

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
(Greenbelt)

SPORT SQUAD, INC.)
~~2101 Gaither Road~~)
~~Suite 125~~)
~~Rockville, MD 20850~~)

Plaintiff,)

v.)

USA PICKLEBALL ASSOCIATION)
~~8901 East Mountain View Road~~)
~~Suite 110~~)
~~Scottsdale, AZ 85258~~)
~~SERVE: Philip Mortenson~~)
~~170 Power Ave.~~)
~~Seattle, WA 98122~~)

Defendant.)

Case No. 8:24-cv-01712-PX

JURY TRIAL DEMANDED

AMENDED COMPLAINT

Plaintiff SPORT SQUAD, INC. (**“Plaintiff” or “Joola”**), by and through its undersigned attorneys, Shulman Rogers, P.A., hereby submits this **Amended** Complaint against Defendant USA PICKLEBALL ASSOCIATION (**“Defendant” or “USAP”**) and, in support thereof, states as follows:

STATEMENT OF THE CASE

1. ~~This matter arises from a dispute between~~ Plaintiff Sport Squad, Inc., **is** one of the premier manufacturers of pickleball paddles, ~~and Defendant USA Pickleball Association, an organization that sets national standards for pickleball equipment~~ in the United States.

2. ~~In the first half of 2023, Plaintiff, which does business under the “Joola” brand, developed an innovative new design for pickleball paddles, and it submitted two prototypes paddle that includes, among other innovations, a foam insert along the inside edge of the paddle. The new~~

design allows players to create more speed on a batted ball while still maintaining control over the shot.

2. Defendant USA Pickleball Association holds itself out as the national governing body for the sport of pickleball in the United States. It sets the standards for what pickleball equipment can be used in USAP-sanctioned events.

3. In September 2023, Plaintiff submitted two of its new paddles to USAP for testing and approval (the “September 2023 Base Paddles”). After

4. On September 16, 2023, after carefully examining the ~~prototype~~ paddles, Defendant the USAP notified Plaintiff in Joola that the September 2023 Base Paddles had passed its tests, and it expressly informed Joola that the ~~newly designed~~ company could stamp the new paddles had been certified as compliant with Defendant’s equipment standards as “USA Pickleball Approved.”

3.5. In November 2023, Plaintiff Joola submitted nine additional paddles to Defendant — market versions of the two base paddles that had already been approved, but with different shapes and new graphics — the USAP for “similarity testing.” The purpose of this similarity testing was to confirm that the market versions of the (the “November 2023 Paddles”). Those nine paddles were structurally and functionally ~~the same as~~ identical to the base paddles that had already been approved. Defendant September 2023 Base Paddles, which had already been approved, but they had different shapes and/or graphics.

6. USAP approved all of Plaintiff’s “similarity” submissions on the November 2023 Paddles by the end of December 15, 2023, and it expressly informed Joola that it could also stamp those paddles as “USA Pickleball Approved.”

47. Relying on these certifications, ~~beginning in late December 2023, Plaintiff Joola~~ manufactured over one hundred thousand of its next generation pickleball paddles, ~~which went on sale to the general public on April 16, 2024.~~

58. ~~Joola set April 16, 2024 as the public release date for the November 2023 Paddles.~~ However, on April 11, 2024, ~~only days less than a week~~ before the ~~paddles were set to go on sale,~~ and ~~after Plaintiff had already sold and shipped 60,000 paddles to its retail partners,~~ ~~Defendant's~~ ~~scheduled release, the USAP~~ threatened out-of-the-blue that it would “sunset” its approval of ~~Plaintiff Joola's~~ new paddles because, in ~~Defendant USAP's~~ subjective opinion, ~~they the paddles~~ were “too fast” and purportedly violated ~~some of Defendant USAP's~~ design requirements.

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9. ~~The USAP, however, took no formal action at the time, and it allowed Joola's November 2023 Paddles to go on sale as scheduled.~~

10. In May 2024, ~~Defendant followed through on its threat, and it~~ ~~after the paddles had been on sale for almost a month, the USAP suddenly~~ revoked its certification of ~~Plaintiff's next generation paddle~~ ~~the November 2023 Paddles.~~

11. Notably, however, ~~Defendant the USAP~~ did not revoke its certification for any of the reasons it had previously posited. Instead, ~~Defendant seized on an administrative error from Defendant's November 2023 “similarity” submission, which Plaintiff had discovered in May 2024 and promptly reported to Defendant, as the grounds for to justify~~ its decertification decision ~~(Plaintiff's error was, the USAP cited to a statement made by Joola in May 2024 that it Joola had accidentally sent~~ ~~submitted~~ the “wrong” paddles to ~~Defendant for similarity testing in~~ ~~the USAP as part of Joola's November 2023 “similarity” submission (even though USAP had specifically approved those~~ November 2023 ~~Paddles as submitted).~~

~~712. On May 15, 2024, Plaintiff promptly corrected the administrative error by submitting the correct Joola—at the USAP’s suggestion—resubmitted its nine paddles November 2023 Paddles for similarity testing (the “Resubmitted Paddles”). These paddles~~

~~13. Before sending them to USAP, Joola carefully examined the Resubmitted Paddles to confirm that they complied with the USAP’s requirements.~~

~~14. The Resubmitted Paddles should have passed the USAP’s similarity tests with flying colors, as they were structurally and functionally the same as the base paddles that Defendant had already tested and approved in identical to the September 2023:~~

~~8. However, Defendant was determined to fail Plaintiff Base Paddles, which the USAP had approved and which remained on the USAP’s new “approved paddles at any cost, and #list.”~~

~~15. The USAP, however, found reasons to fail all nine of Plaintiff Joola’s paddle submissions Resubmitted Paddles, going so far as making up new citing to unpublished rules to ensure that none of the paddles passed. Accordingly, the USAP refused to reinstate the November 2023 Paddles to the “approved paddles list.”~~

~~9. In fact, while Defendant couched its decision to fail the paddles on the purported results of its similarity testing, Defendant’s Chief Operating Officer, Justin Maloof, candidly admitted to Plaintiff that Defendant would never certify any of Plaintiff’s paddles no matter how similar they were to the base paddles that it had already been approved. In other words, Defendant’s similarity testing process had been stacked against Plaintiff to prevent Plaintiff from bringing its next generation paddles to market.~~

~~10~~

~~16. In June 2024, Joola placed its September 2023 Base Paddles on the market, as those~~

two paddles remained on the USAP’s “approved paddles list” and the USAP had expressly informed Joola at the time of their approval that the paddles could be stamped as “USA Pickleball Approved.”

17. Unfortunately, the USAP’s determination to prevent Joola from selling its next generation paddles knows no bounds, and the USAP decided to “sunset” its certification of the September 2023 Base Paddles, effective July 1, 2025.

18. As a result of ~~Defendant~~the USAP’s bad faith ~~refusal to~~conduct ~~unbiased similarity testing and approve Plaintiff’s new paddles~~, Plaintiff has been left in the paddle certification process, Joola—in addition to sustaining substantial damage to its reputation—has become stuck with over one hundred thousand uncertified pickleball paddles, ~~which that~~ it ~~will not be able to~~cannot sell. Plaintiff never Joola would never have manufactured these paddles had it known that ~~Defendant~~the USAP would pull such a bait-and-switch ~~by~~—approving the ~~new paddle design in September 2023 and then refusing to approve any similarity submissions based on the new design seven~~paddles in the first instance and then, months later, revoking that approval on spurious grounds.

19. By this action, Plaintiff Joola seeks compensation from ~~Defendant~~the USAP for the damages it has incurred, and it also seeks an injunction requiring ~~Defendant~~the USAP to reinstate Plaintiff Joola’s next generation paddles ~~on Defendant~~to the USAP’s public list of “Approved Pickleball Paddlesapproved paddles.”

THE PARTIES

20. Plaintiff Sport Squad, Inc. is a Maryland corporation with its principal place of business ~~in~~ located in Montgomery County, Maryland.

~~1321.~~ Defendant USA Pickleball Association is a Washington non-profit corporation with its principal place of business ~~in~~-located in Scottsdale, Arizona. While Defendant promotes itself as the “National Governing Body for the sport of pickleball” in the United States, it has not actually received that designation from any accredited entity.

JURISDICTION AND VENUE

~~1422.~~ 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.

~~15~~

~~23.~~ This matter also involves a request for a declaration of the parties’ rights, duties, and obligations pursuant to 28 U.S.C. § 2201.

~~24.~~ Venue is proper in this Court pursuant to 28 U.S.C. § 1391 ~~as~~because Plaintiff’s causes of action arise from events that occurred in Maryland~~and, which~~ caused damages in ~~the state~~Maryland.

FACTS COMMON TO ALL COUNTS

~~1625.~~ ~~Plaintiff manufacturers premium pickleball paddles sold under the “Joola” brand.~~ Plaintiff has designed and manufactured over 40 different pickleball paddle models that have received ~~Defendant~~the USAP’s approval, and its paddles are highly sought after by professional and amateur players alike.

~~1726.~~ ~~Defendant~~The USAP is a private organization that purports to set national standards for pickleball equipment in the United States, including for paddles.

~~1827.~~ ~~Defendant~~The USAP also tests new ~~paddle designs~~paddles submitted by manufacturers for compliance with ~~its~~the USAP’s standards. In ~~Defendant~~the USAP’s own words, it “holds approved equipment to an extremely rigorous process and the highest testing standards

and will evaluate [new] submissions for compliance with ~~USA Pickleball's[its]~~ equipment standards." If ~~DefendantUSAP~~ finds that those "new submissions" comply with its standards, it certifies them for use in ~~DefendantUSAP~~-sanctioned events and allows the manufacturers to market the paddles as "USA Pickleball Approved."

~~1928.~~ ~~DefendantUSAP~~ also conducts "similarity testing" to confirm that market versions of a paddle are structurally and functionally identical to a "base paddle," which is a paddle that has been approved through the "new submission" testing, ~~which is called the "base paddle."~~

~~2029.~~ ~~DefendantUSAP~~ charges a substantial fee for these "new submission" and "similarity" testing services.

~~2130.~~ Manufacturers must obtain ~~DefendantUSAP~~'s certification for their paddles because ~~pickleball players are not permitted to use uncertified paddles in Defendant-sanctioned events. Moreover, even in tournaments organized by other entities, players are usually required to use Defendant-certified paddles because~~ "USA Pickleball Approved" has become a de facto global standard. ~~Defendant's certification is also required by both major professional pickleball associations, the Professional Pickleball Association and Major League Pickleball. Furthermore, recreational for paddles. Most pickleball players generally will not purchasebuy paddles without that are not certified for tournament play, even if those players never intend to enter into a sanctioned tournamentcertification. In addition, players are expressly forbidden from participating in USAP-sanctioned events without paddles that have been USAP-approved.~~

31. In effect, a paddle that is not certified by the USAP is unsellable.

A. **Plaintiff Designs an The USAP Approves Joola's Innovative, New Pickleball Paddle.**

~~2232.~~ In the ~~summarysummer~~ of 2023, ~~PlaintiffJoola~~ developed a cutting-edge, next generation paddle for pickleball play. Among other innovations, ~~PlaintiffJoola~~'s new paddle

contained a foam insert in the frame of the paddle, between the paddle's hitting surface and its edge. This change enabled players to create more speed and spin on a batted ball while simultaneously giving them more control over their shots, a dual combination not found in any other paddle.

33. By all measures, Joola's new paddles put it a step ahead of other manufacturers.

2334. On or around September 1, 2023, PlaintiffJoola submitted two prototypes of its next generation paddle to Defendantpaddles—the September 2023 Base Paddles—to the USAP for “New Paddle Submission” testing. The two paddles, which became the base paddles for later submissions, were named as follows:

- Perseus MOD TA-15 16 mm
- Perseus MOD TA-15 14 mm

2435. PlaintiffJoola paid \$3,000 for this testing.

2536. On September 16, 2023, Defendantthe USAP notified PlaintiffJoola that both of its new paddles the September 2023 Base Paddles had “passed the USA Pickleball specification tests” and that both paddles had been approved. Defendant USAP also sent PlaintiffJoola a “test report,” which concluded that the paddles were “USAPA-Compliant”USAP compliant in every test administered, including in tests for surface roughness and rigidity.

2637. DefendantUSAP further informed PlaintiffJoola that the paddles could be added to Defendantthe USAP's public “approved paddlepaddles list” and that PlaintiffJoola could use the phrase “USA Pickleball Approved” on the face of the paddles.

~~27. Having received Defendant's approval for the new paddle design, Plaintiff began setting up manufacturing facilities to mass produce the next generation paddles. Plaintiff never would have undertaken the monumental and costly task of mass producing the new paddles had Defendant not approved the new paddle design.~~

38. The USAP repeatedly suggested to Joola that it had conducted “rigorous” testing on the submitted paddles. Thus, Joola reasonably believed that it could rely on the approvals issued by the USAP.

B. Plaintiff Joola Submits Nine ~~Market-Version~~ Additional Paddles to the USAP for “Similarity Testing.”

2839. In November 2023, Plaintiff Joola submitted ~~an~~nine additional ~~nine~~ paddles—the November 2023 Paddles—to the USAP for “similarity testing.” ~~These nine paddles were the market versions of the two base paddles that had already been approved, and they~~ The November 2023 Paddles were structurally and functionally ~~the same as~~identical to the ~~two~~ base paddles ~~September 2023 Base Paddles, but they contained different shapes and/or graphics.~~

2940. ~~Specifically~~The November 2023 Paddles were submitted in two batches. First, on November 3, 2023, Defendant Joola submitted the following seven ~~additional~~ paddles for similarity testing:

- Ben Johns Hyperion ~~Gen~~3 16mm
- Ben Johns Hyperion ~~Gen~~3 14mm
- Tyson McGuffin Magnus ~~Gen~~3 16mm
- Tyson McGuffin Magnus ~~Gen~~3 14mm
- Collin Johns Scorpeus ~~Gen~~3 16mm
- Anna Bright Scorpeus ~~Gen~~3 14mm
- Simone Jardim Hyperion ~~Gen~~3 16 mm.

3041. ~~On~~Then, on November 6, 2023, Defendant Joola submitted two more paddles for similarity testing:

- Ben Johns Perseus 3 16mm
- Ben Johns Perseus 3 14mm.

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42. The two paddles submitted by Joola on November 6, 2023 were exactly the same as the September 2023 Base Paddles except that they contained different surface artwork.

43. Plaintiff paid several thousand dollars for ~~Defendant~~USAP to conduct similarity testing ~~of on~~ the ~~nine paddles submitted on~~ November 3, 2023 ~~and November 6, 2023~~Paddles.

3244. By ~~the end of~~ December 15, 2023, ~~Defendant~~the USAP had approved all nine of the ~~paddles previously submitted by Plaintiff on~~ November 3, 2023 ~~and November 6, 2023, and~~ ~~#~~Paddles, had added ~~them~~those paddles to its “~~approved paddles list,~~” and had notified Joola that it could market the “~~Approved~~paddles as “USA Pickleball Paddles” list~~Approved.~~”

C. ~~Relying on Defendant’s Prior Approvals, Plaintiff Manufacturers Joola Manufactures and Markets Tens of Thousands of New Paddles in Reliance on the USAP’s Written Approvals.~~

3345. On January 19, 2024, ~~Plaintiff~~Joola’s executives met with ~~Defendant~~the USAP regarding ~~Defendant’s equipment standards, and Defendant did not even hint in~~the USAP’s paddles. ~~During~~ that meeting, ~~the USAP revealed~~ that it had ~~taken some of Joola’s new paddles apart as part of a physical inspection of the paddles, but the USAP did not mention having any concerns about~~ ~~Plaintiff’s new paddle design~~the paddles.

3446. Following that meeting ~~in January 2024, Defendant continued sealing, and having received the USAP’s approval for the new paddles, Joola scaled~~ up its manufacturing capacities to mass produce its ~~new, next generation paddles~~November 2023 Paddles, and it also launched an extensive marketing campaign to promote its new technology. ~~Joola never would have undertaken the monumental—and costly—task of mass producing the new paddles had they not already received the USAP’s approval.~~

3547. ~~Plaintiff~~Joola set April 16, 2024 as the public release date for ~~its next generation paddle~~the November 2023 Paddles.

3648. In ~~addition, starting around~~ January 2024, as part of its marketing initiative, ~~Plaintiff~~Joola provided its next generation paddles to some of its sponsored professional players

through its “Alpha” program. In exchange, those professional players were asked to provide feedback on the paddles based on their experiences with them in actual, competitive matches.

3749. In addition, Joola anticipated that the professional players would generate public demand for the new paddles by showcasing ~~their efficacy~~ the superiority of Joola’s paddles in tournament play.

3850. Plaintiff Joola’s next generation paddles proved to be a smashing success, ~~—~~ generating rave reviews from players— and Plaintiff Joola’s sponsored ~~professional~~ professionals won numerous tournaments using Plaintiff Joola’s equipment.

3951. In fact, Plaintiff’s Joola paddles were so successful that other paddle manufacturers ~~and non-sponsored professional players~~ began complaining that Plaintiff Joola’s paddles gave an unfair advantage to Plaintiff Joola’s players.

4052. All told, from ~~late December 2023~~ January to mid-May 2024, Plaintiff Joola manufactured ~~at least 150,000~~ and delivered around 75,000 next generation paddles, which have a total retail value of over ~~\$70~~ 25 million. In addition, Plaintiff has Joola had open purchase orders for almost 100,000 additional paddles. ~~Each, most~~ of those paddles contains a stamp stating that the paddle has been approved by USA Pickleball, a notation Defendant authorized Plaintiff to add when it approved the two base paddles back in September 2023. Plaintiff which it had already manufactured. Joola never would have mass produced those paddles ~~or marked them as “USA Pickleball Approved”~~ had Defendant USAP not ~~already certified Plaintiff’s new paddle design~~ approved them.

4153. Plaintiff Joola also ~~spent millions marketing the new paddles, with the entire~~ prepared an extensive marketing campaign for the new paddles, which was premised on the

fact that Plaintiff Joola's paddles ~~complied with Defendant's standards~~ were "USA Pickleball Approved."

D. Defendant USAP Threatens to "Decertify" Plaintiff Joola's Paddles Days Before Their Public Release.

~~4254. However, on~~In early April ~~10,~~ 2024, only days before the highly-anticipated public release of ~~the Joola's~~ next generation paddles, Defendant USAP asserted for the first time that Plaintiff Joola's new paddles did not comply with ~~it~~the USAP's regulations, and ~~it~~the USAP threatened to "sunset" its approval of the ~~paddles~~November 2023 Paddles.

~~4355.~~ According to ~~Defendant, Plaintiff~~USAP, Joola's next generation paddles violated Rule 2.E.6.f of ~~Defendant~~the USAP's Equipment Standards Manual, which prohibited "springs or spring-like material, flexible membranes or any compressible material that creates a trampoline effect."

~~44. In fact, Defendant's Managing Director for Equipment Standards & Facilities Development, Carl Schmidt, wrote to Plaintiff in an email on April 11, 2024 that:~~

~~We appreciate your concern that these paddles have passed our existing tests at NTS, but we do contend, after conducting a teardown driven by concerns mentioned above as well as a full-width facial deflection test, that they violate rule 2.E.6.F. . . . which will result in the withdrawal of certification of products with that feature.~~

~~45. In other words, Defendant admitted to Plaintiff that Plaintiff's paddles had passed all of Defendant's tests, and Defendant further acknowledged that it had not bothered to conduct a "teardown" of Plaintiff's paddles until right before they were to go on sale despite having possession of them for over five months.~~

56. In follow up meetings between DefendantJoola and Plaintiffthe USAP in April 2024, Defendantthe USAP claimed that the foam insert along the rimedge of PlaintiffJoola's paddles created an illegal "spring-like" effect that made the exit velocity of batted balls "too fast."

4757. Yet, Defendantthe USAP's equipment standards had not changed from September 2023 to April 2024, ~~and Plaintiff's paddle design had not changed either.~~ If PlaintiffJoola's paddles, which had always contained the foam insert, complied with Defendantthe USAP's standards when they were "rigorously" tested and approved in September 2023, then they still should have complied with the USAP's standards in April 2024.

4858. Moreover, Defendantthe USAP never presented any evidence to PlaintiffJoola demonstrating that ~~its~~Joola's paddles were "springier" than other paddles on the market or that its paddles were any "faster" than all other approved paddles.

~~49. — Indeed, Defendant likely had no such evidence because Defendant's testing and certification requirements are primarily design and materials based, not performance based. In other words, Defendant's rules require paddles to meet certain requirements as to structure and materials, and they impose only nominal restrictions on how a batted ball may exit the paddle surface.~~

~~50. — Grasping at straws to make up for its lack of evidence, Defendant at one point cited to Plaintiff's marketing materials, which advertised Plaintiff's paddles as having a "catapult effect," in order to support its sudden assertion that Plaintiff's paddles were "too fast."~~

~~51. — Plaintiff and Defendant continued their discussions in April 2024, and it soon became apparent that Defendant was simply searching for reasons to revoke its certification of Plaintiff's next generation paddles, likely at the behest of other manufacturers who could not compete with Plaintiff's new design.~~

~~52. For example, in addition to arguing that Plaintiff's paddles were too "springy,"~~
~~Defendant~~

~~59. The USAP further claimed that the November 2023 Paddles contained more foam than the September 2023 Base Paddles. However, to the extent there was any variation in the amount of foam between paddles, that difference was minuscule and not material to the performance of the paddles.~~

~~60. The USAP also~~ asserted that the exit velocity created by ~~PlaintiffJoola's~~ new paddles caused a player safety issue. However, ~~Defendantthe USAP~~ presented no data or research to support this assertion.~~In fact, Defendant's own study found that approved paddles from other manufacturers were actually "faster" than Plaintiff's new paddles. Andand,~~ to be clear, there is no reason to believe that ~~PlaintiffJoola's~~ paddles are somehow unsafe.

~~5361.~~ Furthermore, even if ~~Defendantthe USAP~~ had somehow uncovered a legitimate reason for revoking its certification of ~~PlaintiffJoola's~~ paddles, ~~Defendantthe USAP~~ would have been required by Rule 2.F.1 of ~~Defendant'sits~~ Equipment Standards Manual to give ~~PlaintiffJoola~~ and the general public 18 months' notice before doing so.

~~62.~~ Specifically, Rule 2.F.1 provides:

Approval and authorization of a specified piece, model, brand, version, design, or type of equipment may be revoked by the Board of Directors upon 18 months' notice on the USA Pickleball home page, official national newsletter publications, or other acceptable means of communication, if the specified equipment is found to have been materially changed by the manufacturer or if the equipment materially degrades or changes under ordinary use so as to significantly alter the nature of the sport.

~~54. But Defendant had no time for such notice formalities when it came to Plaintiff.~~

~~55. Thus, Defendant pressed ahead with its wide-ranging search to find a pretext to ban Plaintiff's paddles for one reason or another.~~

~~56. On information and belief, some of Defendant's main sponsors are other pickleball paddle manufacturers, and certain of those manufacturers may have played a hand in Defendant's decision to slow down's Plaintiff's innovation by any means necessary, which would give them the opportunity to "catch up."~~

~~57~~

~~See Rule 2.F.1 of the Equipment Standards Manual (emphasis added).~~

~~63. Simply put, in April 2024, Defendantthe USAP had no basis for decertifying PlaintiffJoola's paddles, and, even if it did, Defendantthe USAP would have been required to give PlaintiffJoola 18 months' notice before doing so.~~

~~5864. ForLikely for this reason, Defendantthe USAP—despite its threats—allowed Plaintiff's paddles~~the November 2023 Paddles~~ to go on sale to the general public as scheduled on April 16, 2024.~~

~~65. In the meantime, the USAP continued its search for a pretext to ban Joola's new paddles.~~

~~E. **Defendant FindsThe USAP Stumbles Upon a New Reason to De-Certify Plaintiffcertify Joola's Paddles.**~~

~~5966. LessIn mid-May 2024, less than a month later, however, in mid-May 2024, Defendant would stumble uponafter Joola had released the November 2023 Paddles to the public, the USAP came up with yet another reason for decertifying PlaintiffJoola's next generation paddles.~~

~~6067. DefendantBut USAP's new grounds for decertification had nothing to do with the design of Joola's new paddles on the market or with those that had been tested and approved by Defendant in September 2023. Rather, Defendant decertified Plaintiffthe USAP chose to decertify Joola's paddles purportedly because of an administrative error that Plaintiff had made in November~~

~~2023 when it accidentally sent~~Joola had submitted the “wrong” paddles to ~~Defendant for~~the USAP as part of Joola’s ~~similarity testingsubmission~~in November 2023.

~~61. Although not relevant here, this error stemmed from Plaintiff’s initial efforts to manufacturer new paddles in October 2023. As is common in the early stages of manufacturing, some of the first paddles produced did not fully meet Plaintiff’s specifications, as they contained a layer of foam that was considerably thicker than the foam layer contained in the two base paddles approved by Defendant in September 2023. By mid-October 2023, Plaintiff had identified this manufacturing variance, and it was fully corrected in its manufacturing process by the end of the year, before any paddles were made for professional players or for sale to the general public.~~

~~However, due to an administrative mix up, Plaintiff accidentally sent the improperly manufactured paddles from early October 2023 to Defendant for similarity testing instead of the ready for market versions of the paddles, which had been produced later.~~

~~62. Plaintiff did not realize that there had been an error in its November 2023 submission, which had been approved by Defendant, until around~~

~~68. This alleged error in the submission process came to light in May 2024, when Joola discovered that the paddles it had previously submitted to the USAP for “similarity testing” in November 2023 contained a manufacturing variance that allowed for more foam than Joola had intended. Joola promptly informed the USAP of this discovery, stating that it had submitted the “wrong” paddles for “similarity testing.”~~

~~69. Notably, even with the manufacturing variance, the USAP had approved the November 2023 Paddles, meaning that the manufacturing variance in foam thickness was not material in the USAP’s view at the time it approved the paddles.~~

~~70. And the market versions of the November 2023 Paddles contained a tighter~~

variance for foam thickness than what the USAP had approved in the November 2023 similarity submission. In fact, the market versions of the November 2023 Paddles were identical (within standard manufacturing tolerances) to the already-approved September 2023 Base Paddles in terms of foam thickness. In other words, the USAP's original assessment was correct that there was no material difference between the September 2023 Base Paddles and the November 2023 Paddles.

71. Yet, on May 9¹⁴, 2024, and it promptly notified Defendant of the mistake.

63. Defendant immediately seized upon this mix up to decertify the USAP—seizing on Joola's admission that it had previously submitted the “wrong” paddles for similarity testing—summarily decertified all of Plaintiff Joola's next generation November 2023 Paddles, even though the paddles being sold by Joola on the grounds that the market versions of contained tighter manufacturing variances for foam than the paddles that had technically not already been approved by Defendant through similarity testing the USAP.

64. Defendant

72. In effect, the USAP's position was that Joola could not manufacture paddles with a tighter variance for foam than the variance in already-approved paddles.

73. The USAP took this position even though, as a matter of fact, Plaintiff's the market-version versions of Joola's November 2023 paddles were structurally and functionally identical to the same as its base model paddles still-approved September 2023 Base Paddles.

6574. Defendant The USAP also updated its website on May 15, 2024 to remove Plaintiff Joola's nine next generation paddles November 2023 Paddles from its “approved paddles list.”

F. Plaintiff Joola Resubmits Market Versions of its the November 2023 Paddles for Similarity Testing at the USAP's Request.

~~6675.~~ The next day, on May 16, 2024, ~~Plaintiff—in order to correct its administrative mistake~~Joola—at the USAP’s suggestion—resubmitted market versions of ~~its nine next generation paddles~~the November 2023 Paddles to the USAP for similarity testing on an expedited basis (the Resubmitted Paddles).

~~6776.~~ ~~Plaintiff~~Joola paid thousands to the USAP for the expedited, one-day testing.

~~6877.~~ ~~Defendant~~The USAP, however, despite taking the money for expedited testing, slow-walked ~~Plaintiff~~Joola’s submission, not releasing the results of the similarity testing for two weeks. Yet, it did not refund the fee Joola had paid for the expedited testing.

~~6978.~~ And, when ~~Defendant~~the USAP did release the test results, it ~~became~~was clear that ~~Defendant had not performed an impartial evaluation of Plaintiff’s paddles as it was required to do, but rather~~the USAP had turned the entire exercise into a no-holds-barred contest to disqualify ~~Plaintiff~~Joola’s ~~nine paddles—~~November 2023 Paddles by any means necessary.

~~7079.~~ The purpose of similarity testing is to confirm that the submitted, market versions of a paddle are ~~the same~~—structurally and functionally as identical to an already-approved base model of a paddle—in this case, confirming that the Resubmitted Paddles (which are the market versions of ~~Plaintiff’s paddles are the same as the two base paddles that had been approved in the~~ November 2023 Paddles) are structurally and functionally identical to the September 2023 Base Paddles.

80. However, instead of conducting that analysis, ~~Defendant saw~~USAP attempted to use the ~~process~~new submission as an opportunity to reverse its September 2023 decision to approve ~~Plaintiff~~Joola’s new paddle design without having to comply with the 18-month notice requirement.

G. DefendantThe USAP Concocts ~~Three~~Four Spurious Reasons to Fail ~~Plaintiff’s~~the Resubmitted Paddles in Similarity Testing.

7181. On May 30, 2024, Defendantthe USAP informed PlaintiffJoola by letter that all nine of PlaintiffJoola's next-generation-paddlesResubmitted Paddles had failed similarity testing. To justify this result, Plaintiffthe USAP pointed to threefour reasons it had concocted, none of which hold up under scrutiny.

a. DefendantUSAP Falsely Asserts PlaintiffJoola's Paddles Have Impermissible "Surface Roughness."

7282. First, Defendantthe USAP asserted that PlaintiffJoola's paddles had failed its "surface roughness" testing.

7383. In Defendantthe USAP's Equipment Standards Manual that was in place at the time, surface roughness iswas governed by Rule 2.E.2, which providesprovided in relevant part that:

The allowable limits for roughness shall be an average of no greater than 30 micrometers on the Rz readings (average maximum height, peak to valley) and an average of no greater than 40 micrometers on the Rt readings (maximum height, peak to valley), with all readings to be taken in six different directions.

7484. In this way, a paddle complies with the rules if its average surface roughness falls within the parameters set forth in the rules.

75. ~~And~~

85. Before shipping its nine paddles to the USAP for similarity testing, Joola had carefully tested all of them for surface roughness, and all of them had passed the tests. Joola's paddles would not have gained any surface roughness while in transit.

86. Yet, when the USAP conducted its surface roughness tests on those paddles, it used an out-of-calibration mechanical testing device to do the testing, which resulted in six of Joola's paddles purportedly failing the USAP's average surface roughness test.

87. Moreover, according to Defendantthe USAP's own test results, which were provided to PlaintiffJoola in the May 30, 2024 letter, three of PlaintiffJoola's paddles—(i) the Ben

Johns Perseus 3 14 mm; (ii) the Ben Johns Perseus 3 16 mm; and (iii) the Tyson McGuffin Magnus 3 16 mm—passed the average surface roughness tests even though the USAP had stacked the process against them.

~~7688.~~ But ~~Defendant~~the USAP could not stand for any of ~~Plaintiff~~Joola's paddles to pass, so it ~~made up a new~~turned to a then-unpublished surface roughness rule to obtain a different result. Specifically, ~~Defendant~~the USAP asserted that, for a paddle to pass its surface roughness testing, no single surface roughness measurement could exceed an Rz reading of 33 micrometers or an Rt reading of 44 micrometers. Thus, even if the average surface roughness for a paddle fell within the stated limits, the paddle would still fail the test if ~~even~~there was just one high reading ~~was recorded~~ anywhere on the paddle.

~~77. Applying this new, made-up rule to Plaintiff, which had not been posted by Defendant in any public location, Defendant~~

~~89. Yet, at the time, the USAP's purported new surface roughness rule had not been formally adopted by the USAP.~~

~~90. In fact, the USAP's official Equipment Standards Manual allows a new rule to be added only after "proper notification" has been given to manufacturers. The Equipment Standards Manual also declares that "any equipment to be used in a tournament which is played according to the Rules must . . . have been tested and approved as conforming to the specifications presented in these documents." In other words, all of the equipment standards are set forth in the rulebook, and they are not binding until they are added to the rulebook and "proper notification" has been given.~~

~~91. But that never happened here. The USAP's new surface roughness rule had not been added to the Equipment Standards Manual at the time it was applied against Joola, and Joola~~

had not been given proper notice of the rule change. In fact, the new rule was not added to the Equipment Standards Manual until May 2025, a full year later.

92. Thus, the new “rule” was not binding under the USAP’s own standards.

93. Nevertheless, applying this new, unpublished rule, the USAP determined that each of the three paddles that had passed ~~Defendant~~the USAP’s average surface roughness test had actually failed surface roughness testing ~~because of~~due to a single high reading.

~~78. Defendant literally changed the rules to make sure that Plaintiff’s paddles failed.~~

~~79. Moreover, as to the six paddles that purportedly failed the average surface roughness test, those paddles did so only because Defendant used an out-of-calibration mechanical device to do the testing.~~

~~80. Before shipping its nine paddles to Defendant for similarity testing, Plaintiff had carefully tested all of them for surface roughness, and all of them had passed their tests. Plaintiff’s paddles would not have gained any surface roughness while in transit; so, if Defendant obtained different results, it could only be because Defendant’s tests were inaccurate.~~

~~81. On information and belief, Defendant measures surface roughness with a Starrett SR160 or SR300 Surface Roughness Tester, which is a mechanical device. That device, while cheaper than an optical surface roughness tester, is also much less accurate—repeatedly giving inconsistent test results for the same surface.~~

~~82. Defendant’s use of such an inconsistent testing device to determine surface roughness ensures that any enforcement decisions it makes based on those test results will be entirely arbitrary.~~

~~83. Simply put~~

94. In sum, the surface roughness on Plaintiff Joola's paddles November 2023 Paddles is within the acceptable limits, and Plaintiff's the paddles only failed the USAP's surface roughness testing because Defendant the USAP (i) measured surface roughness using a device that gives inaccurate results to fail six of them and (ii) then made up a new rule to fail the remaining three used an out-of-calibration mechanical testing device to do the testing and (ii) relied on an unpublished rule regarding allowable surface roughness.

b. Defendant The USAP Falsely Asserts That Plaintiff's Market Version the Resubmitted Paddles Are Not Structurally and Functionally Identical to the Same as its September 2023 Base Model Paddles.

8495. Second, Defendant the USAP asserted in its letter that the nine paddles submitted by Plaintiff Resubmitted Paddles were not “structurally and functionally identical to the base model” paddles because they contained “additional foam around the perimeter.”

8596. However, Defendant the USAP's assertion is categorically false. The nine paddles submitted by Plaintiff Resubmitted Paddles do not have any more foam than the two base models September 2023 Base Paddles.

8697. Plaintiff also Joola even provided Defendant the USAP with a written analysis of its paddles, which irrefutably demonstrated that those paddles the Resubmitted Paddles were essentially identical to the same as the paddles that had been already approved in September 2023 Base Paddles (within standard manufacturing tolerances).

8798. That Joola's analysis further showed how Plaintiff had examined cross sections of each of the nine market version paddles and found that there was no more than one extra millimeter of foam in the market versions of the paddles as November 2023 Paddles (the Resubmitted Paddles) compared to the two base paddles September 2023 Base Paddles, meaning that there was less than a 10% variance in foam for every market version paddle thickness, which is well within standard manufacturing tolerances.

99. In fact, for five of the nine paddles, the difference in foam thickness was less than half of a millimeter (at most a 5% variance). ~~This shows that all of Plaintiff's next generation paddles currently on the market are structurally and functionally identical to the paddles approved by Defendant in September 2023.~~

~~88100.~~ Moreover, ~~Joola's analysis showed that,~~ to the extent ~~Defendant purports the USAP purported~~ to show ~~otherwise~~—that the market versions of the ~~paddles contain~~ November 2023 Paddles contained more foam than the base ~~models—it is~~ model paddles, that was only because ~~Defendant the USAP had~~ cut into the market-version paddles with a taper, making them appear as if they had longer foam sections. But that anomaly was simply a product of how the paddles were cut. It ~~has had~~ nothing to do with the actual structure of the paddles.

~~89101.~~ ~~Plaintiff Joola's Resubmitted Paddles (the market-version paddles versions of the November 2023 Paddles)~~ did not contain any more foam than the ~~base model paddles, and Defendant cannot fairly assert that~~ September 2023 Base Paddles, as the ~~market-version~~ paddles were ~~structurally and functionally different than the base paddles~~ identical within standard manufacturing tolerances.

102. Furthermore, if the USAP had concerns about the design of Joola's paddles, including the foam edge, the time to raise those concerns was in September 2023, before it had approved the base models—not seven months later, after Joola had manufactured over one hundred thousand paddles in reliance on the USAP's approvals.

c. Defendant The USAP Falsely Asserts That Plaintiff's Joola's Resubmitted Paddles Create an Illegal "Trampoline Effect."

~~90103.~~ Third, ~~Defendant the USAP~~ asserted that ~~Plaintiff Joola's~~ nine ~~paddles~~ Resubmitted Paddles contained a “prohibited surface feature” in violation of Rule 2.E.6.f of ~~Defendant USAP's~~ Equipment Standards Manual. Specifically, ~~Defendant the USAP~~ alleged that the paddles’ surfaces

contained an impermissible “compressible material that creates a trampoline effect” and that Plaintiff Joola’s “structural design impermissibly places spring-like, flexible, and compressible material (foam) along the vertical edges of the paddles.” ~~Defendant also noted that Plaintiff had marketed its paddles as having a “catapult effect.”~~

~~i. Plaintiff’s May 2024 Paddles Were the Same Structurally and Functionally~~

~~As the Paddles Defendant Approved in September 2023:~~

~~91. — However, the structure and composition of the nine paddles submitted by Plaintiff for similarity testing in May 2024 was essentially identical to the structure and composition of the two base model paddles that Defendant had approved in September 2023.~~

~~92. — If Defendant had concerns about the design of Plaintiff’s paddles, including the foam rim, the time to raise its concerns was in September 2023, before it approved the base models — not seven months later, after Plaintiff had manufactured over 150,000 paddles in reliance on Defendant’s approval of the base models.~~

~~93. — And, if Defendant for some reason had changed its mind about its approval and wanted to rescind its certification of Plaintiff’s paddle design, Rule 2.F.1 required Defendant to give Plaintiff 18 months’ notice.~~

~~ii. — Plaintiff’s Paddles Do Not Contain Any Prohibited Surface Features.~~

~~94~~

~~104. — However, at the time of the USAP’s decision, it had not issued any objective standard for “trampoline effect,” which was a critical omission given that all substances create some kind of “bounce back.”~~

~~105. — Moreover, even if Defendant were permitted to use similarity testing to “redo” its original certification of the base models without giving the required 18 months’ notice — which it~~

~~is not—Plaintiff’s paddles would still pass muster because, contrary to Defendant’s claims, they~~
Resubmitted Paddles (the market versions of the November 2023 Paddles) do not contain any
“prohibited surface features.”

95106. The foam in PlaintiffJoola’s paddles constitutes part of the frame of the paddle
because it is only located along the edge. The hitting surface of the paddle, which is the section of
the paddle inside of the frame, does not contain any foam. Thus, given that there is no foam on the
hitting surface of the paddle, the foam in PlaintiffJoola’s paddles cannot be a “prohibited surface
feature.”

96107. And, to the extent Defendantthe USAP asserts that PlaintiffJoola’s paddles cannot
contain any foam at all, anywhere on the paddle, including along the rimedge, such a position
would be inconsistent with how Defendantthe USAP has previously interpreted its rules, as
Defendantthe USAP has approved numerous paddles from other manufacturers that contain at least
as much foam—and often more—than PlaintiffJoola’s paddles.

~~97.—Moreover, to the extent Defendant asserts that the foam in Plaintiff’s paddles
somehow uniquely causes Plaintiff’s paddles to be “to fast,” Defendant’s own exit velocity testing
shows that Plaintiff’s paddles are not the fastest paddles on the market, as several approved paddles
were found to have higher exit velocities.~~

~~98.—Thus, no matter whether Defendant points to the amount of foam in Plaintiff’s
paddles or to exit velocity testing, Defendant has no objective evidence to support banning
Plaintiff’s paddles for containing supposedly impermissible surface features.~~

iii

108. Indeed, Joola’s September 2023 Base Paddles and November 2023 Paddles
contained the exact same foam insert as the Resubmitted Paddles, and the USAP had approved

both of the earlier submissions.

d. Defendant Makes Up New The USAP Improperly Relies on Non-Standard Tests to Ensure that Plaintiff's Paddles Fail the Resubmitted Paddles in Similarity Testing.

99

109. Fourth, the USAP improperly turned to invalid, non-standard tests to justify its decision to decertify the Resubmitted Paddles.

110. Notably, when Defendant When the USAP approved Plaintiff Joola's base paddles in September 2023 Base Paddles, it ran the paddles through rigorous testing, including tests for deflection and rigidity, and Plaintiff which Joola's paddles passed those tests with ease. The nine paddles submitted by Plaintiff for similarity testing likewise would have passed those tests, as would any of the paddles it has placed in the marketplace.

100

111. Yet, Defendant determined not to allow Plaintiff's paddles to pass at any cost in order to evaluate Joola's Resubmitted Paddles, the USAP changed the rules on Plaintiff to get the results it wanted and implemented a brand-new battery of tests.

101

112. According to Defendant, Plaintiff's paddles The USAP has claimed that the September 2023 Base Paddles only passed Defendant the USAP's standard testing protocol because they could not be properly tested for a "trampoline effect," as the act of securing the paddles for testing purportedly dampened "the foam's mechanical effect" in Plaintiff's paddles (but, somehow, did not cause a similar problem for any other manufacturer manufacturers).

102113. Based on this flimsy justification—, for which Defendant the USAP provided no evidence—Defendant asserted that, in its subjective opinion, the foam in Plaintiff's

~~paddles created an impermissible trampoline effect, notwithstanding, the fact that Plaintiff's paddles had passed all of the objective tests.~~

~~103. However, Defendant cannot subjectively decide that the foam in Plaintiff's paddles—and only in Plaintiff's paddles—creates an impermissible “trampoline effect” when there is no objective testing to back up that claim.~~

~~104. Recognizing this obvious deficiency, Defendant USAP—in a last ditch effort to justify its claim that Plaintiff Joola's paddles Resubmitted Paddles (the market versions of the November 2023 Paddles) produced an impermissible trampoline effect—relied on applied two, nonstandard non-standard tests to justify its decision Joola's paddles (making up rules on the fly to disqualify Plaintiff Joola's paddles appears to be an ongoing theme for Defendant the USAP).~~

~~105~~114. In a letter sent on June 3, 2024, ~~almost a week after Plaintiff's paddles had been decertified,~~ Defendant the USAP claimed for the first time that Plaintiff Joola's paddles Resubmitted Paddles did not pass the “PB CoR” or “full span deflection” tests, effectively acknowledging that its previous explanations for failing Plaintiff Joola's paddles ~~was~~were not going to hold up.

~~106~~115. However, neither of those tests ~~are~~were part of Defendant the USAP's standard testing protocol. ~~In fact,~~ and for good reason. According to the USAP's own statements made at its industry day, held on May 20, 2024, the “PB ~~CoR~~Cor” test, which measures ball exit velocity, ~~Defendant stated at its industry day, which was held only a couple of weeks before on May 20, 2024, that it still needed to gather~~did not have “good data” ~~for the test and that the test thus~~ would not be implemented until 2025. ~~As of this filing, Defendant has not even released the thresholds for passing or failing this test~~ at the earliest.

116. Likewise, the standards for the “full span deflection” test, which measures the rigidity of a paddle, have never been shared, and ~~Defendant~~the USAP stated at the industry day that it would not be moving forward with that test, presumably due to reliability concerns.

~~107.— But, because Defendant needed some additional basis for failing Plaintiff’s paddles, it applied the tests to Plaintiff’s paddles anyways.~~

~~108.— However~~

117. Thus, the ~~fact remains that Defendant has~~USAP had no reliable, objective basis for banning ~~Plaintiff’s paddles~~the November 2023 Paddles over a purported “trampoline effect,” ~~and there is no evidence that they contain any “prohibited surface features.”~~

H. Plaintiff Notifies Defendant That Many Approved Paddles Contain the Same Characteristics That Defendant Cited for Banning Plaintiff’s Paddles.

109The USAP Admits that its Goal is to Ban Joola’s New Paddles at Any Cost.

118. On May 31, 2024, one day after receiving notice of ~~Defendant~~the USAP’s arbitrary and capricious decision to fail ~~Plaintiff~~Joola’s ~~paddles~~Resubmitted Paddles in similarity testing, ~~Plaintiff~~Joola submitted a follow-up report to ~~Defendant~~the USAP, which outlined how many other, currently-approved paddles contain foam inserts in or near the paddle core that are much larger than the foam layer around the ~~rim~~edge of ~~Plaintiff~~Joola’s paddles. ~~Plaintiff~~Joola even provided specific examples of other such paddles.

~~110.— Plaintiff Joola’s submission also explained that the foam in Plaintiff Joola’s paddles is part of the rim edge of the paddle, not part of its core or part of the hitting surface. To buttress this explanation—that the foam in Plaintiff’s paddles is not part of the hitting surface—Plaintiff showed Defendant that, while Defendant’s rules prohibit holes on the hitting surface of a paddle, several approved paddles contain a hole or holes near the edge of the paddle, indicating that the area just inside the edge of the paddle is not considered part of the hitting surface. And, because the foam in Plaintiff’s paddles is much closer to the paddle rim than the holes in several approved paddles, the foam area in Plaintiff’s paddles cannot be considered part of the paddle’s hitting surface (assuming Defendant’s rules are being interpreted consistently, which, as Plaintiff has learned, is not the case).~~

~~I.— Defendant Admits That Its Goal Is to Ban Plaintiff’s Paddles at Any Cost.~~

~~111.— Defendant~~

119. The USAP responded to PlaintiffJoola's letter on June 3, 2024, and, for the first time, let slip its true intentions—that Defendantthe USAP would never approve any paddles submitted by PlaintiffJoola for “similarity testing,” no matter how similar they were to the already-approved base ~~models~~model September 2023 Base Paddles.

112120. In other words, Defendantthe USAP—rather than giving PlaintiffJoola the 18-months' notice that it was required to give before revoking approval for a paddle ~~design~~ under Rule 2.F.1—instead intended to twist the similarity testing process to achieve the same result (revocation of its approval for PlaintiffJoola's new ~~paddle design~~paddles) without the 18-month wait.

113121. PlaintiffJoola was shocked by Defendantthe USAP's blatant bait-and-switch, and it pointedly asked Defendantthe USAP, “[i]f we produce the MOD TA-15 (in different shapes) ~~[the base paddle]~~ with a lower manufacturing variance, would it be approved based in similarity?”

114122. DefendantThe USAP's Chief Operating Officer, Justin Maloof, replied bluntly, “we do not consider the [~~already-approved~~ September 2023 ~~approved base models~~Base Paddles] viable as a basis for similarity.”

115123. DefendantThe USAP was no longer even trying to hide its intentions—~~it would be revoking its approval for Plaintiff's base models without complying with the 18-month notice rule~~. The entire similarity testing process had been a sham—Defendantthe USAP was not going to approve PlaintiffJoola's paddles under any circumstances, no matter how similar they were to the already-approved ~~base models~~September 2023 Base Paddles.

116124. DefendantThe USAP's conduct towards PlaintiffJoola lacks any justification, particularly considering that Defendantthe USAP has approved paddles from other manufacturers that also utilize foam in the paddle design. For example, Defendantthe USAP has also approved other manufacturers' paddles that (i) contain a foam insert between a honeycomb

core and the edge; (ii) contain foam inside the cells of the honeycomb core; (iii) contain an entirely foam core; and (iv) contain a core that is mostly foam. Indeed, more than 50 different paddles designs on the market appear to violate the USAP's written rules. Yet, none of those paddles have been banned, highlighting the arbitrariness of the USAP's enforcement decision against Joola.

117125. ~~Defendant~~The USAP's vindictive approach to ~~Plaintiff~~Joola—banning ~~Plaintiff~~Joola's paddlesNovember 2023 Paddles without even giving ~~Plaintiff~~Joola the benefit of the 18-month notice rule—is made all the more appalling by the fact that ~~Defendant~~has the USAP also heavily promoted the decertification of ~~Plaintiff's paddles~~the November 2023 Paddles on its website and in press releases, presumably trying to exact maximum reputational damage on ~~Plaintiff~~Joola.

118126. Yet, when ~~Defendant~~the USAP has decertified paddles from other manufacturers, as it ~~has recently did~~ for one ~~other~~ manufacturer around the same time as the Joola decertification, it did not trumpet that decertification on its website or even immediately remove the decertified ~~paddles~~paddle from its “approved paddles list.”

119127. Apparently, ~~Defendant~~the USAP wants ~~Plaintiff~~Joola to be singled out and punished for designing a better paddle.

120128. But ~~Defendant~~the USAP cannot change its rules midstream to target one manufacturer for being a step ahead of everyone else.

I. The USAP Expands Its Attack on Joola to Include the September 2023 Base Paddles.

129. After the USAP had delisted the November 2023 Paddles, Joola began manufacturing and selling market versions of the September 2023 Base Paddles because those paddles were still on the USAP's “approved paddles list.”

130. However, starting in August 2024, the USAP began to train its sights on those

paddles as well, looking for any excuse to decertify the paddles, which were the last of Joola's next generation paddles still on the "approved paddles list."

131. First, the USAP threatened to revoke its approval of the September 2023 Base Paddles because they purportedly exhibited a "core integrity failure"—a term that is not defined anywhere in the USAP's published equipment standards.

132. However, that threat went nowhere, as the reality is that the market versions of the September 2023 Base Paddles, which Joola began selling in the summer of 2024, met all of the USAP's published standards.

133. Then, around October 16, 2024, the USAP proposed the implementation of a new test for exit velocity, the "PB Cor" test, which stands for "Paddle/Ball Coefficient of Restitution" test.

134. According to the USAP's proposal, any paddle with a PB Cor test result of 0.44 or higher would be decertified, effective April 1, 2025.

135. The USAP further informed Joola that the September 2023 Base Paddles did not meet this new testing standard.

136. The USAP also asked Joola and other manufacturers to submit feedback on this proposed new testing standard and the proposed decertification period.

137. Joola submitted a reply to the USAP around October 26, 2024, advising that the USAP needed to follow the 18-month rule if it was going to implement a new standard that would result in the decertification of Joola's already-approved paddles.

138. Just two months later, on December 27, 2024, the USAP announced to the public in a Friday evening press release that it would be implementing the PB Cor test for exit velocity. The USAP further announced that any paddles that did not meet the requirements of the new PB

Cor test, including the September 2023 Base Paddles, would have their USAP certifications revoked, effective July 1, 2025.

139. USAP recently added this new test to its Equipment Standards Manual, even though the “Guiding Principles” section of the USAP’s official rulebook provides that “[e]quipment-related rule changes should be given particularly close scrutiny because of their precedent-setting potential,” meaning that new rules cannot be haphazardly introduced via email or press release, as USAP has attempted to do here. The USAP’s late addition of the rule also shows that the USAP understands that its rules are not “official” until they are published in the rulebook.

140. Furthermore, even if the USAP had properly adopted the new PB Cor test in its rules and given Joola “proper notice” of the change, the USAP’s July 1, 2025 implementation date does not give Joola the 18-months’ notice that Joola is entitled to receive under the existing rules for the decertification of a paddle.

141. In other words, if USAP’s position is that it officially adopted the exit velocity test as of December 27, 2024 (even though that test was not published in its rulebook until months later), then the earliest Joola’s September 2023 Base Paddles could be decertified is June 27, 2026 (18 months later).

142. But the USAP has jumped the gun on the planned decertification by almost a full year, depriving both Joola and its customers of a sufficient opportunity to transition to a new paddle design.

J. DefendantThe USAP’s Bad Faith Conduct Has Caused Significant Harm to PlaintiffJoola.

~~121. Defendant’s bad faith conduct against Plaintiff has caused significant harm.~~

~~122~~

~~143.~~ Before ~~Defendant~~the USAP banned ~~Plaintiff's~~Joola's next generation paddles, ~~Plaintiff~~ (and its November 2023 Paddles in particular), Joola warned ~~Defendant~~the USAP that ~~Plaintiff~~the company had made a substantial and enormous economic investment in its new paddles, ranging from the company's branding to its manufacturing facilities to its contractual commitments to third-party suppliers and distributors, and that ~~Defendant's~~ apparent goal of de-certifying ~~Plaintiff's~~the decertification of Joola's next generation paddles would irreparably harm ~~Plaintiff~~Joola's interests and its relationships with those third-parties.

~~123~~144. ~~Plaintiff~~Joola also reminded ~~Defendant~~of the USAP about Rule 2.F.1, which requires the USAP to give 18-month months' notice requirement before revoking its approval for a paddle, which was designed to protect the economic expectations of both manufacturers, who produce tens of thousands of paddles in reliance on ~~Defendant~~the USAP's approval decisions, and pickleball players consumers, who have a right to know that, when they purchase a paddle on ~~Defendant~~the USAP's "approved paddles list," they will be able to continue using that paddle for the foreseeable future.

~~124.~~ ~~Defendant~~145. The USAP, however, paid no heed to ~~Plaintiff~~Joola's warnings in its mad dash to decertify ~~Plaintiff's~~ paddles by any means necessary.

~~125.~~ ~~Plaintiff~~

~~146.~~ As a result of the USAP's summary decertification of Joola's November 2023 Paddles, Joola has ~~sold~~been stuck with tens of thousands of paddles since they went on sale on April 16, 2024, and tens of thousands more paddles were on store shelves awaiting sale at the time ~~Defendant~~ decertified them. Yet, as a result of ~~Defendant's~~ actions, ~~Plaintiff~~ is now responsible for refunding all of those purchases.

~~126.~~ ~~Plaintiff~~that cannot be sold.

~~147.~~ In addition, Joola has issued refunds for at least 40,000 of the Gen 3 paddles that it has sold, which has cost Joola millions of dollars.

~~148. Moreover, Joola’s reputation in the pickleball industry has been gravely injured by Defendant’s conduct, as players, both professional and amateur, irreparably harmed, as prospective customers are coming to associate #Joola with selling un-approved pickleball equipment certified paddles. Thus, even if Joola’s paddles are placed back on the “approved paddles list,” many customers may still be reluctant to purchase them out of a concern that the paddles may end up being decertified once again.~~

~~127. In fact, other pickleball paddle manufacturers are reaching out to customers, referencing Plaintiff, and advertising that they sell only “legal” pickleball paddles, implying that Plaintiff does not.~~

~~128. Similarly, some players and clubs have become concerned that Plaintiff’s paddles are unsafe because Defendant denigrated them as “too fast” when it was making up reasons for banning Plaintiff’s paddles. Yet, Defendant’s purported safety concerns were never publicly disclosed. Thus, on information and belief, Defendant must have leaked to third parties that it had informed Plaintiff that it considered Plaintiff’s paddles to be too fast, and, on information and belief, Defendant did so in order to damage Plaintiff’s reputation.~~

~~129. Moreover, Defendant never should have made such an accusation because its own testing showed that Defendant’s paddles were no faster than several other paddles still on Defendant’s “Approved Pickleball Paddles” list and that there was no basis for finding that they were unsafe. Indeed, even though Defendant was clearly determined to decertify Plaintiff’s paddles at any cost, it still ended up dropping the player safety pretext as a reason for decertification; however, by that point, due to Defendant’s leaks, the damage to Plaintiff’s reputation had already been done.~~

~~130.—Other paddle manufacturers have also reached out to customers, including Plaintiff's customers, to tell them that they can't trust Plaintiff to sell compliant paddles going forward, a claim those manufacturers would not have been able to make or even insinuate were it not for Defendant's conduct over the last month.~~

~~131.—Various pickleball clubs have also removed Plaintiff's paddles from circulation and have prohibited their members from using Plaintiff's paddles.~~

~~132.—Without question, it will take years for Plaintiff to overcome the damage caused by this line of attack, which was an entirely foreseeable consequence of Defendant's campaign against Plaintiff.~~

~~133.—Moreover, Plaintiff has already been hit with at least two class action lawsuits, one in California and one in Florida, alleging that Plaintiff violated various consumer protection laws for allegedly falsely advertising that its paddles had been approved by Defendant. Yet, Plaintiff's paddles had been approved, and they would be on the approved list right now were it not for Defendant's bad faith conduct in rigging the similarity testing process against Plaintiff. In addition, these class action lawsuits cite to purported safety issues regarding Plaintiff's paddles. Yet, there is no basis for those safety concerns, and it would not even have been an issue had Defendant not invented it and then leak about it to third parties.~~

~~134.—Furthermore, professional players who have used Plaintiff's equipment in tournaments may now have their results called into question, which will likely make them hesitant to use Plaintiff's equipment in the future.~~

~~135.—Finally, Plaintiff's contractual and economic relationships with third parties, such as suppliers and distributors, have been gravely disrupted by Plaintiff's rushed decertification decision.~~

~~136. Defendant's action will inevitably end up costing Plaintiff at least tens of millions of dollars.~~

~~149. Furthermore, as a result of the USAP's summary decertification, Joola was hit with two class action lawsuits, one in Florida and one in California, arising from Joola's sale of now-decertified paddles, and those suits would never have been filed in the first place had the USAP not revoked its approval for the November 2023 Paddles.~~

~~150. All of these events have cost Joola market share in the pickleball paddle industry, which it may not be able to recover.~~

~~151. And Joola could face additional lawsuits, refund expenses, damage to reputation, and lost market share due to the decertification of the September 2023 Base Paddles as well.~~

~~152. Finally, Joola's economic and contractual relationships with numerous third parties, including suppliers and distributors, have been damaged as a result of the USAP's actions, which Joola warned the USAP about in advance. For example, some clubs have banned Joola's paddles as unsafe because the USAP denigrated them as "too fast" when making up reasons for decertifying Joola's paddles. Others have refused to allow the use of Joola's paddles because they are not on the USAP's "approved paddles list." At the same time, some of Joola's suppliers and distributors reneged on or cancelled their contractual commitments to Joola after the November 2023 Paddles lost their certification as a result of the USAP's wrongful actions.~~

COUNT 1

~~(Breach of Implied Contract)~~

~~137~~

(Breach of Express Contract)

153. Plaintiff incorporates the allegations contained in the preceding paragraphs of this

Amended Complaint as if fully set forth herein.

~~138. Plaintiff and Defendant had an understanding that Defendant would examine and test Plaintiff's new pickleball paddle designs to confirm whether the new designs met Defendant's standards for certification.~~

~~139. Plaintiff paid Defendant a fee for this service.~~

~~140. Plaintiff and Defendant also understood that, once Defendant approved Plaintiff's paddle designs, Defendant would not revoke that certification on short notice if Plaintiff produced paddles that were structurally and functionally similar to the paddles that had been approved.~~

~~141~~

154. Joola and the USAP came to an express agreement that the USAP would allow Joola to market its paddles as "USA Pickleball Approved" if they met the USAP's requirements.

155. Specifically, for each of Joola's September 2023 Base Paddles, the USAP expressly agreed in writing that the paddles were "now approved for use in USA Pickleball Sanctioned Play and CAN be added to the Approved Paddle list."

156. Likewise, for each of Joola's November 2023 Paddles, the USAP expressly agreed in writing that the paddles "ha[d] passed the review process, based on the information that you provided and [would] be added to the Approved Paddle list in the next few days."

157. Plaintiff and Defendant~~The USAP~~ further understood that, if Plaintiff agreed for all of the submitted ~~market versions of~~ paddles that were structurally and functionally the same as Plaintiff's already approved base model paddles, Plaintiff would conduct "similarity testing" of the market version paddles and approve them to the extent that they were in fact structurally and functionally similar."it is imperative that the production model of [each] paddle be identical to the base paddles-

~~142. Plaintiff and Defendant further understood that, if Plaintiff submitted an extra payment for expedited similarity testing, Defendant would conduct such testing in a timely manner.~~

~~143. In addition, Plaintiff and Defendant understood that, should Defendant decide to revoke its approval of Plaintiff's paddles, it would provide Plaintiff with 18 months' notice before doing so.~~

~~144. Defendant breached this implied contract by, without warning, revoking its approval of Plaintiff's next generation pickleball paddles and by failing to conduct valid similarity testing on the market versions of Plaintiff's next generation paddles.~~

~~145. Plaintiff submitted for approval (with the exception of the grip and the edge guard)."~~

~~158. There was also consideration for the parties' agreement, as Joola had paid USAP for putting the paddles through the approval process.~~

~~159. Joola upheld its end of the bargain by manufacturing paddles that were structurally and functionally the same in all material respects as the September 2023 Base Paddles and the November 2023 Paddles.~~

~~160. The USAP, however, breached its express agreement with Joola by revoking its approval for Joola's paddles and refusing to allow them to be used in USAP-sanctioned events.~~

~~161. As a result of the USAP's breaches, Joola has suffered substantial damages as a result, including the cost of refunding paddle sales to customers, lost sales, loss of customer goodwill, and administrative and litigation expenses.~~

COUNT 2

~~(Tortious Interference with Contract)~~

~~146.—Plaintiff incorporates the allegations contained in the preceding paragraphs of this Complaint as if fully set forth herein.~~

~~147.—Plaintiff had contractual relationships with its suppliers, distributors, vendors, and sponsored professional players relating to the production, marketing, and sale of its next generation pickleball paddles.~~

~~148.—Defendant knew that Plaintiff had the above-mentioned contractual relationships.~~

~~149.—Moreover, Defendant knew that it would be endangering those contractual relationships, causing many of them to be breached, if it revoked its certification of Plaintiff's paddles on short notice or if refused to conduct valid similarity testing on the market versions of Plaintiff's paddles.~~

~~150.—Yet, despite knowing the harm that it would cause, Defendant relentlessly searched for a pretext to decertify Plaintiff's pickleball paddles, and it ultimately chose to decertify Plaintiff's paddles without a valid basis and without adhering to the applicable notice requirements.~~

~~151.—Defendant also relied on spurious reasons to fail Plaintiff's pickleball paddles in similarity testing instead of conducting the testing in good faith, which would have resulted in the approval of Plaintiff's paddles.~~

~~152.—On information and belief, Defendant's decertification decision was based in part on its intention to protect other paddle manufacturers from having to compete with Plaintiff's new paddles.~~

~~153.—As a result, numerous third parties have breached their contractual relationships with Plaintiff, citing Defendant's decertification of Plaintiff's paddles as justification. Among other things, these third parties have refused to continue selling or using Plaintiff's next generation~~

~~paddles, and they have refused to allow Plaintiff's paddles to be used in their facilities.~~

~~154.—Plaintiff has suffered damages as a result of these broken contractual relationships in the form of lost profits.~~

~~**COUNT 3**~~

~~**(Tortious Interference with Prospective Business Relations)**~~

~~155~~

~~**(Breach of Implied Contract)**~~

~~162. Plaintiff incorporates the allegations contained in the preceding paragraphs of this Amended Complaint as if fully set forth herein.~~

~~156.—Plaintiff had business relationships with its suppliers, distributors, vendors, and sponsored professional players relating to the production, marketing, and sale of its next general~~

~~163. Joola and the USAP came to an implied agreement that (i) the USAP would follow its published rules for certifying pickleball paddles.~~

~~157.—Defendants knew that Plaintiff had the above-mentioned business relationships.~~

~~158.—Moreover, Defendant knew that it would be endangering those business relationships, causing many of them to rupture, by revoking its certification of Plaintiff's paddles on short notice or by refusing to conduct valid submitted by Joola, including its rules for approving paddles via similarity testing ~~on~~; (ii) the USAP would allow Joola to market versions of Plaintiff's paddles.~~

~~159.—Yet, despite knowing the harm that it would cause, Defendant relentlessly searched for a pretext to decertify Plaintiff's pickleball paddles, and it ultimately chose to decertify Plaintiff's paddles without a valid basis and without following its own rules as to notice.~~

~~160.—Defendant also relied on spurious reasons to fail Plaintiff's pickleball paddles in~~

~~similarity testing instead of conducting the testing in good faith, which would have resulted in the approval of Plaintiff's paddles.~~

~~161.—On information and belief, Defendant's decertification decision was based in part on its intention to protect other paddle manufacturers from having to compete with Plaintiff's new paddles.~~

~~162.—As a result, numerous third parties have curtailed or outright cancelled their business relationships with Plaintiff, citing Defendant's decertification of Plaintiff's paddles as justification. Among other things, these third parties have refused to continue selling or using Plaintiff's next generation paddles, and they have refused to allow Plaintiff's paddles to be used in their facilities.~~

~~163.—Plaintiff has suffered damages as a result of these damaged business relationships in the form of lost profits.~~

COUNT 4

(Promissory Estoppel)

~~164.—Plaintiff incorporates the allegations contained in the preceding paragraphs of this Complaint as if fully set forth herein.~~

~~165.—Defendant represented to Plaintiff that, if Plaintiff submitted its paddle designs to Defendant for certification and paid a fee, Defendant would test the paddles in good faith and approve them if they complied with Defendant's written rules.~~

~~166.—Defendant further represented that it would also approve additional paddles submitted by Plaintiff if they were substantially the same in terms of both structure and materials as Plaintiff's base model paddles that had already approved as "USA Pickleball Approved" if they met the USAP's requirements; and (iii) the USAP would not revoke its approval for an already-~~

approved paddle without giving 18 months' notice.

164. The USAP offered to make that agreement with Joola by holding itself out as the national governing body for pickleball equipment, publicly posting its official equipment standards, and soliciting manufacturers to submit equipment to the USAP to confirm compliance with those standards. Joola accepted the USAP's offer by submitting its paddles to the USAP for testing and paying the required fees, and both parties assented to the agreement and proceeded to carry out its terms.

165. Joola paid the USAP thousands of dollars for its testing and approval services.

166. Joola and the USAP further understood that, if Joola submitted a payment for expedited similarity testing, the USAP would conduct such testing on an expedited basis (within one day).

167. Defendant further represented that it would not revoke on short notice any paddle certifications that it had granted Joola's September 2023 Base Paddles and November 2023 Paddles met all of the USAP's published requirements, and they were approved by the USAP in 2023.

168. Defendant approved Plaintiff's paddle designs in Moreover, the paddles sold to the public by Joola are structurally and functionally identical to the September 2023 Base Paddles.

~~169. Plaintiff reasonably relied on Defendant's approval of its paddle designs by manufacturing nearly one hundred thousand paddles that were substantially similar to the ones that had been approved and by marketing them for sale to the general public.~~

~~170. Plaintiff would not have manufactured or marketed such paddles if it had known that Defendant would revoke the certification for its paddle designs on short notice.~~

~~171. Plaintiff also would not have manufactured or marketed such paddles if it had known that Defendant would refuse to conduct unbiased similarity testing of the market versions of Plaintiff's paddles.~~

~~172. Plaintiff~~

~~169. The USAP breached its implied contract with Joola by refusing to approve via similarity testing the Resubmitted Paddles that Joola had submitted to the USAP in May 2024 even though those paddles were structurally and functionally identical to the already-approved September 2023 Base Paddles.~~

~~170. The USAP further breached its implied contract with Joola by revoking its approval for the November 2023 Paddles even though those paddles met all of the USAP's published requirements, and it further breached its implied contract by revoking its approvals summarily without giving Joola 18 months' notice.~~

~~171. The USAP further breached its implied contract with Joola by failing to conduct its testing of the Resubmitted Paddles on an expedited basis despite charging a fee for doing so.~~

~~172. In addition, the USAP has further breached its implied contract with Joola by decertifying the September 2023 Base Paddles, effective July 1, 2025, which violates the USAP's agreement to give Joola 18-months' notice of equipment decertification decisions.~~

~~173. As a result of the USAP's breaches, Joola has suffered substantial damages as a result, including the cost of refunding paddle sales to customers, lost sales, loss of customer goodwill, and administrative and litigation expenses.~~

COUNT 3
(Promissory Estoppel)

~~174. Plaintiff incorporates the allegations contained in the preceding paragraphs of this Amended Complaint as if fully set forth herein.~~

175. The USAP represented to Joola (i) that it would follow its published rules for certifying pickleball paddles submitted by Joola, including its rules for approving paddles via similarity testing; (ii) that it would allow Joola to market its paddles as “USA Pickleball Approved” if they met the USAP’s requirements; and (iii) that it would not revoke its approval for an already-approved paddle without giving 18 months’ notice.

176. The USAP had a reasonable expectation that, in reliance on the USAP’s above-described representations, Joola would incur the costs of manufacturing pickleball paddles.

177. Joola reasonably relied on the USAP’s representations regarding the approval of the September 2023 Base Paddles and the November 2023 Paddles when it manufactured thousands of paddles for sale to the public that were structurally and functionally identical to those paddles. Indeed, the paddles were manufactured according to *tighter* tolerances for foam thickness than the November 2023 Paddles, which had been approved.

178. Furthermore, the USAP had purported to conduct “rigorous” testing of submitted paddles, indicating that manufacturers could rely on any approvals given after such testing.

179. Joola would not have manufactured or marketed the September 2023 Base Paddles or the November 2023 Paddles had it known that the USAP would groundlessly revoke its approval for those paddles or that it would do so on short notice.

180. Joola also would not have manufactured or marketed those paddles if it had known that the USAP would not follow its own rules for approving paddles via similarity testing.

181. As a result of the USAP’s broken promises, Joola has suffered substantial damages, including the cost of refunding paddle sales to customers, lost sales, loss of customer goodwill, and administrative and litigation expenses, and those damages can only be mitigated by requiring the USAP to fulfill its promises to Joola.

COUNT 4
(Declaratory Judgment as to the November 2023 Paddles)

182. Plaintiff incorporates the allegations contained in the preceding paragraphs of this Amended Complaint as if fully set forth herein.

183. There is an actual controversy between the parties regarding whether the November 2023 Paddles have met the USAP’s requirements for inclusion on the USAP’s “approved paddles list.”

184. However, the November 2023 Paddles met all of the requirements set forth in the USAP’s published standards at the time of their decertification, and they are also structurally and functionally identical to the September 2023 Base Paddles, which are on the approved paddles list.

185. Moreover, the USAP did not give Joola the required 18 months’ notice prior to decertification.

186. Accordingly, the Court should enter a declaration that the November 2023 Paddles meet the requirements for inclusion on the USAP’s “approved paddles list.”

COUNT 5
(Negligent Misrepresentation)

173 Declaratory Judgment as to the September 2023 Base Paddles)

187. Plaintiff incorporates the allegations contained in the preceding paragraphs of this Amended Complaint as if fully set forth herein.

~~174. Defendant~~

188. There is an actual controversy between the parties regarding whether the September 2023 Base Paddles should remain on the USAP’s “approved paddles list” after July 1, 2025.

189. However, even if the September 2023 Base Paddles do meet the USAP’s new requirements, the USAP has not given Joola 18-months’ notice regarding the decertification of the

September 2023 Base Paddles.

190. Accordingly, the Court should enter a declaration that the September 2023 Base Paddles meet the requirements for inclusion on the USAP’s “approved paddles list.”

COUNT 6
(Declaratory Judgment as to the Applicability of the 18-Month Rule)

191. Plaintiff incorporates the allegations contained in the preceding paragraphs of this Amended Complaint as if fully set forth herein.

192. There is an actual controversy between the parties regarding whether the USAP is required by its own rules to provide 18-months’ notice before removing already-approved paddles from its “approved paddles list.”

193. Joola has taken the position that the USAP’s rules require it to give 18-months’ notice before revoking its approval for a paddle, but the USAP has repeatedly refused to honor its obligations under the 18-month rule.

194. Accordingly, the Court should enter a declaration that the USAP must provide manufacturers and the public with 18-months’ notice before revoking its approval for an already-approved paddle.

COUNT 7
(Tortious Interference with Contract)

195. Plaintiff incorporates the allegations contained in the preceding paragraphs of this Amended Complaint as if fully set forth herein.

196. Joola had contractual relationships with its suppliers, third-party distributors, vendors, sports facilities, and sponsored professional players relating to the production, marketing, and sale of the November 2023 Paddles. Under those agreements, Joola was required to supply USAP-approved pickleball paddles to the third parties.

197. The USAP was specifically warned by Joola that, if the USAP revoked its approval for the November 2023 Paddles, that revocation would harm Joola's above-referenced contractual relationships by inducing third parties to breach their arrangements with Joola.

198. Yet, despite knowing the harm that it would cause, the USAP still choose to summarily decertify the November 2023 Paddles without a valid basis.

199. The USAP's conduct was intended to interfere with Joola's contractual relationships with those third parties.

200. On information and belief, the USAP's decision to decertify the November 2023 Paddles and to refuse to pass the Resubmitted Paddles via similarity testing was based in part on its fraudulent intention to protect other paddle manufacturers from having to compete with Joola's new paddles. As such, the USAP's conduct was independently wrongful.

201. As a result of the USAP's wrongful conduct, numerous third parties were induced to breach their contractual relationships with Joola. Among other things, these third parties have refused to continue selling or using Joola's next generation paddles because of the decertification of the November 2023 Paddles.

202. Joola has suffered damages in the form of lost profits as a result of these broken contractual relationships.

COUNT 8
(Tortious Interference with Prospective Business Relations)

203. Plaintiff incorporates the allegations contained in the preceding paragraphs of this Amended Complaint as if fully set forth herein.

204. Joola had business relationships with its suppliers, third-party distributors, vendors, sports facilities, and sponsored professional players relating to the production, marketing, and sale of the November 2023 Paddles. Joola expected to further develop those business relationships and

add to them for the sale and use of the November 2023 Paddles.

205. The USAP was specifically warned by Joola that, if the USAP revoked its approval for the November 2023 Paddles, the revocation would harm Joola's above-referenced business relationships by inducing third parties to cease doing business with Joola.

206. Yet, despite knowing the harm that it would cause, the USAP still choose to summarily decertify the November 2023 Paddles without a valid basis.

207. The USAP's conduct was intended to interfere with Joola's economic relationships with third parties.

208. On information and belief, the USAP's decision to decertify the November 2023 Paddles and to refuse to pass the Resubmitted Paddles via similarity testing was based in part on its fraudulent intention to protect other paddle manufacturers from having to compete with Joola's new paddles. As such, the USAP's conduct was independently wrongful.

209. As a result of the USAP's wrongful conduct, numerous third parties have ceased doing business with Joola, citing the decertification of the November 2023 Paddles as justification. Among other things, these third parties have refused to continue purchasing, selling, or using Joola's next generation paddles, leaving Joola stranded with tens of thousands of unsold paddles.

210. Joola has suffered damages in the form of lost profits as a result of these truncated or foregone business relationships.

COUNT 9
(Negligent Misrepresentation)

211. Plaintiff incorporates the allegations contained in the preceding paragraphs of this Amended Complaint as if fully set forth herein.

212. The USAP—as an entity holding itself out as ~~capable of~~ responsible for certifying whether ~~the~~ pickleball equipment ~~it tests~~ is compliant with the applicable rules, including rules

impacting the safety of play and other “carefully researched” standards proscribed by the USAP—
owed a duty to PlaintiffJoola—as a manufacturer of pickleball equipment who submitted paddles
to Defendantthe USAP for testing—to conduct any such testing using reasonable care and to
communicate those test results to PlaintiffJoola using reasonable care.

175.213. Therefore, to the extent Plaintiff’s next generation paddle design does that
Joola’s November 2023 Paddles do not comply with the applicable rules, Defendantthe USAP
breached its duty to PlaintiffJoola by negligently informing PlaintiffJoola in September 2023 and
November 2023 that its paddle design did comply with the rules the paddles had been “approved.”

176.—Defendant214. The USAP knew that PlaintiffJoola would rely on any equipment
approvals received from Defendantthe USAP.

177.—Defendant

215. Joola’s reliance on the USAP’s approvals was reasonable because the USAP holds
itself out as the national governing body for pickleball in the United States and because the USAP
had already approved both the September 2023 Base Paddles and the November 2023 Paddles
before Joola started manufacturing paddles for sale to the public.

216. Furthermore, the USAP had purported to conduct “rigorous” testing of submitted
paddles, indicating that manufacturers could rely on any approvals given by the USAP after such
testing.

217. The USAP also misrepresented that it would apply its established rules to paddles
being submitted for similarity testing, including the Resubmitted Paddles that Joola sent to USAP
in May 2024.

218. The USAP’s breach of its duties damaged PlaintiffJoola by causing PlaintiffJoola
to spend millions manufacturing and marketing pickleball paddles that ultimately ~~were not~~

~~certified by Defendant and~~ could not be sold to the public ~~with Defendant's stamp of approval as~~
"USA Pickleball Approved."

~~178. Plaintiff~~219. Joola also suffered damages in the form of the cost of refunding
paddle sales to customers, lost customer goodwill, and administrative and litigation expenses.

COUNT 6
10

(Fraud)

~~179.220.~~ Plaintiff incorporates the allegations contained in the preceding paragraphs
of this Amended Complaint as if fully set forth herein.

~~180.221.~~ On information and belief, ~~Defendant~~the USAP has acted in concert with
certain other pickleball paddle manufacturers to handicap Plaintiff Joola's ability to sell its next
generation pickleball paddles ~~because~~in order to protect those ~~certain~~ other manufacturers ~~cannot~~
~~compete with Plaintiff's~~from competition.

~~222.~~ In order to induce Joola into submitting its new paddles to the USAP, the USAP
falsely informed Joola that it would conduct "rigorous testing" of pickleball paddles before
approving them.

~~181.223.~~ In furthermore of ~~this~~its fraudulent scheme, ~~Defendant has~~once Joola had
manufactured its paddles in reliance on the USAP's approval, the USAP then put forth
~~spurious~~fraudulent reasons for de-certifying Plaintiff Joola's paddlesNovember 2023 Paddles and
for refusing to certify ~~them~~the Resubmitted Paddles in similarity testing, including false claims (i)
that the ~~new paddles make the exit velocity of a batted ball "too fast;"~~ (ii) ~~that the~~ paddles
~~create~~created an illegal "trampoline effect;" (iii) that the paddles ~~contain~~contained an
impermissible foam hitting surface; and (iv) that the paddles ~~contain~~contained an impermissible
level of surface roughness.

~~182.224.~~ On information and belief, ~~Defendant~~the USAP's stated grounds for failing ~~Plaintiff~~Joola's paddles in similarity testing ~~are~~were mere pretexts for revoking its approval of ~~Plaintiff~~Joola's ~~base model paddles~~new paddle design without having to provide the required 18-months' notice, which ~~Defendant is doing~~the USAP wanted to do in order to protect certain other pickleball paddle manufacturers from having to compete with ~~Plaintiff~~Joola.

~~183.~~—~~In addition, Defendant misrepresented to Plaintiff that it would conduct rigorous testing of Plaintiff's paddles, which suggested that Defendant would not later change its mind about any approvals issued.~~

~~184.~~

~~225.~~ In fact, as mentioned above, the USAP's Chief Operating Officer stated that the USAP would never approve Joola's paddles again no matter how similar they were to the already-approved September 2023 Base Paddles.

~~226.~~ In reliance on ~~Defendant's~~the USAP's testing and approval of ~~Plaintiff~~Joola's new paddle design in 2023, ~~Plaintiff~~Joola manufactured ~~over 150,000~~and distributed 75,000 paddles, and it ~~is~~was in the midst of manufacturing almost 100,000 more, ~~which Plaintiff now will not be able to sell because Defendant is insistent on failing them in similarity testing. Plaintiff at the time the USAP revoked its approval for the November 2023 Paddles in May 2024.~~

~~227.~~ Joola had a right to rely on ~~Defendant~~the USAP's earlier certification, ~~including Defendant's representation that it had already conducted thorough testing of the~~its paddles, and ~~Plaintiff~~Joola would not have manufactured these paddles had it known that ~~Defendant~~the USAP would revoke its certification of the paddles on false pretenses or wrongfully refuse to pass market versions of the paddles in similarity testing.

~~185.228.~~ As a result of ~~Defendant~~the USAP's fraudulent conduct, Plaintiff Joola was tricked into manufacturing and marketing over ~~150,000~~75,000 paddles that ~~it~~must be returned and cannot be sold, and it will now not be able to sell any of its next generation paddles, including tens of thousands of paddles that were in the process of being manufactured.

~~186.229.~~ Consequently, Plaintiff Joola has incurred losses in the ~~tens of~~ millions of dollars.

~~187.230.~~ In addition, Plaintiff Joola has suffered damages in the form of loss of customer goodwill and administrative and litigation expenses.

WHEREFORE, Plaintiff Sport Squad, Inc. respectfully requests that this Court:

- a. Award compensatory damages to Plaintiff in the amount of \$100 million, plus statutory pre-judgment and post-judgment interest;
- b. Award punitive damages against Defendant in the amount of \$100 million for its bad faith conduct;
- c. ~~Issue an injunction requiring Defendant to certify as approved~~Enter a declaration that the ~~ninetwo~~ pickleball paddles listed in ~~paragraphs 29-30~~paragraph 34 of the Amended Complaint meet the requirements for inclusion on the Defendant's "approved paddles list;"
- d. Enter a declaration that the nine pickleball paddles listed in paragraphs 40-41 of the Amended Complaint meet the requirements for inclusion on the Defendant's "approved paddles list;"
- e. Enter a declaration that the Defendant must provide 18-months' notice to Plaintiff before removing one of Plaintiff's paddles from Defendant's "approved paddles list";

- f. Issue an injunction requiring Defendant to certify as approved the nine pickleball paddles listed in paragraphs 40-41 of the Amended Complaint;
- g. Issue an injunction prohibiting Defendant from decertifying the two pickleball paddles listed in paragraph 34 of the Amended Complaint;
- h. Award Plaintiff its reasonable attorneys' fees and costs; and
- ei. Provide such other and further relief as this Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff demands a jury trial of this matter.

~~June 12~~ July 10, 2024~~2025~~

Respectfully submitted,

SHULMAN ROGERS, P.A.

/s/ Glenn C. Etelson

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