IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND

(Greenbelt Division)

SPORT SQUAD, INC.)
)
Plaintiff,)
V.) Case No.: 8:24-cv-01712-PX
USA PICKLEBALL ASSOCIATION	JURY TRIAL DEMANDED
Defendant.)

DEFENDANT USA PICKLEBALL ASSOCIATION'S COUNTERCLAIM

Defendant USA PICKLEBALL ASSOCIATION ("USAP") submits the following Counterclaim on information and belief against Plaintiff SPORT SQUAD, INC. d/b/a JOOLA ("JOOLA"):

OVERVIEW

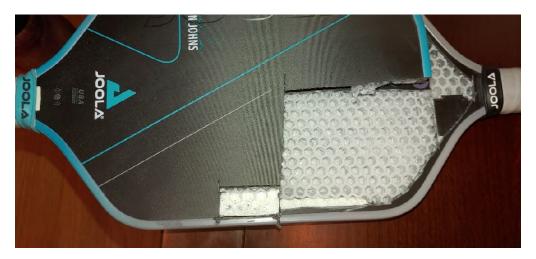
- 1. USAP published pickleball's first official rulebook in 1984—long before pickleball had reached its current level of popularity. Flash forward 40 years, and today pickleball is the fastest growing sport in the United States.
- 2. Over the years, USAP has earned its reputation—and the public's trust—by establishing rules and equipment standards that preserve the integrity of the sport and promote fair competition. USAP's current rules and standards define the specifications for court sizes, line placement, nets, balls, and paddles. One of the reasons pickleball has become popular because the public *likes* the rules vetted and adopted by USAP.
- 3. During pickleball's process of rapid growth, USAP has served as a stabilizing force. Among other goals, USAP seeks to ensure that equipment manufactured and sold for competitive pickleball meets specifications and playing characteristics that (a) reinforce the nature of the sport,

- (b) provide consistent performance, and (c) support fair competition both in the market and on the court. To achieve these goals, USAP's rulemaking and compliance are ongoing processes that require USAP to respond when pickleball stakeholders express concern that new equipment is unfair and poses a threat to the sport.
- 4. In any growing sport, there will be players and companies that prefer to seek short-term gains over the long-term interests of the sport. These stakeholders frequently try to portray their tactics as "innovative," "edgy" or "disruptive." Other stakeholders, however, describe the same tactics as cheating. USAP's rules help to draw these lines in the sand.
- 5. There is a line between USAP's rules and its approval of equipment. Pickleball manufacturers do not have to receive USAP approval to sell their equipment to the public. A routine trip to Wal-Mart or Target will yield a range of paddles ready for purchase without the "USA Pickleball Approved" logo.
- 6. At the same time, manufacturers frequently wish to demonstrate to the public that their equipment complies with USAP's strict rules and standards and attempts to capture a portion of the public trust in USAP. The "USA Pickleball Approved" logo signals to the market that USAP has decided that a type of paddle is compliant with its rules. Furthermore, certain tournaments may require competitors to use a USAP-approved paddle to ensure fair play. By displaying USAP's logo, the manufacture seeks to assure the public that the equipment may be used not only for recreational matches, but also competitive matches, which continue to grow in popularity across the country.
- 7. If manufacturers desire USAP's approval for their equipment, manufacturers submit that equipment to USAP for testing and approval. Based on the manufacturer's representations and certain tests, USAP may then grant the manufacturer the right to display a

"USA Pickleball Approved" logo on its equipment – symbolizing USAP's stamp of approval for that particular piece of equipment before its sale to the public.

- 8. Of course, there are basic, common-sense assumptions built into this process. For example, the manufacturer must make honest representations to USAP about its equipment. USAP is not present in factories during the manufacturing process, which may even occur overseas, and does not inspect every paddle. Instead, USAP reviews a sample for compliance and then relies on the manufacturer's truthfulness and ongoing commitment not to pull a bait-and-switch. A paddle that receives USAP approval as a prototype must be identical when the manufacturer sells that equipment to the public under the same name.
- 9. On information and belief, JOOLA intentionally decided to abuse USAP's approval process. Specifically, as explained below, JOOLA engaged in fraud to sell illegal paddles as "USA Pickleball Approved" although those paddles had never received USAP's approval.
- 10. Pickleball paddles are rigid. USAP's rules specifically prohibit a "trampoline effect," which improperly increases ball speed and creates a competitive disadvantage for opponents with regular paddles. In 2023, JOOLA submitted prototypes of paddles to USAP that contained a thin layer of foam around the upper rim. Specifically, the interior of the prototypes had a honeycomb design, with a single row of foam-filled cells around the upper rim. Those prototype paddles, as submitted, passed USAP's then-existing metrics for any illegal "trampoline effect."
- 11. In 2024, however, JOOLA launched a product line that marketed these paddles as having a supposed "catapult effect." JOOLA's marketing was suspicious and surprised USAP; JOOLA had not disclosed that intent or marketing strategy to USAP before seeking approval of the original paddles.

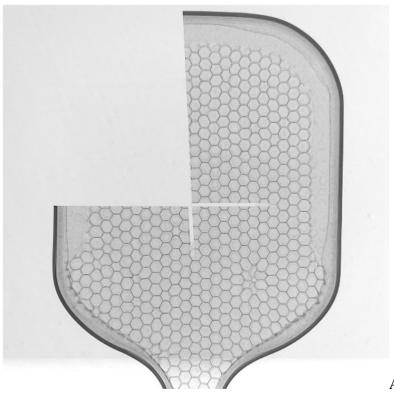
12. Around that same time, USAP had begun to hear rumblings that JOOLA's new mass-produced paddles were too powerful—much more powerful than expected based on the original testing. The paddles also began to fall apart easily—more easily than expected. These new developments were also surprising to USAP. As a result, USAP decided to cut open JOOLA's publicly available paddles and compare them to JOOLA's original submission. A photograph is below. USAP compared a paddle available on the market (left) and bearing the "USA Pickleball Approved" logo to the paddle that JOOLA had originally submitted to USAP (right). If a picture speaks a thousand words, here is what USAP saw:



13. Here is another photographic comparison of the paddles available on the market (right) and bearing the "USA Pickleball Approved" logo, compared to the paddle that JOOLA had originally submitted to USAP (left):



- 14. In short, the publicly available paddles were not the same as the paddles submitted for approval. Instead, JOOLA had doubled (or more) the amount of foam in the mass-produced paddles. The paddles were also lower quality based on the irregular, expanding foam around the rim. JOOLA had never disclosed this to USAP, yet continued to represent to the public that the paddles were "approved." USAP had never approved this different paddle, which JOOLA deceptively marketed to the public under the same name as the approved paddle.
- 15. USAP's investigation did not stop with cutting open paddles. USAP also asked its third-party testing laboratory to conduct CT scans of JOOLA's paddles across the product line. Those CT scans confirmed that JOOLA had systematically increased the amount of foam around multiple "market version" paddles beyond the original sample—sometimes including as much as three cells of foam around one side of the upper rim. These images depict the CT scan results for the following JOOLA paddles:



Anna Bright Scorpeus 3 14 mm



Anna Bright Scorpeus Alpha 16 mm



Ben Johns Perseus 3 14 mm

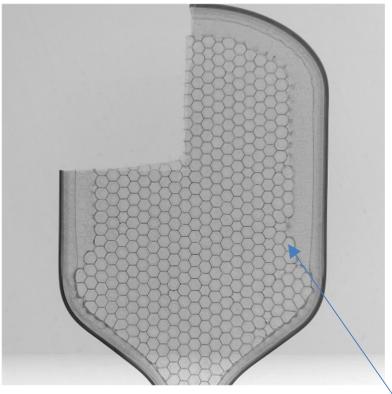


Ben Johns Perseus 3 16 mm

(Observe the irregular foamto-core interface promoting breakdown)



Ben Johns Hyperion 3 14 mm

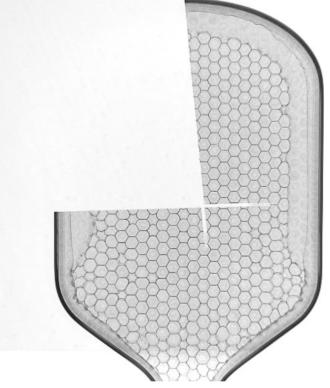


Ben Johns Hyperion 3 16 mm

(Observe the irregular foamto-core interface promoting breakdown)



Collin Johns Scorpeus 3 16 mm



Simone Jardim Hyperion 3 16 mm



Tyson McGuffin Magnus 3 14 mm



Tyson McGuffin Magnus 3 16 mm

- 16. Thus, as USAP learned, JOOLA was selling an entire "Gen 3" product line to the public in 2024 bearing USAP's supposed stamp of approval were *not* the paddles that JOOLA had submitted to USAP for approval in 2023. It was a classic bait-and-switch. Each paddle had far more foam (sometimes double the amount of foam or more) than the original paddles, which heightened the illegal "trampoline effect" when players made contact with the ball.
- 17. Furthermore, JOOLA sold these "juiced" paddles to the public at extremely high prices (e.g., \$279). By comparison, many USAP-approved paddles cost \$100 or less. JOOLA's message was clear: the public could pay extra for a supposedly "USA Pickleball Approved" paddle with more power. This undermined public trust in the game and, unfortunately, USAP.
- 18. When USAP raised questions to JOOLA, JOOLA stalled before taking the position that JOOLA had "accidentally" sent the wrong paddles to USAP in 2023. It did not matter whether it was an accident or not. USAP had to direct JOOLA to stop selling these "wrong" paddles with a "USA Pickleball Approved" logo. The reason was simple: JOOLA was deceiving the public and threatening the integrity of the game.
- 19. On information and belief, JOOLA's mass-production of these unapproved paddles was not an innocent mistake or attributable to mere "manufacturing variances," as JOOLA now claims. Rather, JOOLA engaged in fraud by securing USAP's approval for one set of paddles, while mass-producing and selling differently constructed paddles under the same name for a top-of-the-market price. JOOLA's whole gambit was a misguided attempt to gain a competitive advantage and excessive profits by falsely deceiving consumers that USAP had "approved" these illegal paddles when, in fact, USAP had not.
- 20. USAP takes JOOLA's actions and fraud seriously—both as an organization and for the protection of pickleball as a sport. The need to enforce rules and expectations exists across all

sports. In baseball, batters have used illegal corked bats to increase their power. Football's "Deflategate scandal" concerned the air pressure of footballs that could provide increased throwing control for the quarterback. In ski jumping, there are fresh allegations that skiers may have altered their ski suits to achieve a special aerodynamic edge. In each case, there is an expectation for critical stakeholders to step in.

- 21. In pickleball, JOOLA's actions created outrage among casual and professional pickleball players because JOOLA sought to flood the market with illegal, "juiced" paddles. JOOLA then compounded its fraudulent actions by falsely attempting to place the blame on USAP by misleading the public into believing that USAP had approved illegal paddles. USAP had not. Today, USAP continues to suffer the public consequences of JOOLA's fraud and public confusion.
- 22. JOOLA's actions, and its initiation of this lawsuit, are a sad chapter for pickleball that could have been avoided through honest dealings. JOOLA, however, chose a different route. USAP now seeks to put an end to JOOLA's ongoing deception.

THE PARTIES

- 23. Defendant USA Pickleball Association is a Washington non-profit corporation with its principal place of business in located in Scottsdale, Arizona.
- 24. On information and belief, Plaintiff Sport Squad, Inc. d/b/a JOOLA is a Maryland corporation with its principal place of business in located in Montgomery County, Maryland.

JURISDICTION AND VENUE

25. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1332(a) based on diversity of citizenship of the parties. The amount in controversy exceeds \$75,000. The Court also has jurisdiction under 28 U.S.C. § 1331 because of the Lanham Act claim set forth below.

26. Venue is proper in the District of Maryland because critical acts and omissions, including JOOLA's false representations, occurred at JOOLA's principal place of business in Maryland.

GENERAL ALLEGATIONS

- 27. Pickleball equipment manufacturers, including JOOLA, are highly familiar with USAP's rules and standards. Obtaining USAP approval of pickleball paddles, however, is a voluntary process. That is, paddle manufacturers may produce and sell paddles to the public without the "USA Pickleball Approved" logo. Those manufacturers' paddles may or may not comply with USAP's rules and standards. Such is their right.
- 28. If, however, paddle manufacturers wish to sell paddles that display the "USA Pickleball Approved" logo, they must comply with USAP's rules and standards, and USAP has developed an official approval process. That process includes a mixture of testing and the receipt of (presumptively truthful) representations from manufacturers, which manufacturers must provide to USAP before receiving the right to display USAP's stamp of approval to the public.
- 29. USAP's approval process generally follows two steps. First, manufacturers submit to USAP a prototype (or "base") paddle that will not be sold publicly, along with various representations. Once received, USAP sends the prototype paddles for testing by a third-party lab with respect to certain competitive standards.
- 30. If USAP approves the prototype, manufacturers may also submit updated, "similarity" paddles that the manufacturers would like to sell to the public. Manufacturers typically update "similarity" paddles with shapes, colors and other graphic designs that make those paddles more appealing to consumers.

- 31. During both stages, manufacturers, such as JOOLA, must submit a certification form to USAP. USAP relies on the truthfulness of manufacturers' information and representations in these forms in deciding whether to approve a paddle. Furthermore, because it is impossible to inspect and test every paddle that is ultimately sold to the public, the form asks manufacturers to affirm that the paddles submitted to USAP will be identical to the paddles later sold by the manufacturer to the public.
- 32. If USAP finds that similarity paddles comply with USAP's rules, specifications, testing, and other standards—based on the testing, information, and representations received from the manufacturer—the manufacturer may then affix the "USA Pickleball Approved" logo to paddles it sells to the public.
- 33. This case involves three sets of paddles submitted by JOOLA: (1) two prototype (or "base") paddles submitted to USAP (the "Base Paddles"); (2) a group of similarity paddles submitted to USAP, but never sold to the public (the "Similarity Paddles"); and (3) a group of unsubmitted paddles never approved by USAP but sold to the public by JOOLA (the "Unapproved Paddles.").
- 34. On or about September 16, 2023, JOOLA (via Joe Qiu) submitted two Base Paddles for initial submission testing, designated as "Perseus 14mm Mod TA-15" and "Perseus 16 mm Mod TA-5." The interior of these paddles contained a honeycomb shape and a thin, single-cell layer of foam around the upper rim.
- 35. For paddles, USAP's rules and standards address materials, size, weight, surface roughness, reflection, alterations, and "prohibited features" in Rule 2.E.6. Relevant here, those specifications provide that "[t]he paddle shall be made of rigid, non-compressible material." The

"prohibited features" include "[s]prings or spring-like material, flexible membranes or any compressible material that creates a trampoline effect."

- 36. In its submission, JOOLA represented that the Base Paddles "do[] not contain any prohibited surface features or mechanical features (2.E.6 Prohibited Surface Features)." Based on USAP's findings at that time, based on then-existing specifications, the two Base Paddles received USAP approval.
- 37. On or around November 3 and 6, 2023, JOOLA (via Jimmy Chung) submitted additional paddles to USAP for similarity approval, under the following names: Anna Bright Scorpeus Gen 3 14 mm, Ben Johns Hyperion Gen 3 16mm, Ben Johns Hyperion Gen 3 14 mm, Tyson McGuffin Magnus Gen 3 16 mm, Tyson McGuffin Gen 3 14 mm, Collin Johns Scorpeus Gen 3 16 mm, and Simone Jardim Hyperion Gen 3 16mm.
- 38. At the time of submission, JOOLA also submitted supporting letters to USAP for each paddle, which stated: "The only modifications we have made are the shape of the paddle and the surface artwork. The paddle thickness, core materials, and handle length ... remain identical" to the Base Paddles.
- 39. In its submission that day, JOOLA (via Jimmy Chung) represented: "I, the manufacturer or manufacturer's representative, am applying for paddle approval using similarity certification." JOOLA again represented that the paddles "do[] not contain any prohibited surface features or mechanical features (2.E.6 Prohibited Surface Features)."
 - 40. JOOLA further represented:
 - "The paddle being submitted is structurally and functionally identical to the model number provided above which was previously approved by [] USA Pickleball."

- "The paddle samples that will be submitted for testing are identical including material and structure."
- "The submitted paddle will be identical to the paddle offered and sold to customers."
- "The submitted paddle will continue to meet USA Pickleball/IFP rule specification as it continues to be produced and sold to customers."
- 41. On information and belief, JOOLA's foregoing representations were knowingly false.
- 42. In its submission, JOOLA further represented: "After approval, if the submitted paddle is modified, I understand it will need to be resubmitted to USA Pickleball for testing." This representation created an ongoing duty for JOOLA to notify USAP of any modifications after approval.
- 43. Relying on JOOLA's representations set forth above, USAP approved the Similarity Paddles and placed them on the Approved Equipment List.
- 44. Subsequently, as previously described, JOOLA mass-produced and sold different, Unapproved Paddles to the public under the same name as the Similarity Paddles. As depicted in the photographs above, these Unapproved Paddles contained excessive amounts of foam around the upper rim, which resulted in an illegal "trampoline effect" that unfairly increased ball speed and threatened the fairness of competition.
- 45. JOOLA unfairly sought and received additional profits by charging consumers excessively high prices. The additional foam also caused the Unapproved Paddles to break down prematurely, to the detriment of innocent consumers.

- 46. These Unapproved Paddles also falsely bore the "USA Pickleball Approved" logo, wrongly suggesting responsibility on the part of USAP in JOOLA's scheme.
- 47. On information and belief, JOOLA, as the manufacturer of the paddles, did not intend to sell the paddles that it submitted to USAP. Instead, JOOLA intended to sell "juiced" paddles that differed from the samples submitted to USAP. This is readily apparent based on JOOLA's decision to market the Unapproved Paddles as having a "catapult effect." JOOLA sought to conceal the differences by using the same name and graphics as the submitted paddles. Alternatively, following the approval of the Base or Similarity Paddles, JOOLA later learned that its manufacturing process resulted in noncompliant paddles and falsely omitted that information from USAP, despite JOOLA's obligation to notify USAP and re-submit paddles to USAP for new testing and approval.
- 48. In any event, USAP began to investigate the non-compliance and approached JOOLA about its findings. Initially, JOOLA dodged the issue. Next, JOOLA attempted to use strong-arm tactics of threatening litigation in the hope that USAP would back down, which USAP refused. Finally, JOOLA took the position that an "administrative error" had led them to submit different paddles to USAP in November 2023 from the ones they sold on the market in 2024.
- 49. Regardless of whether the error was innocent or intentional, JOOLA's acknowledgment of its error led USAP to demand that the paddles with its logo be removed from the market. JOOLA, aware of its error, purportedly agreed. Even so, Unapproved Paddles branded with the "USA Pickleball Approved" logo subsequently remained available for purchase online, including through third-party retailers.
- 50. JOOLA's actions in manufacturing these illegal paddles created a substantial scandal within the pickleball community. Then and now, members of the public received the false

impression that USAP had approved these paddles, causing damage to USAP's reputation and business dealings. Even today, outside of retail sales, Unapproved Paddles remain in circulation among members of the public, falsely bearing the "USA Pickleball Approved" logo.

COUNT I

(Fraud – Fraudulent Misrepresentation and Fraudulent Concealment)

- 51. USAP incorporates the allegations contained in the preceding paragraphs of this Counterclaim as if fully set for the herein.
- 52. In September and November 2023, JOOLA made false representations and/or omissions to USAP in order to obtain certification of the Base and Similarity Paddles and sell paddles to the public with the "USA Pickleball Approved" logo.
- 53. When JOOLA made these false representations, it knew that the representations were false or, in the alternative, made them with reckless disregard for their truth or falsity.
- 54. JOOLA made those false representations for the purpose of defrauding USAP to obtain the advantage of receiving USAP's supposed "permission" to place USAP's logo on the Unapproved Paddles, which JOOLA would sell under the same name. Alternatively, JOOLA intentionally concealed material information by producing different, noncompliant paddles that USAP had never tested and failing to inform USAP before marketing and selling those paddles to the public.
- 55. USAP had a right to rely on JOOLA's representations. JOOLA's representations created an ongoing duty to disclose to USAP any modifications to the Base and/or Similarity Paddles.
- 56. USAP justifiably relied on JOOLA's representations and failure to disclose material facts in approving the paddles and keeping the names of nine paddle models on its Approved Equipment List.

- 57. As a result of JOOLA's false statements and omissions, USAP has suffered reputational damage and lost revenue from business relationships based on the negative image resulting from JOOLA's false statements that implicated USAP in its endeavor to deceive the public.
- 58. JOOLA's actions were deliberate, willful, and contumacious, warranting an award of punitive or exemplary damages.

COUNT II

(False Endorsement – Lanham Act 15 U. S. C. § 1125(a))

- 59. USAP incorporates the allegations contained in the preceding paragraphs of this Counterclaim as if fully set forth herein.
- 60. Under 15 U.S.C. § 1125(a)(1)(A), "any person who, or in connection with any goods or services or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which is likely to cause confusion or cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable in a civil action by any person who believes that he or she is likely to be damaged by such act."
- 61. JOOLA falsely and/or misleadingly used the "USA Pickleball Approved" logo in connection with its sale of nine Unapproved Paddles falsely marketed as being identical to Base and Similarity Paddles approved by USAP.
- 62. USAP never approved the Unapproved Paddles, and JOOLA did not have USAP's permission to represent to the public that USAP had approved them, thereby misleading the public.

- 63. These paddles remain publicly available and in use and continue to create confusion.
- 64. USAP has suffered and continues to suffer damages from JOOLA's false and misleading representation of the Unapproved Paddles as "USA Pickleball Approved," warranting an award of treble damages under 15 U.S.C. § 1117(a).
- 65. JOOLA also gained inequitable profits based on its false and misleading statements, warranting disgorgement of all profits under 15 U.S.C. § 1117(a).
- 66. JOOLA's deliberate actions and attempts to blame USAP for its own mistakes also serve as "exceptional" circumstances warranting an award of attorneys' fees under 15 U.S.C. § 1117(a).

COUNT III

(Declaratory Judgment – 22 U. S. C. § 2201)

- 67. USAP incorporates the allegations contained in the preceding paragraphs of this Counterclaim as if fully set forth herein.
- 68. Under 22 U.S.C. § 2201(a), "[i]n a case of actual controversy within its jurisdiction . . . any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought."
- 69. USAP and JOOLA mutually entered into a binding agreement, supported by valid consideration, regarding the terms that governed JOOLA's ability to use USAP's "USA Pickleball Approved" logo and seal.

- 70. In exchange for a fee, USAP agreed to test and review JOOLA's paddles for compliance and, if compliant, to allow JOOLA to utilize USAP's logo under specified terms. In turn, JOOLA agreed to abide by USAP's licensing terms.
- 71. Under the terms of that agreement, "If USA Pickleball discovers that a paddle or ball has been misrepresented and/or labeled as approved by USA Pickleball without having been submitted for testing or has failed testing: The offending manufacturer will be placed on probation for one year. During the probationary period, the manufacturer's products (includes: all paddles and balls) may not be submitted for testing."
- 72. USAP seeks a declaratory judgment that JOOLA misrepresented and/or labeled one or more paddles as approved by USAP without having been submitted for testing.
- 73. This controversy is ripe for judicial resolution. The Court has jurisdiction pursuant to 28 U.S.C. § 1331 and 28 U.S.C. § 1332(a). At this stage, USAP has not yet invoked this probationary provision, whose one-year term will commence upon invocation.

PRAYER FOR RELIEF

WHEREFORE, USAP respectfully requests that this Court:

- a. Award compensatory damages to USAP, including treble damages under 15 U.S.C. §
 1117(a);
- **b.** Award USAP a disgorgement of JOOLA's profits under 15 U.S.C. § 1117(a), including treble damages;
- Award punitive damages to USAP against for JOOLA's deliberate, contumacious, and fraudulent conduct;
- **d.** Enter a declaratory judgment that JOOLA misrepresented and/or labeled one or more paddles as approved by USAP without having been submitted for testing;

- **e.** Award USAP statutory pre-judgment and post-judgment interest on all applicable amounts listed above;
- **f.** Award USAP reasonable attorneys' fees and costs, including under 15 U.S.C. § 1117(a); and
- g. Provide such other and further relief as this Court may deem just and proper.

Dated: April 18, 2025 By: /s/ Philip D. Bartz

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Attorneys for Defendant USA Pickleball Association

CERTIFICATE OF SERVICE

I hereby certify that on this 18th day of April, 2025, a copy of the foregoing was served via the Court's electronic filing system on all counsel of record.

/s/Philip D. Bartz

Philip D. Bartz