraph 100 above.

102. Certain claims involving or related to the subject matter of the patents-in-suit were the subject of *Travel Sentry, Inc. v. David A. Tropp, et al.*, Civil Action No.:1:05-cv-02338-JG-KAM (E.D.N.Y., filed May 13, 2005). In that case, Travel Sentry originally sued Tropp and Safe Skies for a series of alleged wrongs including unfair competition and defamation. Tropp counterclaimed for misappropriation of trade secrets and unjust enrichment by Travel Sentry. The case was settled in August 2006, by dismissal with prejudice of the action including all counterclaims. The Court retained jurisdiction of the case for purposes of the enforcement of the terms of that order.

XII. FOREIGN PATENTS AND PATENT APPLICATION

103. The following list comprises each foreign patent, each foreign patent application (not already issued as a patent) and each foreign patent application that has been denied corresponding to the patents-in-suit to the extent known, listed alphabetically by country:

- i. Australian Patent Application No. AU. 2004000289946, filed April 9, 2004. The patent has been accepted by the Australia Patent Office.
- ii. Canadian Patent Application No. CA. 2004002455159, filed January 13, 2004, abandoned.

iii. European Patent Application No. EP2004000809332, filed April 9, 2004, pending.

104. These are all the foreign patent applications ever filed corresponding to the patents-in-suit.

XIII. RELIEF REQUESTED

105. Complainant David Tropp and Safe Skies, LLC respectfully request that the Commission:

(a.) Institute an immediate investigation pursuant to 19 U.S.C. §1337(a)(1)(B)(i) and (b)(1) into violations based on Respondents' unlawful importation into the United States, sale for importation, and/or sale after importation of certain locks, and luggage and baggage containing such locks, that are designed to be used, and are used in such a manner as to infringe one or more of the claims of U.S. Patent No. 7,021,537 and U.S. Patent No. 7,036,728.

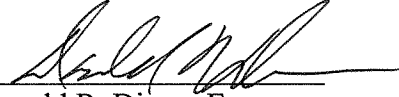
(b.) Issue a general exclusion order to prohibit the importation into the United States of the accused locks and luggage and baggage containing such locks.

(c.) Issue an order pursuant to 19 U.S.C. § 1337(f) directing Respondents to cease and desist from importing, marketing, advertising, demonstrating, selling, offering for sale, using and supporting the use of the accused locks and luggage and baggage containing such locks.

(d.) Grant such other further relief as the Commission deems appropriate and just under the law, based on the facts complained of herein and determined by the investigation.

Date: September 15, 2009

Respectfully Submitted

A handwritten signature in black ink, appearing to read "Donald R. Dinan", written over a horizontal line.

Donald R. Dinan, Esq.
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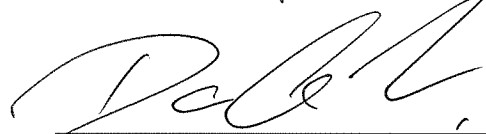
VERIFICATION OF COMPLAINT

I, David Tropp, declare, in accordance with 19 CFR §§ 210.4 and 210.12(a), under penalty of perjury that the following statements are true:

1. I am the CEO/President and principal owner of Safe Skies, LLC and am duly authorized to sign this complaint on behalf of Complainants;
2. I have read the complaint and am aware of its contents;
3. The complaint is not being presented for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation;
4. To the best of my knowledge, information and belief founded upon reasonable inquiry, the claims and legal contentions of this complaint are warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law;
5. The allegations and other factual contentions in the complaint have evidentiary support or are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery.

I declare under penalty or perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on September 1st, 2009.

 , PRESIDENT

Name: David A. Tropp
Title: CEO/President and principal owner of
Safe Skies, LLC

Safe Skies Luggage Locks
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