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Attorneys for Plaintiffs SOLPALS, LLC C-SLIDE HOLDINGS, LLC

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH CENTRAL DIVISION

SOLPALS, LLC, a Utah corporation, and C-SLIDE HOLDINGS, LLC, a Utah corporation)) Civil Action No. 2:18-00241-PMW)
Plaintiffs,)) COMPLAINT
V.	
	DEMAND FOR JURY TRIAL
HANDSTANDS PROMO, LLC, a Utah)
corporation,	Judge Paul M. Warner
)
Defendant.)

Plaintiffs SolPals, LLC ("SolPals") and C-Slide Holdings, LLC ("C-Slide") (collectively, "Plaintiffs"), complain and allege against Defendant HandStands Promo, LLC ("HandStands") as follows:

THE PARTIES

1. SolPals is a limited liability company organized and existing under the laws of the state of Utah, with a principal place of business at 1192 Draper Parkway, Ste. 202, Draper, Utah, 84020.

- 2. C-Slide is a limited liability company organized and existing under the laws of the state of Utah, with a principal place of business at 1192 Draper Parkway Ste. 202, Draper, Utah, 84020.
- 3. HandStands is a limited liability corporation organized and existing under the laws of the state of Utah, having a principal place of business at 40 South Preston, Alpine, Utah, 84004.

JURISDICTION

- 4. This action arises in part under the patent laws of the United States, including 35 U.S.C. § 271, which gives rise to the remedies specified under 35 U.S.C. §§ 281, 283, 284, and 285.
- 5. Subject matter jurisdiction of this Court over this Action is founded upon 28 U.S.C. §§ 1331, 1332 and 1338(a) and (b).
- 6. HandStands is subject to personal jurisdiction in this Court because it is a Utah corporation.

VENUE

7. In light of the matters set forth above, venue of this Action is proper in this judicial district pursuant to 28 U.S.C. §§ 1391 and 1400(b).

BACKGROUND AND FACTUAL ALLEGATIONS

- 8. Various ornamental aspects of the C-Slide Webcam Covers are protected by U.S. Pat. Nos. D782,562 ("the '562 patent") and D669,112 ("the '112 patent"). Copies of the '562 patent and '112 patent are attached as Exhibits A and B, respectively. C-Slide is the owner by assignment of all right, title, and interest in and to the '562 patent and the '112 patent.
- 9. The C-Slide Webcam Covers, which include the C-Slide 3.0 covers, have been extremely successful and well received by consumers. SolPals has sold thousands of the C-Slide

Webcam Covers to various distributors across the country, who have in turn sold them to thousands of consumers. Images of representative SolPals products are attached hereto as Exhibit C.

- 10. In contrast to other webcam covers, the C-Slide Webcam Covers include unique and highly recognizable design features that are not found elsewhere in the webcam cover market. The unique nature of this design feature is corroborated, for example, by the United States Patent and Trademark Office finding that the claimed designs of the '562 patent and the '112 patent are new and not obvious and issuing the '562 patent and the '112 patent.
- 11. The C-Slide Webcam Covers are further known among consumers for their unique product packaging. Where other companies that market promotional products distribute their products in simple plastic bags, Plaintiffs distribute their products using blister packaging and a 4 x 6 custom insert card (trimmed to 4 x 5.5) in the style shown below:



- 12. Consumers have come to associate this packaging with SolPals.
- 13. In 2017, HandStands began to investigate the possibility of acquiring SolPals.
- 14. HandStands and SolPals executed a Mutual Nondisclosure Agreement ("the NDA") wherein each party covenanted not to use the other party's confidential information outside the scope of the transaction. A copy of that agreement is attached as Exhibit D.
- 15. After executing the NDA, SolPals shared confidential information with HandStands regarding SolPals' business methods and processes.

- 16. SolPals ultimately rejected HandStands' offer and accepted an offer from a third party. Following its acquisition by the third party, SolPals created C-Slide Holdings, LLC, and assigned all its rights and interests in certain intellectual property, including the '562 patent, to C-Slide.
- 17. Soon afterwards, Plaintiffs discovered that Defendant had begun marketing and selling a webcam cover called "Private Eyes" ("the Accused Product") that copies ornamental features found in the C-Slide Webcam Covers and claimed in the '562 patent. Defendant advertises, sells, and/or offers for sale the Accused Product through its website www.handstandspromo.com and through organizations such as the Advertising Specialty Institute ("ASI") and SAGE.
- 18. The Accused Product includes design features that are substantially the same as the claimed subject matter of the '562 patent, as illustrated in the example below:

The '562 Patent (only the portions in solid lines are claimed)	The Accused Product
	THE REAL PROPERTY.
78.	

- 19. As demonstrated above, the design of the Accused Product is substantially the same as the claim of the '562 patent such that an ordinary observer purchasing an Accused Product would believe that he had purchased the patented C-Slide design.
- 20. The Accused Product also includes design features that are substantially the same as the claimed subject matter of the '112 patent, as illustrated in the example below:

'112 Patent	Private Eyes Webcam Cover
Fig. 5	CO BREAM

- 21. As demonstrated above, the design of the Accused Product is substantially the same as the claim of the '112 patent such that an ordinary observer purchasing an Accused Product would believe that he had purchased the patented C-Slide design.
- 22. Defendant has engaged in an extensive campaign to sell and/or offer to sell the Accused Product in competition with the C-Slide Webcam Covers, and in violation of the '562 patent and the '112 patent.
- 23. Furthermore, Defendant's manner and methods for packaging and marketing the Accused Product mirror methods that had been shared with Defendant as Confidential Information pursuant to the NDA.
- 24. Defendant distributes its products in packaging that mirrors SolPals' distinctive packaging, including the blister packaging and a 4 x 6 custom insert card, as shown in the example below:

SolPals Packaging HandStands Packaging WebCAM COVER Web

- 25. The similarities between Defendant's packaging and SolPals' packaging is such that consumers are likely to believe, erroneously, that Defendant's products are associated with SolPals.
- 26. Accordingly, on March 13, 2018, SolPals, by and through its counsel, sent a letter to Defendant informing Defendant that the Accused Product infringes the claim of the '562 patent and the claim of the '112 patent, that Defendant is violating the NDA by using information regarding SolPals' business methods and practices, and that Defendant's packaging violates SolPals' trade dress, and demanding that Defendant cease and desist in its continued infringement of the '562 patent and the '112 patent, infringement of the SolPals trade dress, and breach of the NDA. A copy of that letter is attached hereto as Exhibit E.
- 27. Upon information and belief, despite Defendant's knowledge that the Accused Product infringes the claim of the '562 patent and the claim of the '112 patent, Defendant continues to manufacture, use, import, export, offer to sell and/or sell the Accused Product. A copy of Defendant's website advertising the Accused Product is attached hereto as Exhibit F.
- 28. Furthermore, Defendant continues to use packaging and business methods in violation of the NDA and SolPals' trade dress rights.

PATENT INFRINGEMENT – THE '562 PATENT (35 U.S.C. § 271)

- 29. Plaintiffs repeat and incorporate by reference the allegations set forth above as though fully set forth herein.
- 30. C-Slide is the exclusive owner by assignment of all right, title, and interest in and to the '562 patent. The '562 patent is duly and properly issued by the U.S. Patent and Trademark Office and is valid and enforceable.
- 31. The Accused Product includes design features that are substantially the same as the ornamental design claimed in the '562 patent to an ordinary observer giving such attention as a purchaser usually gives, such that an ordinary observer would be deceived into purchasing the Accused Product believing that the patented product had been purchased.
- 32. Defendant has infringed and continues to infringe the claim of the '562 patent by importing, making, using, selling and/or offering to sell the Accused Product, and Defendant will continue to do so unless enjoined by this Court.
 - 33. On information and belief, Defendant's infringement has been willful.
- 34. Defendant's activities constitute infringement of the '562 patent without authority or license from C-Slide and in violation of C-Slide's rights pursuant to 35 U.S.C. § 271.
- 35. Defendant's infringement of the '562 patent has caused irreparable injury to C-Slide, entitling C-Slide to preliminary and permanent injunctive relief under 35 U.S.C. § 283.
- 36. Defendant's infringing activities entitle C-Slide to an award of damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by Defendant under 35 U.S.C. § 284.

37. Alternatively, C-Slide is entitled to recovery of Defendant's total profits from its sale of the Accused Product under 35 U.S.C. § 289.

COUNT II PATENT INFRINGEMENT – THE '112 PATENT (35 U.S.C. § 271)

- 38. Plaintiffs repeat and incorporate by reference the allegations set forth above as though fully set forth herein.
- 39. C-Slide is the exclusive owner by assignment of all right, title, and interest in and to the '112 patent. The '112 patent is duly and properly issued by the U.S. Patent and Trademark Office and is valid and enforceable.
- 40. The Accused Product includes design features that are substantially the same as the ornamental design claimed in the '112 patent to an ordinary observer giving such attention as a purchaser usually gives, such that an ordinary observer would be deceived into purchasing the Accused Product believing that the patented product had been purchased.
- 41. Defendant has infringed and continues to infringe the claim of the '112 patent by importing, making, using, selling and/or offering to sell the Accused Product, and Defendant will continue to do so unless enjoined by this Court.
 - 42. On information and belief, Defendant's infringement has been willful.
- 43. Defendant's activities constitute infringement of the '112 patent without authority or license from C-Slide and in violation of C-Slide's rights pursuant to 35 U.S.C. § 271.
- 44. Defendant's infringement of the '112 patent has caused irreparable injury to C-Slide, entitling C-Slide to preliminary and permanent injunctive relief under 35 U.S.C. § 283.

- 45. Defendant's infringing activities entitle C-Slide to an award of damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by Defendant under 35 U.S.C. § 284.
- 46. Alternatively, C-Slide is entitled to recovery of Defendant's total profits from its sale of the Accused Product under 35 U.S.C. § 289.

COUNT III Trade Dress Infringement

- 47. Plaintiffs repeat and incorporate by reference the allegations set forth above as though fully set forth herein.
- 48. SolPals owns all common law rights in its unique product packaging, including use of blister packaging and an insert card. Because of SolPals' extensive marketing of its products using its unique product packaging, the consuming public has come to associate the product packaging with SolPals.
- 49. Defendant has marketed and sold the Accused Product in association with product packaging that is confusingly similar to SolPals' product packaging.
- 50. Defendant's concurrent marketing and sale of the Accused Product is likely to cause confusion with SolPals' products.
- 51. Defendant's conduct constitutes an attempt to trade on the goodwill and reputation that SolPals has developed in its trade dress.
- 52. By its conduct, Defendant has caused SolPals irreparable harm, damage, and injury to the value and goodwill SolPals has built in its trade dress and goodwill in its reputation and business.
- 53. Defendant will continue to commit the acts complained of in this Complaint unless restrained and enjoined by this Court.

COUNT IV Breach of Contract

- 54. Plaintiffs repeat and incorporate by reference the allegations set forth above as though fully set forth herein.
 - 55. SolPals and HandStands executed the NDA on August 21, 2017.
- 56. Section I.c. of the NDA prohibits HandStands from using any Confidential Information disclosed to it by SolPals for HandStands' own use or for any purpose other than discussion regarding HandStands' possible acquisition of SolPals.
- 57. Section I.a. of the NDA defines "Confidential Information" as "any information...or data of a financial, business, or technical nature, including but not limited to know-how, processes, [or] techniques."
- 58. Under the auspices of the NDA, SolPals disclosed confidential information regarding its business methods and practices to HandStands.
- 59. Upon information and belief, HandStands is using SolPals' confidential information to market and sell the Accused Products, in violation of the NDA.
- 60. By its conduct, Defendant has caused SolPals irreparable harm, damage, and injury to the value and goodwill SolPals has built in its trade dress and goodwill in its reputation and business.
- 61. Defendant will continue to commit the acts complained of in this Complaint unless restrained and enjoined by this Court.

JURY DEMAND

62. Plaintiffs demand a jury trial on all disputed issues that are so triable.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully pray for final judgment against Defendant as follows:

- 1. Judgment finding that the '562 patent is valid, enforceable and infringed by Defendant;
- 2. Judgment finding that the '112 patent is valid, enforceable and infringed by Defendant;
- 3. Judgment finding that SolPals' trade dress is valid, enforceable, and infringed by Defendant;
 - 4. Judgment finding that the NDA is valid, enforceable, and breached by Defendant;
- 5. Preliminary and permanent injunctions against Defendant, its officers, agents, servants, employees, successors, assigns and all other persons in active concert or participation with any of them, enjoining them from directly or indirectly infringing in any manner the claims of the '562 patent and/or the '112 patent, directly or indirectly infringing in any manner SolPals' trade dress, or further breaching the NDA;
- 6. Judgment granting SolPals damages adequate to compensate it for Defendant's infringement of SolPals' trade dress and breach of the NDA;
- 7. Judgment granting C-Slide damages adequate to compensate it for Defendant's infringement of the '562 patent and the '112 patent, including an award of Defendant's total profits under 35 U.S.C. § 289, in amounts to be proven upon proper proof at trial;
 - 8. Trebling of C-Slide's damages pursuant to 35 U.S.C. § 284;
- 9. Judgment that this is an exceptional case pursuant to 35 U.S.C. § 285, together with an award of C-Slide's attorneys' fees;

- 10. Plaintiffs' costs in bringing this action pursuant to all applicable federal, state and statutory law, including at least 35 U.S.C. § 284;
- 11. Prejudgment interest pursuant to all applicable federal, state and statutory law, including at least 35 U.S.C. § 284;
- 12. Post-judgment interest pursuant to all applicable federal, state and statutory law, including at least 28 U.S.C. § 1961(a);
 - 13. For such other and further relief as the Court deems just and equitable.

Respectfully submitted,

WORKMAN NYDEGGER

Dated: March 21, 2018 By: /s/ Matthew A. Barlow

Matthew A. Barlow (#9596) Brittany Frandsen (#16051) 60 East South Temple, Suite 1000 Salt Lake City, UT 84111

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Attorneys for Plaintiffs SolPals, LLC and C-Slide Holdings, LLC

EXHIBIT A



(12) United States Design Patent (10) Patent No.:

Gustaveson, II

(45) Date of Patent:

US D782,562 S

** Mar. 28, 2017

(54) WEBCAM COVER

(71) Applicant: SOL PALS, LLC, Draper, UT (US)

(72) Inventor: Ronald Glen Gustaveson, II, Draper,

UT (US)

(73) Assignee: SOL PALS, LLC, Lehi, UT (US)

(**) Term: 15 Years (21) Appl. No.: 29/548,560

(22) Filed: Dec. 15, 2015

LOC (10) Cl. 16-05 U.S. Cl. (52)

USPC D16/237

Field of Classification Search USPC D16/200, 204, 208, 219, 235, 237-250; D14/251 CPC G03B 17/56; G03B 17/561-17/568; G02B

7/00-7/002 See application file for complete search history.

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D498,787	S	11/2004	Nelms
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(Continued)

Primary Examiner — Vy Koenig Assistant Examiner - Omeed Agilee

(74) Attorney, Agent, or Firm - Workman Nydegger

(57)CLAIM

The ornamental design for a webcam cover, as shown and described.

DESCRIPTION

FIG. 1 is a front perspective view of a webcam cover in a closed position to cover a webcam of an electronic device;

FIG. 2 is a front perspective view of the webcam cover of FIG. 1 in an open position;

FIG. 3 is a front elevational view thereof in the open position:

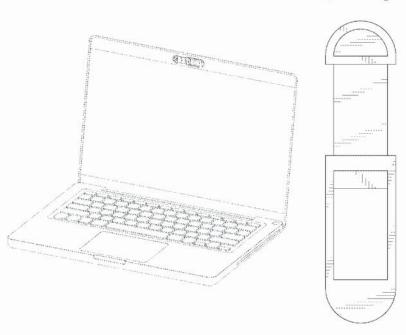
FIG. 4 is a top plan view thereof in the open position;

FIG. 5 is a bottom plan view thereof in the open position; FIG. 6 is a right elevational view thereof in the open position;

FIG. 7 is a left elevational view thereof in the open position; FIG. 8 is a front elevational view thereof in the closed

FIG. 9 is a top plan view thereof in the closed position; and, FIG. 10 is a bottom plan view thereof in the closed position. The broken lines shown in the drawings are included to illustrate environment and form no part of the claimed design.

1 Claim, 4 Drawing Sheets



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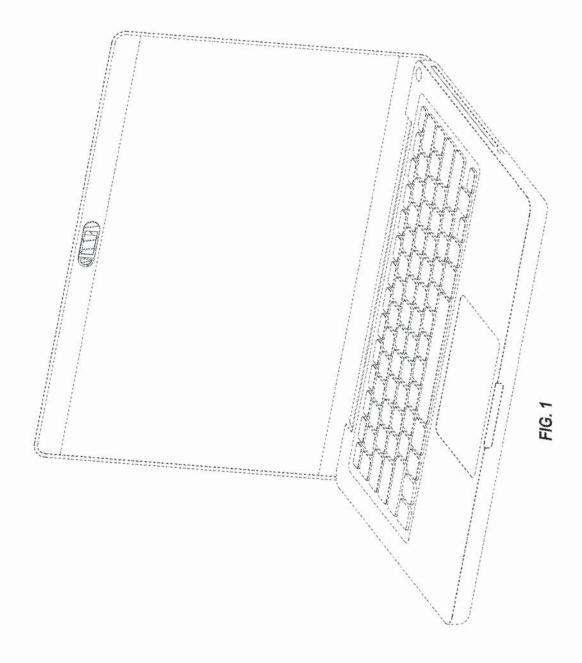
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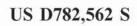
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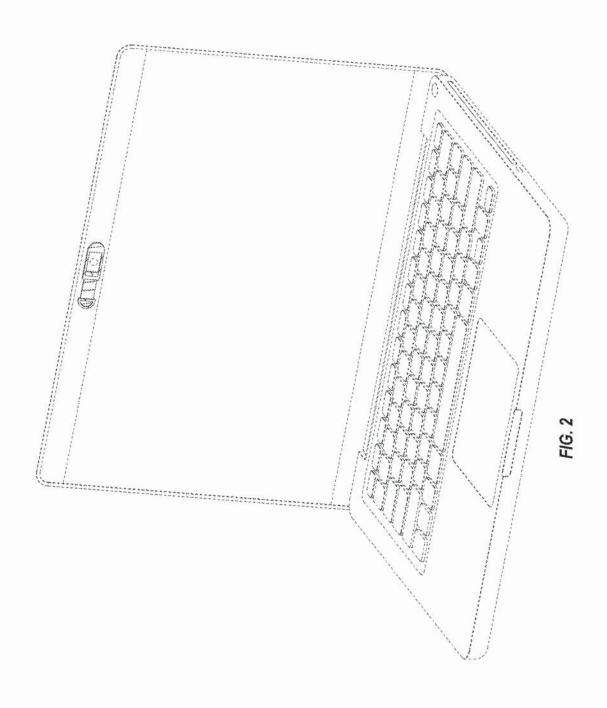
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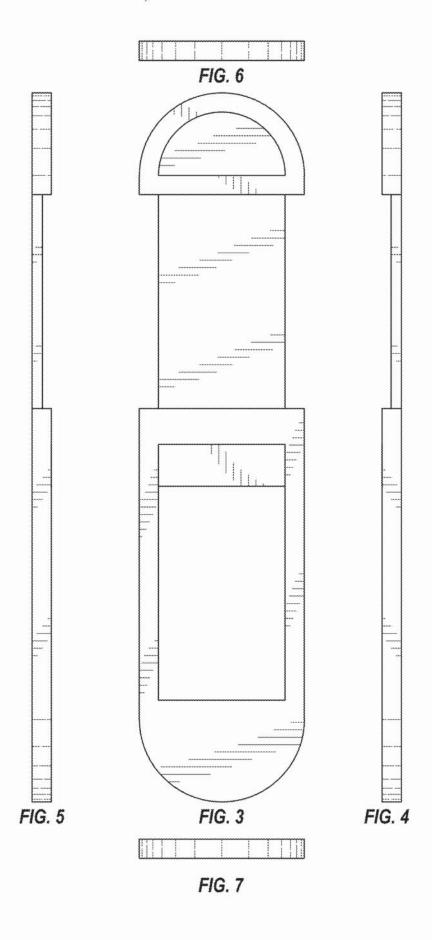
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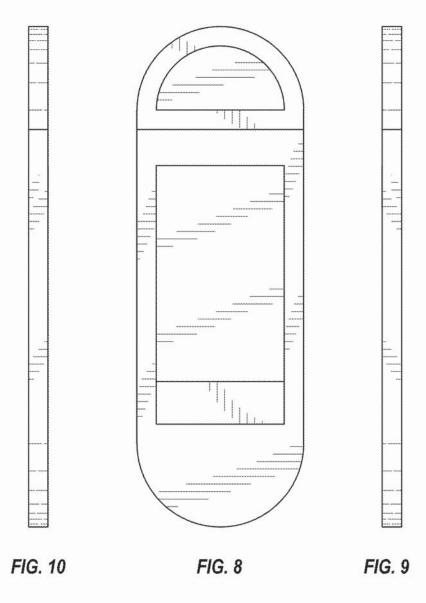


EXHIBIT B



US00D669112S

(12) United States Design Patent

Gustaveson

(10) Patent No.:

US D669,112 S

(45) Date of Patent:

** Oct. 16, 2012

(54) WEBCAM COVER

(75)	Inventor:	Ron	G.	Gustaveson,	Draper,	UT	(US))
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(73) Assignee: Gust Marketing, L.L.C., Draper, UT

(US)

(**) Term: 14 Years

(21) Appl. No.: 29/385,909

(22) Filed: Feb. 22, 2011

(52) U.S. Cl. D16/237; D16/208

See application file for complete search history.

(56) References Cited

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D650,408	S *	12/2011	Kim et al D16/202
8,242,924	B2 *	8/2012	Huang et al 348/373
2009/0284635	A1*	11/2009	Sung et al 348/333.01
* cited by exar	niner		

Primary Examiner — Adir Aronovich

(74) Attorney, Agent, or Firm - Workman Nydegger

(57) CLAIN

The ornamental design for a webcam cover, as shown and described.

DESCRIPTION

FIG. 1 is a front perspective view of a webcam cover in an open position showing my new design;

FIG. 2 is a front perspective view of a webcam cover in a closed position thereof;

FIG. 3 is an enlarged top plan view of the webcam cover in the open position;

FIG. 4 is an enlarged left side elevational view thereof;

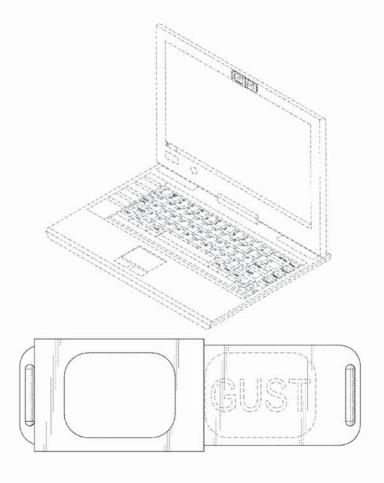
FIG. 5 is an enlarged front elevational view thereof;

FIG. 6 is an enlarged right side elevational view thereof; and,

FIG. 7 is an enlarged bottom plan view thereof.

The broken lines showing environment in the drawings are included for illustrative purposes only and form no part of the claimed design.

1 Claim, 3 Drawing Sheets



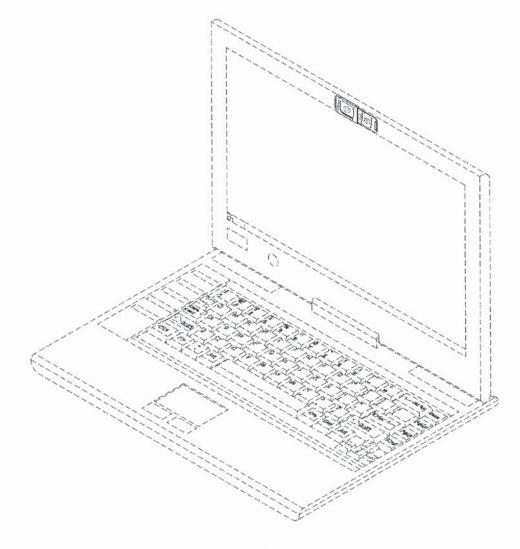


Fig. 1

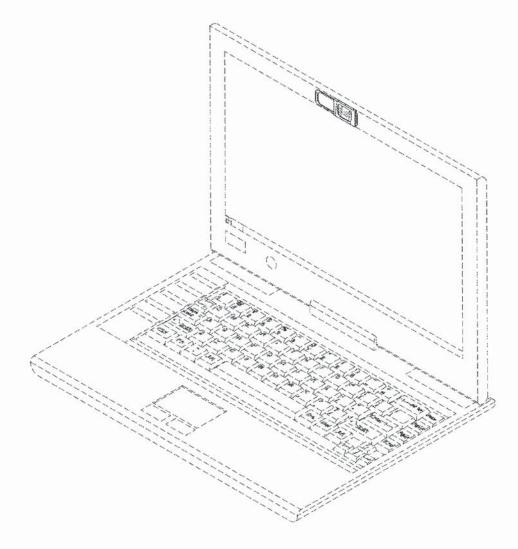


Fig. 2

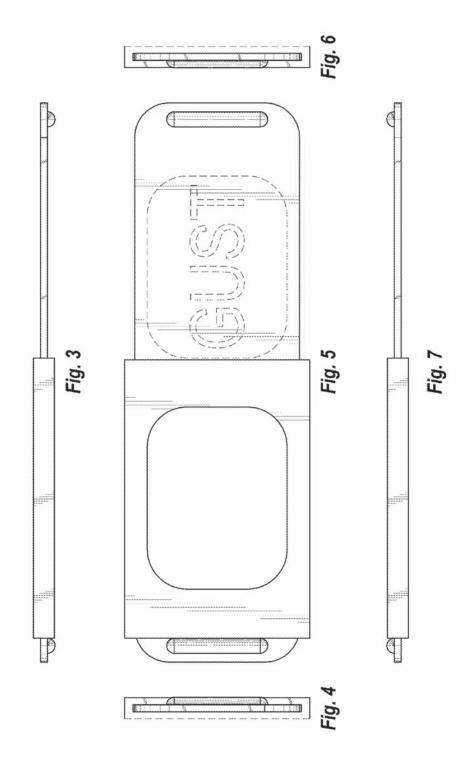
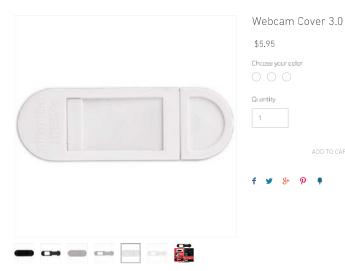


EXHIBIT C

Home About Webcam Covers Custom Webcam Covers Contact Us Blog



Home / Webcarn Cover 3.0



C-SLIDE 1.0 White is a patented design that works with all laptops, computers. monitors, Smart TV's, PS4, Xbox Kinect, and some External Web cameras. Super Thin: 1mm thick so laptops are able to shut with ease - Length: 1.5 $\!\!\!^{"}$ Height: ,5" - Applications: double sided tape - Durable : made from high-grade plastic - Won't Scratch: designed to open and close without harming the camera lens - Shipping: FREE to the U.S.A otherwise will be shipped via United States Postal Service Priority Mail 100% Satisfaction Guarantee: If you are unhappy with your purchase we will send you another unit or for a full REFUND! We only want HAPPY CUSTOMERS!!!

Contact Us

1192 Draper Parkway Draper UT 84020 ron@c-slide.com



Customer Service

Contact Us > / Shipping > Returnes > / Payment & Warranty > We Accept

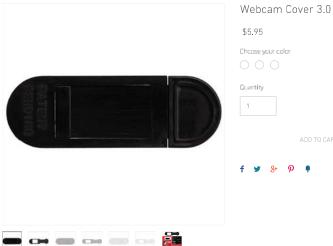




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Home / Webcam Cover 3.0



C-SLIDE 1.0 White is a patented design that works with all laptops, computers. monitors, Smart TV's, PS4, Xbox Kinect, and some External Web cameras. Super Thin: 1mm thick so laptops are able to shut with ease - Length: 1.5 $\!\!\!^{"}$ $\label{eq:height:.5} \textit{Height:.5"-Applications: double sided tape-Durable: made from high-grade}$ plastic - Won't Scratch: designed to open and close without harming the camera lens - Shipping: FREE to the U.S.A otherwise will be shipped via United States Postal Service Priority Mail 100% Satisfaction Guarantee: If you are unhappy with your purchase we will send you another unit or for a full REFUND! We only want HAPPY CUSTOMERS!!!









Contact Us

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Home / Webcarn Cover 3.0



C-SLIDE 1.0 White is a patented design that works with all laptops, computers. monitors, Smart TV's, PS4, Xbox Kinect, and some External Web cameras. Super Thin: 1mm thick so laptops are able to shut with ease - Length: 1.5 $\!\!\!^{"}$ Height: .5" - Applications: double sided tape - Durable : made from high-grade plastic - Won't Scratch: designed to open and close without harming the camera lens - Shipping: FREE to the U.S.A otherwise will be shipped via United States Postal Service Priority Mail 100% Satisfaction Guarantee: If you are unhappy with your purchase we will send you another unit or for a full REFUND! We only want HAPPY CUSTOMERS!!!

Contact Us Customer Service

1192 Draper Parkway Contact Us > / Shipping > Returnes > / Payment & Warranty > Draper UT 84020 ron@c-slide.com

We Accept





http://www.c-slide.com/product-page/3-0

1/1

EXHIBIT D

MUTUAL NONDISCLOSURE AGREEMENT

This Nondisclosure Agreement ("Agreement") is entered as of _August 21, 2017 (th
"Effective Date") by and between Sol Pals, LLC, located at 4161 North Thanksgiving Way, Suite 206, Leh
UT 84043 andHandStands Products, located at1420 S 4800 W Suite A Salt Lake City, U
84104 .

WITNESSETH:

WHEREAS, the parties mutually desire to engage in discussions that may lead to a business relationship (the "**Purpose**");

WHEREAS, in the course of such dealings, either party (the "Disclosing Party") shall furnish to the other party (the "Receiving Party") Confidential Information, as defined in Section I of this Agreement, and does not wish to convey any interest or intellectual property right therein to the Receiving Party or make such Confidential Information public or common knowledge;

WHEREAS, the parties intend that any such Confidential Information shall be used by the Receiving Party only to further the potential business relationship between the parties; and

WHEREAS, the parties intend that any such Confidential Information disclosed shall be protected from further disclosure by the terms of this Agreement.

NOW, THEREFORE, for good and valuable consideration, and in consideration of the mutual covenants and conditions set forth herein, and with the intent to be legally bound thereby the Disclosing Party and Receiving Party hereby agree as follows:

I. Confidential Information.

- a. For the purposes of this Agreement, "Confidential Information" shall mean any information, intellectual property, or data of a financial, business, or technical nature, including but not limited to know-how, processes, techniques, designs, drawings, programs, formulas, test data, and any information about Disclosing Party's investment models, suppliers, customers, employees, investors, affiliates, or business, as well as any information the Disclosing Party designates as confidential at the time of disclosure and confirms in writing within five (5) days thereafter, whether in oral, written, graphic, or electronic form disclosed intentionally or unintentionally by the Disclosing Party to the Receiving Party, or, given the nature of the information or the circumstances surrounding its disclosure, should reasonably be considered as confidential.
- b. Notwithstanding the foregoing, Confidential Information does not include information that: (i) is in the Receiving Party's possession at the time of disclosure; (ii) is independently developed by the Receiving Party without use of or reference to Confidential Information; (iii) becomes publicly available, before or after disclosure, other than as a result of the Receiving Party's improper action or inaction in violation of this agreement; (iv) is approved for release in writing by the Disclosing Party; or (v) becomes available on a non-confidential basis to Receiving Party from a source other than the Disclosing Party this is not subject to any duty or agreement to keep such information confidential to Receiving Party's knowledge. In any case at law, the burden of proving that any disclosed information falls within one or more of the above categories shall be on the Receiving Party. Furthermore, Confidential

Information shall not be deemed to be known publicly merely because a portion thereof is publically known or available or because features, components, or combinations thereof are now or become generally known or available.

- c. The Disclosing Party, the Receiving Party each agree not to use any Confidential Information disclosed to it by the other Party for its own use or for any purpose other than to carry out discussions concerning, and the undertaking of, the Relationship. Neither Party shall disclose or permit disclosure of any Confidential Information of the other Party, other than to Representatives who are required to have the information in order to carry out the discussions regarding the Relationship. Each Party agrees that it shall take all reasonable measures to protect the secrecy of and avoid disclosure or use of Confidential Information of the other Party in order to prevent it from falling into the public domain or the possession of persons other than those persons authorized under this Agreement to have any such information. Such measures shall include, but not be limited to, the highest degree of care that the receiving Party utilizes to protect its own Confidential Information of a similar nature, which shall be no less than reasonable care. Each Party agrees to notify the other in writing of any actual or suspected misuse, misappropriation, or unauthorized disclosure of Confidential Information of the disclosing Party by Receiving Party or its Representatives that may come to the receiving Party's attention.
- II. **Retention of Rights.** Nothing in this Agreement shall be construed to convey to the Receiving Party any right, title, interest, or intellectual property right in any Confidential Information, or any license to use, sell, exploit, copy, or further develop any such Confidential Information, except a limited, nonexclusive, nontransferable, non-assignable, freely revocable, worldwide, personal license to use the Confidential Information in accordance with the Purpose absent an explicit written agreement between the parties. This license will terminate automatically if either party ends discussions with the other party or after ninety (90) days (the "**Termination Date**"), whichever occurs first, but shall not in any way limit the responsibilities of the Receiving Party to the Disclosing Party under Sections II and III of this Agreement. The Disclosing Party shall retain all rights, titles, interests, and intellectual property rights in and to all Confidential Information.
- III. **Non-Circumvention.** Neither Party shall in any way, directly or indirectly, circumvent, or attempt to circumvent, the other Party for the purpose of consummating, or attempting to consummate, a direct or indirect transaction with any person or entity introduced to the Party by the other Party pursuant to this Agreement which shall (i) interfere with the relationship between such persons or entities and the other Party, or (ii) avoids, or attempts to avoid, an obligation to pay to or share with the other Party any fees or compensation of any kind.
- IV. **Term.** The obligations under this Agreement shall take force on the Effective Date and continue for two (2) years after the date of execution hereof.
- V. **Legal Disclosure.** Notwithstanding the obligations under Sections II & III of this Agreement, the Receiving Party may disclose Confidential Information as required by applicable law or by proper legal or governmental authority. The Receiving Party will give the Disclosing Party prompt notice of any such legal or governmental demand. Should the Disclosing Party at its own expense, decide to oppose the demand for production, the Receiving Party agrees to cooperate with the Disclosing Party in that matter subject to all applicable laws. In the event that the Disclosing Party elects to oppose any such demand for production, the Disclosing Party shall indemnify the Receiving Party for any resulting cost, including but not limited to court, procedural, and attorneys' costs. Furthermore, the Receiving Party shall provide the Disclosing Party, when permitted by law, no less than ten (10) days' notice of any such

legal or governmental demand so as to allow the Disclosing Party to contest such disclosure and/or seek a protective order.

- VI. **Destruction of Confidential Information.** To safeguard the confidentiality of the Confidential Information being conveyed, the Receiving Party agrees to destroy, as per the Disclosing Party's request as is reasonable, any Confidential Information and any copies thereof that the Receiving Party may have made, may have access to, or may have received or possessed during the business relationship between the parties within five (5) business days of the Disclosing Party's request. Upon termination of the of the business relationship between the parties, the Receiving Party shall destroy within a commercially reasonable time not to exceed five (5) business days any and all such information in its possession or under its control, except those that the Disclosing Party has by prior express written permission or agreement have allowed the Receiving Party to retain or those that the Receiving Party has destroyed as is reasonable (e.g. digital copies). Notwithstanding the foregoing, the Receiving Party shall be permitted to retain one copy of all Confidential Information which will remain subject to this Agreement, in accordance with its established internal document retention policy.
- VII. **Mutual Warranties.** Each party represents and warrants that: (i) it has the right to enter into and fully perform the mutual covenants contemplated herein, consistent with this Agreement; (ii) there is no outstanding contract, commitment, or agreement to which it is a party that conflicts with this Agreement; (iii) it is not subject to any injunctions or settlement agreement with private or public parties that may limit its ability to comply with the terms of this Agreement; and (iv) it shall comply with all applicable laws and regulations.
- VIII. **Equitable Relief.** The Receiving Party agrees and acknowledges any Confidential Information subject to this Agreement is directly related to the Disclosing Party's goodwill, vital business interests, and client representation and that breach of this Agreement may cause the Disclosing Party significant and irreparable injury, the degree of which may be difficult to ascertain and for which monetary damages may not provide adequate compensation. Accordingly, in addition to any other remedy, the Disclosing Party will be entitled to seek immediate injunctive relief against such breach or threatened breach, without proving actual damage or posting a bond or other security.
- IX. **Law.** The parties agree that it is their intention and covenant that this Agreement, performance under this Agreement, and all suits and special proceedings under this Agreement, be construed in accordance with and under and pursuant to the laws of the State of Utah, without giving effect to any principles of conflicts of law.
- X. **Venue.** The parties agree that it is their intention and covenant that any action at law or in equity arising out of or relating to this Agreement will be filed only in the Utah District Court or the state courts in and for Salt Lake City, Salt Lake County, Utah, and each party hereby consents and submits to the personal and exclusive jurisdiction of such courts for the purposes of litigating any such action and expressly submit to extraterritorial service of process.
- XI. **Attorneys' Fees.** In the event either party institute legal proceedings in connection with or for the enforcement of this Agreement, the prevailing party shall be entitled to recover its cost of suit, including reasonable attorneys' fees, both at trial and appellate level.

XII. **Survivorship of Benefits.** This Agreement shall be binding on and inure to the benefit of the respective parties and their executors, administrators, heirs, personal representatives, successors, and assigns.

XIII. Waiver of Modification of Agreement.

- a. A waiver or modification of this Agreement or of any covenant, condition, or limitation in this Agreement shall not be valid unless in writing and executed by the party to be charged, and evidence of any waiver or modification shall not be offered into or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement, or the right or obligations of any party under this Agreement, unless the waiver or modification is in writing, executed by the party to be charged.
- b. The parties further agree that the provisions of this section may not be waived except as set forth in this Agreement.
- c. The failure of the Disclosing Party to exercise or enforce any right or provision of this Agreement will not constitute a waiver of such right or provision.
- XIV. **Severability.** To the extent permitted by applicable law, the parties hereby waive any provision of law that would render any clause of this Agreement invalid or otherwise unenforceable in any respect. In the event that any provision of this Agreement is held to be unlawful, void, or for any reason unenforceable, then that provision will be limited or eliminated from this Agreement to the minimum extent necessary and will not affect the validity and enforceability of any remaining provisions.
- XV. **Maximum Restrictions of Time, Scope, and Geographic Area Intended.** The Receiving Party specifically hereby agrees that the time, scope, and geographic areas, and other provisions under this agreement are reasonable given the highly confidential nature of the Confidential Information. The Receiving Party further agrees that if, despite the express agreement of the parties to this Agreement a court should hold any portion of this Agreement unenforceable for any reason, the maximum restrictions of time, scope, and geographic area reasonable under the circumstances, as determined by the court, will be substituted for the restrictions held unenforceable.
- XVI. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts. Each counterpart will be an original, but all such counterparts will constitute a single instrument.
- XVII. **Headings.** The heading references herein are for convenience purposes only, do not constitute a part of this Agreement, and will not be deemed to limit or affect any of the provisions hereof.

XVIII. Entire Agreement.

a. This Agreement contains the sole and entire agreement between the parties regarding the subject matter of this Agreement, and supersedes any and all other agreements between the parties, unless otherwise provided in this Agreement. The parties acknowledge and agree that neither of them has made any representation with respect to the subject matter of this Agreement or any representations inducing the execution and delivery of this Agreement, except such representations as

are specifically set forth in this Agreement, and each of the parties acknowledges that such party has relied on such party's own judgment in entering into this Agreement.

- b. The parties further acknowledge that any statements or representations that may have previously been made by either of them to the other are void and of no effect and that neither of them has relied thereon in connection with such party's dealings with the other.
- XIX. **Construction.** This Agreement has been negotiated by the parties hereto and their respective counsel and will be interpreted fairly in accordance with its terms and without any strict construction in favor of or against either party hereto. Each party acknowledges that it has had the opportunity to discuss this matter with and obtain advice from its private attorney, has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date set forth above.

SOL PALS, LLC	
By: Ron Gustaveson ESEABS7A49824FC	By: Cli Am
Name: Ron Gustaveson	Name: Chris Anderson

EXHIBIT E



60 East South Temple Suite 1000 Salt Lake City, Utah 84111 (801) 533-9800 www.wnlaw.com

March 14, 2018

VIA CERTIFIED MAIL

HandStands Promo, LLC c/o Rodd Steuart 40 South Preston Alpine, UT 84004

RE: Infringement of C-Slide Holdings, LLC Intellectual Property

Our File: 18800.36

To Whom It May Concern,

This firm represents SolPals, LLC and C-Slide Holdings, LLC (collectively, "SolPals") in connection with the protection and enforcement of its intellectual property rights. SolPals holds various intellectual property rights related to unique designs for webcam covers, as well as packaging and marketing materials relating thereto. SolPals has obtained the following patents in the United States related to webcam covers:

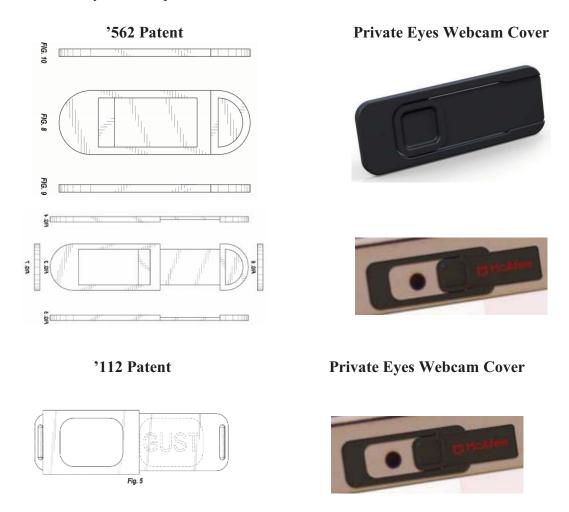
U.S. Pat. No. D763,843 U.S. Pat. No. D721,396 U.S. Pat. No. D708,657 U.S. Pat. No. D782,562 U.S. Pat. No. D669,112

SolPals has expended considerable resources creating and protecting its intellectual property and is dedicated to protecting and enforcing its intellectual property rights.

As you know, last year, HandStands Promo, LLC ("HandStands") submitted proposals to purchase SolPals. During negotiations over that potential transaction, SolPals disclosed confidential information and business practices to HandStands under the protection of a Mutual Nondisclosure Agreement executed by both parties ("the NDA"). A copy of the NDA is enclosed for your convenience. The NDA expressly prohibits HandStands from using any Confidential Information disclosed to it by SolPals for HandStands' own use or for any purpose other than discussions regarding HandStand's possible acquisition of SolPals. [See NDA, § I.c.]

Since negotiations over the acquisition of SolPals terminated, HandStands has released its own webcam cover ("the Private Eyes Webcam Cover")¹. SolPals is very concerned about this development for several reasons.

First, the Private Eyes Webcam Cover is substantially similar to the webcam cover of SolPals' U.S. Pat. Nos. D782,562 ("the '562 Patent") and D669,112 ("the '112 Patent"), as shown in the side-by-side comparisons below:



The '562 Patent and the '112 Patent each cover a webcam cover with an elongated frame that surrounds a webcam and encloses a sliding door that can slide laterally to cover the webcam. Similarly, the Private Eyes Webcam Cover has an elongated frame that surrounds a webcam and encloses a sliding door that can slide laterally to cover the webcam.

¹ Available at https://handstandspromo.com/products/private-eyes.

35 U.S.C. § 271 prohibits making, using, offering to sell, selling, or importing "any patented invention during the term of the patent" without authority from the patent owner. A product design is said to infringe a patented design if the two designs are substantially similar to an ordinary observer such that the observer would purchase one product supposing he had purchased the other. *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 670–74, 677–79 (Fed. Cir. 2008) (en banc) (relying on *Gorham Co. v. White*, 81 U.S. 511, 528 (1871) ("[I]f, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other."). Minor differences between a patented design and a copy will not preclude a finding of infringement. *Id.* at 670. As shown above, the Private Eyes Webcam Cover is substantially similar to the webcam cover of the '562 Patent and the '112 Patent, and an ordinary observer would easily confuse them.

35 U.S.C. § 284 provides that the owner of a patent shall recover "damages adequate to compensate for the infringement but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs." The court may further "increase the damages up to three times the amount" and, in exceptional cases, "award reasonable attorney fees." Further, 35 U.S.C. § 289 provides that the infringement of a design patent may result in liability equal to "the extent of (the infringer's) total profit." Now that HandStands is on notice of SolPals' patent rights, if HandStands makes, uses, offers to sell, sells, or imports the Private Eyes Webcam Cover in the United States, such actions are likely to constitute willful infringement of SolPals' patent rights and qualify this as an exceptional case.

Trade Dress Infringement, Violation of NDA

Second, HandStands is imitating the appearance and configuration of SolPals' product packaging, including its blister packs and custom insert cards, as shown in the example below:



HandStands' packaging mirrors many elements of SolPals' packaging, down to the very size of its custom insert cards. HandStands did not market its products in this fashion until SolPals gave HandStands confidential information, provided by SolPals under NDA, that this product packaging positively impacts SolPals' sales. Thus, it is likely that HandStands is using SolPals' confidential information in violation of the NDA. Furthermore, the consuming public has come to associate this packaging with SolPals, and SolPals has built up common law trade dress rights in this packaging. HandStands' use of this packaging will lead consumers to think, erroneously, that HandStands and/or its products are affiliated with SolPals, and constitutes a violation of SolPals' trade dress rights.

Third, HandStands has started to offer custom printing in unlimited colors on its products. No other entity in the market offers this service besides SolPals, and HandStands did not begin to offer it until after SolPals had informed HandStands, under the protection of the NDA, of SolPals' business practices. HandStands' new line of services is further evidence of its use of confidential information in violation of the NDA.

SolPals is committed to protecting its intellectual property rights, including its unique brands and designs. SolPals is confident it will prevail in an infringement action if HandStands continues to make, use, offer to sell, sell, or import the Private Eyes webcam cover in the United States, continues to violate the NDA, and/or continues to use packaging similar to that used by SolPals. To that end, we have enclosed a copy of a complaint we have drafted against HandStands. SolPals has not yet filed this complaint, but is prepared and willing to do so if HandStands does not immediately cease violating the NDA and infringing SolPals' intellectual property rights.

Before taking that step, however, SolPals is willing to attempt to resolve this matter outside of the courts. Therefore, SolPals hereby demands that HandStands immediately:

- 1. cease making, using, offering to sell, selling, and/or importing products in the United States, including the Private Eyes Webcam Cover, that infringe any of SolPals' patents;
- 2. cease using in commerce any trade dress that is confusingly similar to SolPals' trade dress;
- 3. cease using any of SolPals' confidential information in violation of the terms of the NDA;
- 4. provide an accounting of any Private Eyes Webcam Cover made, used, offered for sale, sold, and/or imported into the United States; and
- 5. identify the entity that manufactures the Private Eyes Webcam Cover.

In addition, please do not destroy any documents, information, or things relating to the Private Eyes Webcam Cover (including its design, development, and manufacture) until this matter has been resolved.

Please acknowledge receipt of this letter immediately and give us your written assurance that you will comply with our demands on or before <u>Monday</u>, <u>March 19, 2018</u>. Although SolPals hopes the parties can resolve this matter amicably, it reserves its rights under all applicable laws, including, but not limited to, filing the complaint and/or seeking injunctive relief in the event you fail to provide written assurances of your compliance by such deadline.

Sincerely,

WORKMAN NYDEGGER

MATTHEW A. BARLOW

Martin A. Barbo

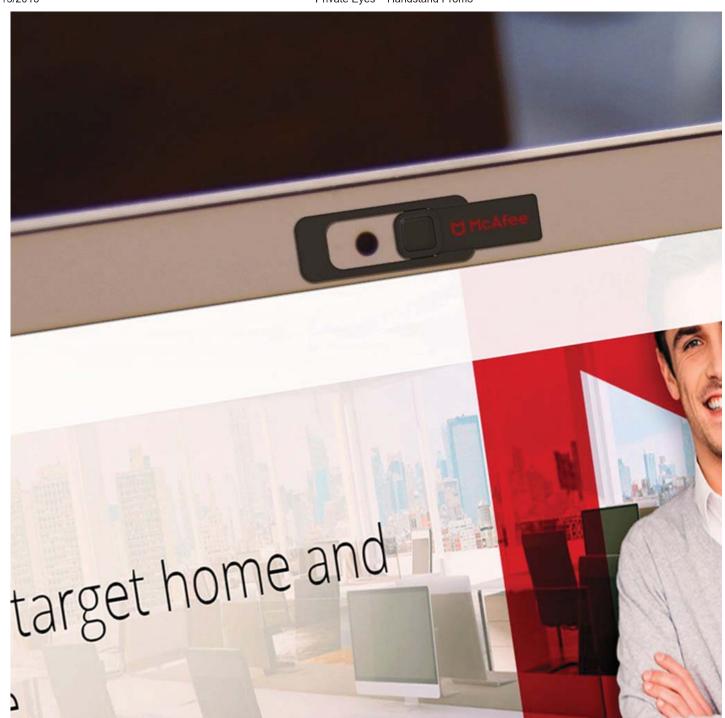
EXHIBIT F







Home / Collections / New Products 2018 / Private Eyes















Private Eyes 62004

They're watching you! Private Eyes™ is a privacy lens cover for the web cam on your computer with eye-catching logo space. The sleek modern design will protect you from potential on-lookers who want to invade your private space.

- Prominently displays your logo
- Easy to slide open when you choose to use webcam function
- Large adhesive area to ensure firm hold to your computer

Product Colors: Black

Quantity	100 (R)	250 (R)	500 (R)	1000 (R)
62004: Bulk	\$1.14	\$1.09	\$1.04	\$0.99
62014: Standard Packaging	\$2.29	\$2.19	\$2.09	\$1.99
62014-CB: Custom Insert Card	\$0.00	\$2.85	\$2.72	\$2.59

Setup Charge: \$50/V

Request a Quote

Request a Sample







Product Details

Product Size	1.5" W x .6" H x .1" D	Imprint Area	.75" W x .27" H
Imprint Type	4-color Process. Direct	Packaging	Bulk or Backer card with
	to Substrate		blister
Production Time	5 days from final art	Rush Service	Call for rush availability
	approval	FOB	Salt lake City, UT 84104
Shipping Specs	100 Per Box/ 4 Lbs.	Country of Origin	Salt lake City, UT 84104

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AdScents™ (Closeout)



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