

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
WACO DIVISION**

KOSS CORPORATION,

Plaintiff,

v.

PEAG, LLC d/b/a JLAB AUDIO

Defendant.

Case No. 6:20-cv-00662

**COMPLAINT FOR PATENT
INFRINGEMENT**

DEMAND FOR JURY TRIAL

ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff, Koss Corporation (“Koss”), files this complaint for patent infringement against PEAG, LLC d/b/a JLab Audio (“JLab” or “Defendant”) and in support thereof alleges and avers as follows:

NATURE OF THE ACTION

1. This is a civil action arising under the patent laws of the United States, 35 U.S.C. § 1 et seq., including specifically 35 U.S.C. § 271, based on JLab’s willful infringement of U.S. Patent Nos. 10,206,025 (“the ’025 Patent”), 10,368,155 (“the ’155 Patent”), 10,491,982 (“the ’982 Patent”), and 10,506,325 (“the ’325 Patent”) (collectively “the Patents-in-Suit”).

THE PARTIES

2. Plaintiff Koss Corporation is a corporation existing under the laws of the State of Delaware having its principal place of business located at 4129 North Port Washington Avenue, Milwaukee, Wisconsin 53212.

3. Koss markets a complete line of high-fidelity headphones and audio accessories. Koss’s products, branded under the Koss brand name or private label brands, are sold at various

retail chains throughout the United States and the world, including Walmart stores and other large brick-and-mortar establishments, as well as direct to customers in at least the following cities in this District: Alpine, Austin, Del Rio, El Paso, Midland, Odessa, San Antonio, and Waco.

4. Koss also serves as an Original Equipment Manufacturer (“OEM”) for a customer in this Judicial District. In this role, Koss manufactures OEM headphones sold under its customer’s brand.

5. On information and belief, PEAG, LLC d/b/a JLab Audio is a Delaware Corporation with a principal place of business at 2281 Las Palmas Dr., Carlsbad, California 92011 and an established place of business at 17950 Preston Road, Suite 360, Dallas, Texas 75252. On information and belief, PEAG, LLC d/b/a JLab Audio is registered to do business in the State of Texas and may be served through its registered agent Corporation Services Company dba CSC Lawyers Inco, 211 E. 7th St., Suite 620, Austin, Texas 78701.

6. On information and belief, JLab has transacted business in this district and has committed acts of direct and indirect infringement in this District by, among other things, importing, offering to sell, and selling products that infringe the asserted patents to businesses in this district including, but not limited to Target, Best Buy, Kohl’s, Verizon, Office Depot, Office Max, Wal-Mart, Academy Sports, and Dick’s Sporting Goods stores located in, *inter alia*, El Paso, Austin, San Antonio, and other cities within this district.

JURISDICTION AND VENUE

7. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a) because the claims herein arise under the patent laws of the United States, 35 U.S.C. § 1 et seq., including 35 U.S.C. § 271.

8. This Court has personal jurisdiction over JLab in this action because JLab has committed acts of infringement within the State of Texas and within this District through, for

this District. JLab regularly transacts business in the State of Texas and within this District. JLab engages in other persistent courses of conduct and derives substantial revenue from products and/or services provided in this District and in Texas, and has purposefully established substantial, systematic, and continuous contacts within this District and should reasonably expect to be sued in a court in this District. For example, JLab has offices and a registered agent for service in Texas. JLab operates a website and various advertising campaigns that solicit sales of the infringing products by consumers in this District and in Texas. JLab has entered into partnerships with numerous resellers and distributors to sell and offer for sale the Accused Products to consumers in this District, both online and in stores, and offers support service to customers in this District. Given these contacts, the Court's exercise of jurisdiction over JLab will not offend traditional notions of fair play and substantial justice

9. Venue in the Western District of Texas is proper pursuant to 28 U.S.C. §§ 1391(b), (c) and 1400(b).

10. On information and belief, JLab has transacted business in this judicial district and has committed acts of direct and indirect infringement in this judicial District by, among other things, importing, offering to sell, and selling products that infringe the asserted patents to businesses in this district including, but not limited to Target, Best Buy, Kohl's, Verizon, Office Depot, Office Max, Wal-Mart, Academy Sports, and Dick's Sporting Goods stores located in, inter alia, El Paso, Austin, San Antonio, and other cities within this district, and providing support service to JLab's customers in this District.

KOSS'S LEGACY OF AUDIO INNOVATION

11. Koss was founded in 1953 as a television rental company in Milwaukee, Wisconsin.

12. In 1958, John C. Koss invented the world's first SP/3 Stereophone as part of a "private listening system" that would enable the wearer to listen to a phonograph without



13. The SP/3 Stereophone provided, for the first time, a high-quality stereophonic headphone that approximated the sounds of a concert hall.

14. John C. Koss demonstrated the SP/3 Stereophone at a Wisconsin audio show in 1958. Initially designed to demonstrate the high-fidelity stereo sound that a portable phonograph player delivered, these revolutionary SP/3 Stereophones became the hit of the show.

15. The SP/3 Stereophone has since been enshrined in the Smithsonian Museum's collection in Washington, DC, with John C. Koss delivering the SP/3 for enshrinement along with an explanation of the story of the SP/3 in 1972:



16. Koss's commitment to headphone development continued into the 1960s and beyond. In 1962, Koss developed and brought to market the PRO/4 Stereophone, which was bestowed with Consumer Union Magazine's #1 choice award in 1963:



17. Due to the success and quality of the Pro/4, the United States government awarded Koss with a contract to install fifty (50) Pro/4 units in the staff, press, and presidential quarters of Air Force One. Passengers accessing the aircraft's state-of-the-art entertainment system listened to the system using the Pro/4:



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