Perry S. Clegg (USB 7831) CLEGG, P.C. 299 S. Main Street, Suite 1300 Salt Lake City, Utah 84111 Tel: (801) 532-3040/Fax: (801) 532-3042 Email: pclegg@cleggiplaw.com; court@cleggiplaw.com Attorneys for Plaintiff, Audio Systems Group, Inc.

## UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

AUDIO SYSTEMS GROUP, INC., a Utah corporation,

Plaintiff,

vs.

AMPLIVOX SOUND SYSTEMS, LLC, an Illinois corporation, and DOES 1 – 50,

Defendant.

\*\*<u>FILED UNDER SEAL</u>\*\* PURSUANT STANDARD PROTECTIVE ORDER

# \*\*<u>CONFIDENTIAL</u>\*\* CONTAINS SEALED MATERIAL

# (E-FILED COPY IS REDACTED)

## FIRST AMENDED COMPLAINT AND JURY DEMAND

Case No.: 2:12-cv-00662-RJS

Judge Robert J. Shelby

# FIRST AMENDED COMPLAINT

Pursuant the Court's December 6, 2013 Order, Plaintiff Audio Systems Group, Inc.

("Audio Systems" or "Plaintiff") hereby submits its First Amended Complaint And Jury Demand

and alleges and complains against Defendant Amplivox Sound Systems, LLC ("Amplivox" or

"Defendant") as follows:

### **PARTIES**

 Plaintiff, Audio Systems Group, Inc. ("Audio Systems") is a corporation organized and existing under the laws of the State of Utah and has offices in Salt Lake City, Utah. Audio Systems, is the owner of United States Letters Patent No. 6,663,200 entitled Lectern ("the '200 Patent"), which issued December 16, 2003. A copy of the '200 Patent is attached hereto as <u>Exhibit A</u> and is expressly incorporated herein.

2. Defendant, Amplivox Sound Systems, LLC ("Amplivox") is a limited liability company organized and existing under the laws of the State of Illinois and has a business address in Northbrook, Illinois. On information and belief, Amplivox was the moving, active conscious force behind the infringing conduct of Does 1-5 or of other third parties or of both, and controlled, directed, approved, induced, contributed to and or authorized the infringing activities.

3. On information and belief, DOES 1-5 are business entities and individuals who have participated in the acts alleged herein and have infringed Audio Systems' patent by making, using, importing, selling, and/or offering for sale one or more products in the United States that infringe at least one claim of the '200 Patent (the "Infringing Product").

 Amplivox and DOES 1-5 are sometimes hereinafter referred to collectively as "Defendant."

## JURISDICTION AND VENUE

5. This is an action for patent infringement under the patent laws of the United States, 35 U.S.C. §1 *et seq.* and for related state law claims for breach of contract, unfair competition, and deceptive trade practices.

6. This Court has original jurisdiction over the patent claims under 28 U.S.C. §§ 1331 and 1338(a). The state law claims asserted herein are so related to those over which this Court has original jurisdiction as to form part of the same case or controversy. This Court therefore has supplemental jurisdiction pursuant to 28 U.S.C. § 1367 over the state law claims asserted herein.

7. Venue is proper in this district by virtue of 28 U.S.C. §§ 1391 and 1400, because Defendant is subject to personal jurisdiction in this judicial district and because Defendant's acts of infringement took place and/or are taking place within this jurisdiction by, among other things, selling or offering for sale infringing product in this judicial district. Moreover, a substantial part of the events or omissions giving rise to the claims herein occurred in this judicial district, or a substantial part of property that is the subject of the action is situated in this judicial district.

## **GENERAL ALLEGATIONS**

8. Plaintiff, Audio Systems, is the owner of the '200 Patent by assignment and has the exclusive right to make, use, sell, offer for sale, import, or otherwise benefit from the rights granted by the '200 Patent in the United States or to license said patent rights.

#### Case 2:12-cv-00662-RJS Document 45 Filed 12/27/13 Page 4 of 26

9. Audio Systems has owned the '200 Patent throughout the period of Defendant's infringing acts or otherwise has right, title, and interest in and to the benefits of the '200 Patent for said period of time, including the right to receive proceeds from any damages award corresponding to said time period.

10. The '200 Patent is valid and enforceable.

11. The '200 Patent discloses a lectern comprised of a single unitary shell, continuous integral walls, and plastic material. The '200 Patent discloses that the lectern may be made using rotational molding.

12. Audio Systems currently manufactures and sells lecterns covered by the '200 Patent within the United States. A photograph of a representative lectern which Audio Systems sells is attached hereto as <u>Exhibit B</u>.

13. Defendant Amplivox has infringed and is still infringing the '200 Patent by making, selling, offering for sale, and using lecterns that embody the patented invention, and the defendant will continue to do so unless enjoined by this court.

From about June, 2007 to April 2008, Plaintiff and Defendant enjoyed a
relationship pursuant to which Defendant purchased rotational molded lecterns from Plaintiff.
Defendant sold the model of lecterns made by Plaintiff under the name "Pinnacle".

15. Defendant Amplivox has had both actual and constructive notice of Audio Systems patent rights, because Amplivox had actual notice of Audio Systems patent at the time it first started purchasing lecterns from Audio Systems in 2007, and, because Audio Systems marks at least some of its lecterns as patented pursuant to statutory requirements.

#### Case 2:12-cv-00662-RJS Document 45 Filed 12/27/13 Page 5 of 26

16. Indeed, Defendant originally approached Plaintiff to obtain rights to sell the Audio Systems' lecterns, because Defendant knew that Plaintiff's lecterns were covered by a patent.

17. In April 2008, the relationship between Plaintiff and Defendant began to deteriorate when Amplivox requested that Audio Systems provide a significant price reduction for the purchase of the rotational molded lecterns. Amplivox threatened Audio Systems that it would make its own rotational mold and begin manufacturing the Pinnacle lectern itself if Audio Systems did not agree to a reduced purchase price as Amplivox demanded.

Audio Systems refused to the lower price and reminded Amplivox that Audio
Systems' rotational molded lecterns were protected by a patent.

Shortly after Audio Systems refused to lower its price, Amplivox began
defaulting on large invoices owed by Amplivox to Audio Systems for the purchase of lecterns.

20. Amplivox also stopped purchasing lecterns from Audio Systems.

21. In the fall of 2009, Audio Systems noticed that Amplivox had changed some of the images of the Pinnacle lecterns on its website.

22. When Audio Systems confronted Amplivox about the new images of Pinnacle lecterns, Amplivox represented that it had just added some screw-on handles to the lectern.

23. When Audio Systems specifically asked whether the handles were added to the lectern shells provided by Audio Systems or to a different newly molded lectern, Amplivox stated that the handles were added to Audio Systems' lectern shells.

#### Case 2:12-cv-00662-RJS Document 45 Filed 12/27/13 Page 6 of 26

24. For over six months, Amplivox continued to deny that it was selling a newly molded Pinnacle model lectern.

25. However, contrary to Amplivox's representations, Amplivox was indeed making and selling a newly molded Pinnacle model lectern.

26. The newly molded Pinnacle model lectern infringes one or more claims of the'200 Patent, including at least claim 1 and claim 18.

27. When Amplivox was finally caught making and selling the infringing lecterns, Amplivox asked how much Audio Systems wanted for the patent.

28. Dan James, Audio Systems' President, told Amplivox's CFO, Ron Steltzer, that Audio Systems would not sell the patent to Amplivox and demanded that Amplivox stop manufacturing and selling the infringing lecterns.

29. In mid-June, 2010 at the INFOCOMM trade show, Audio Systems discovered that Amplivox was continuing to sell infringing lecterns under the Pinnacle brand name.

30. When it became clear that Amplivox was not going to stop selling the infringing lecterns and did not appear disposed to pay the over \$30,000 Amplivox owed to Audio Systems, Audio Systems decided to bring legal action to enforce its rights.

31. On September 3, 2010, Audio Systems filed a lawsuit against Amplivox in the U.S. District Court for the District of Utah, Case No. 2:10-cv-00877 ("the 2010 Litigation") for, among other things, infringement of the '200 Patent and for recovery of the over \$30,000 that Amplivox owed Audio Systems. A photograph of the infringing lectern at issue in the 2010 Litigation is attached hereto as <u>Exhibit C</u>.

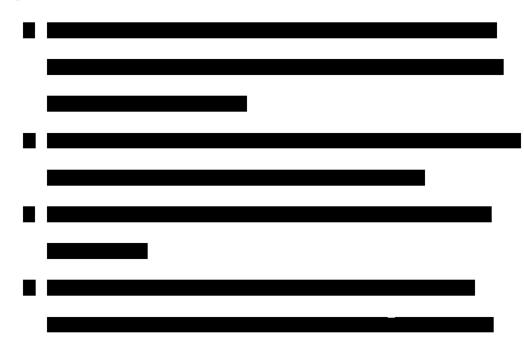
### Case 2:12-cv-00662-RJS Document 45 Filed 12/27/13 Page 7 of 26

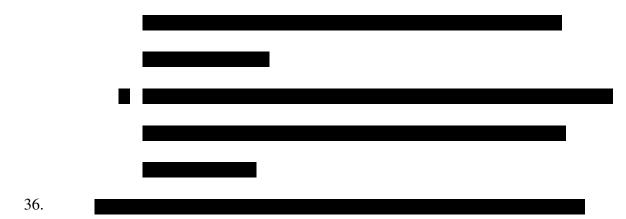
32. As can be seen from <u>Exhibit C</u>, the infringing lectern at issue in the 2010 Litigation, Amplivox's first iteration of the Pinnacle lectern, is substantially a copy of Audio Systems' patented lectern.

33. On February 1, 2011, Amplivox entered into a confidential settlement with Audio Systems as settlement of the 2010 Litigation. A copy of the February 1, 2011 Settlement Agreement is provided herewith as <u>Exhibit D</u>.

34. The February 1, 2011 Settlement Agreement carries with it an implied covenant of good faith and fair dealing and imposes a duty on Amplivox to act consistently with the parties' agreed upon common purpose and to not do anything to destroy or injure Audio System's right to receive the benefits of the contract.

35. Pursuant to the February 1, 2011 Settlement Agreement, Amplivox agreed, among other things, that:





Audio Systems believed that it would be able to sell its popular patented rotational molded lectern to the many distributors that had previously been selling these lecterns under the Pinnacle name.

37. However, Audio Systems learned that many distributors believed they could or were still purchasing from Amplivox the same iteration of the Pinnacle model lectern that Amplivox had previously sold them – the infringing lectern at issue in the 2010 Litigation. Moreover, some of these distributors believed they were purchasing the Pinnacle lectern model that Audio Systems had been supplying Amplivox.

38. Furthermore, Audio Systems discovered that Amplivox was still using images of the infringing lectern on its website to sell Pinnacle model lecterns

, which constitutes

an infringing offer for sale.

39. Audio Systems also eventually discovered that Amplivox started making and selling a second iteration of the Pinnacle model lectern that infringes the '200 Patent too.

### Case 2:12-cv-00662-RJS Document 45 Filed 12/27/13 Page 9 of 26

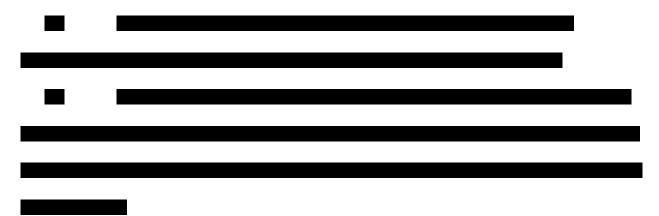
A photograph of the second iteration of the Pinnacle lectern made and sold by Audio Systems is attached hereto as <u>Exhibit E</u>.

40. Amplivox's second iteration of the Pinnacle lectern also infringes one or more claims of the '200 Patent, including at least claim 18 literally and, on information and belief, claim 1 under the doctrine of equivalents.

41. Amplivox's infringing conduct has been intentional and willful.

42. Indeed, Amplivox has engaged in a pattern of intentional obfuscation and misrepresentation to hide its infringing conduct.

43. Amplivox's misleading conduct is not isolated to the 2009/2010 deliberate misrepresentations it made that it was not making or selling its own molded version of the Pinnacle lectern. Amplivox has continued to make misrepresentations to hide its infringing conduct and its flagrant breach of the February 1, 2011 Settlement Agreement.



46. On information and belief, these representations are not true and Amplivox knew these representations were false at the time they were made by Amplivox, e.g., Amplivox intentionally made these false representations.

### Case 2:12-cv-00662-RJS Document 45 Filed 12/27/13 Page 10 of 26

47. Audio Systems relied on the foregoing representations when it entered into the February 1, 2011 Settlement Agreement and would not have entered into the Settlement Agreement if Audio Systems had known said representations were false, e.g., these representations were material to Audio Systems entering into the Settlement Agreement.

48. Amplivox's false representations constitute fraud in the inducement or at a minimum a material breach of the February 1, 2011 Settlement Agreement; accordingly, Audio Systems is entitled to damages, to have the Settlement Agreement voided,

49. Also, during the course of this litigation, Amplivox has continued to represent during the course of this litigation that it destroyed the mold for its first iteration of the Pinnacle lectern and that it has not sold any of its first iteration of the Pinnacle lectern since

50. Indeed, Amplivox even represented to the Court in its September 30, 2013 Motion for a Rule 16 Conference that it had provided Audio Systems evidence that "it was no longer making, using, selling, or offering for sale the old model of the podium which Audio Systems claimed infringed its patent." (See, Defendant's Motion for Rule 16 Conference, ¶ 5, Doc. No. 31).

## Case 2:12-cv-00662-RJS Document 45 Filed 12/27/13 Page 11 of 26

51. However, on information and belief, Amplivox's representations to Audio Systems and to the Court were misleading<sup>1</sup> and untrue. Indeed, the alleged evidence that Amplivox provided Audio Systems appears to have been created after this case was filed.

52. The evidence referenced in Amplivox's Rule 16 Motion consists of photographs in which Amplivox appears to be cutting holes<sup>2</sup> in the front section of the lectern mold. See copies of photographs attached hereto as <u>Exhibit F</u>.

53. However, metadata for the digital photographs indicate that they were not taken until at least a month after the present lawsuit was filed. Screen shots of the metadata for the photographs are attached hereto as <u>Exhibit G</u>.

54. Moreover, Amplivox sold some of its first iteration of the Pinnacle lectern during

55. For example, according to 29 Palms military base, Amplivox sold about seven of

its first iteration Pinnacle lecterns to the military base during the summer of 2011

Photographs of one of the

infringing lecterns sold to 29 Palms are attached hereto as Exhibit H.

<sup>&</sup>lt;sup>1</sup> It should also be noted that Amplivox improperly disclosed Rule 408 communications to the Court in its Rule 16 motion in an inappropriate bootstrap effort to disprove liability.

 $<sup>^{2}</sup>$  In addition to the fact that the photographs appear to have been taken after this case was filed, it should be noted that the holes shown in the photographs appear to have been strategically made so as to not destroy the mold, since the cuts are being made on the front of the lectern at the location where the front panel insert opening is made. Furthermore, the holes have been cut in such a manner that the cutouts can easily be welded back in place in about 15 minutes, making the mold functional.

#### Case 2:12-cv-00662-RJS Document 45 Filed 12/27/13 Page 12 of 26

56. This case is exceptional and, accordingly, Plaintiff should be awarded its reasonable attorney fees pursuant to 35 USC § 285.

57. Defendant's infringing conduct has been willful, entitling Plaintiff to treble damages pursuant to 35 USC § 284.

58. Amplivox's infringing conduct includes offering for sale Infringing Product through its website and also through its distributors.

59. On information and belief, Amplivox offers for sale and sells its Pinnacle lecterns through distributors by drop shipping directly to customers.

60. At the time the present lawsuit was filed, all or almost all of Amplivox's distributors were offering for sale Pinnacle lecterns over the internet using photographs of Amplivox's first iteration of the Pinnacle lectern or photographs of the Audio Systems lectern which the distributors had obtained from Amplivox. To date, a majority of the distributors' websites appear to still be improperly using these photographs, which include Amplivox's logo on all of the lecterns. Recent screenshots of representative distributor websites showing the wrongfully used photographs are attached hereto as <u>Exhibit I</u>.

61. Amplivox also continued to use the photographs of its first iteration of the Pinnacle lectern to sell lecterns on its own website.

62. On information and belief, the photographs of Infringing Product used by Amplivox's distributors to sell Pinnacle lecterns are provided to them by Amplivox.

63. On information and belief, at all relevant times, Amplivox knew that its distributors were selling Pinnacle lecterns using photographs of Infringing Products, and;

## Case 2:12-cv-00662-RJS Document 45 Filed 12/27/13 Page 13 of 26

Amplivox benefitted from the sale of Pinnacle lecterns offered for sale using photographs of Infringing Product.

64. On information and belief, Amplivox intentionally and actively participated in the sale of Pinnacle lecterns through its own website and through its distributors using photographs of Infringing Products.

65. The sale of Pinnacle lecterns by Amplivox using photographs of Infringing Products constitutes infringement of the '200 Patent.

#### Case 2:12-cv-00662-RJS Document 45 Filed 12/27/13 Page 14 of 26

69. Amplivox also copied some non-patented features of Audio Systems lecterns to make the Amplivox lectern appear more like the Audio Systems lectern that had been sold under the Pinnacle name.

70. Amplivox also engaged in other acts of copying. For example, when Amplivox had been purchasing lecterns from Audio Systems, Audio Systems provided Amplivox with a photograph of a staged lectern near some trees and an American flag. After their relationship ended, Amplivox edited its own lectern into the photograph in place of Audio Systems lectern. Amplivox is still using this copied/derivative image on its website. A screenshot of Amplivox's website showing the derivative/copied image along with the original image is attached hereto as Exhibit J.

71. Amplivox's sale of Pinnacle lecterns using photographs of its first iteration of Infringing Product also constitutes a bait-and-switch sales tactic, which leads consumers to purchase a different product than is represented in the photographs. Amplivox has through its website and through its distributors offered for sale the first iteration of its Pinnacle lectern using the photographs, but then frequently shipped to the customer its second iteration of the Pinnacle lectern, which may be materially different.

72. Amplivox's sale of Pinnacle lecterns using photographs of the first iteration of its Pinnacle lectern (or of other Infringing Product) is likely to cause consumer confusion and lead consumers to believe they are purchasing a product that Amplivox may not legally sell because it is covered by the '200 Patent and Audio Systems has not licensed Amplivox to do so. 73. Amplivox's wrongful conduct alleged herein, including Amplivox's sell of Pinnacle lecterns using photographs of its first iteration of the Pinnacle lectern (or of other Infringing Product), constitutes unfair competition under Utah and Illinois law.

74. Amplivox's sale and offer for sale of Infringing Product will irreparably harm Plaintiff if not enjoined.

### FIRST CLAIM FOR RELIEF

### DIRECT INFRINGEMENT OF PATENT 35 U.S.C. § 271(a)

75. Plaintiff incorporates herein each and every allegation of paragraphs 1 through 74 of this Complaint as if fully set forth herein and further alleges as follows:

76. The '200 Patent has at all times subsequent to its issue date been valid and fully enforceable.

77. Audio Systems is the owner of the '200 Patent and holds all rights under the '200 Patent, including the right to sue for infringement.

78. Defendant makes, uses, sells, offers for sale, and/or imports Infringing Product within the United States.

79. Amplivox's first iteration of its Pinnacle lectern infringes at least claim 1 and claim 18 of the '200 Patent, literally or under the doctrine of equivalents.

80. Amplivox's second iteration of its Pinnacle lectern infringes at least claim 18 of the '200 Patent, literally or under the doctrine of equivalents.

### Case 2:12-cv-00662-RJS Document 45 Filed 12/27/13 Page 16 of 26

81. Amplivox's second iteration of the Pinnacle lectern infringes claim 1 of the '200 Patent at least under the doctrine of equivalents.

82. Audio Systems has not authorized or licensed the Defendant to make, use, sell, offer to sale, and/or import the Infringing Product, and thus all such actions have been in violation of Audio Systems' rights, thereby infringing the '200 Patent.

83. Audio Systems is entitled to damages in an amount to be determined at trial adequate to compensate for the Defendant's infringement, but in no event less than a reasonable royalty for all Infringing Product made, used, sold, offered for sale, and/or imported by Defendant since issuance of the '200 Patent,

84. Harm to Plaintiff arising from Defendant's acts of infringement is not fully compensable by money damages. Rather, Plaintiff has suffered, and continues to suffer, irreparable harm for which there is no adequate remedy at law and which will continue until Defendant's conduct is enjoined.

85. Plaintiff is entitled to an order enjoining Defendant from infringing the '200Patent.

86. Defendant's infringing and wrongful conduct has been intentional, willful and malicious and this case is exceptional.

87. Plaintiff is entitled to treble damages pursuant to 35 U.S.C. 284.

88. Plaintiff is entitled to its reasonable attorney fees pursuant to 35 U.S.C. 285.

#### SECOND CLAIM FOR RELIEF

#### INDIRECT PATENT INFRINGEMENT 35 U.S.C. § 271(b)-(c)

89. Plaintiff incorporates herein each and every allegation of paragraphs 1 through 88 of this Complaint as if fully set forth herein and further alleges as follows:

90. On information and belief, Defendant's customers and other third parties are infringing the '200 Patent by using the Infringing Product and associated parts provided by Defendant or by offering for sale lecterns using photographs of Infringing Product provided by Defendant.

91. On information and belief, Defendant has actively induced its customers/distributors and or other third parties to, among other things, offer for sale Infringing Product that comes within the scope of at least one claim of the '200 Patent.

92. On information and belief, Defendant's conduct constitutes inducement to infringe the '200 Patent under 35 U.S.C. § 271(b).

93. On information and belief, Defendant committed contributory infringement by providing its customers/distributors and or other third parties with photographs of Infringing Product for the purpose of offering for sale Pinnacle lecterns that, as provided by Defendant, had no general use by the customers/distributors on their websites than an infringing offer for sale.

94. On information and belief, Defendant's conduct constitutes contributory infringement of the '200 Patent under 35 U.S.C. § 271(c).

95. On information and belief, Defendant's conduct constitutes indirect infringement of the '200 Patent.

#### Case 2:12-cv-00662-RJS Document 45 Filed 12/27/13 Page 18 of 26

96. Defendant's conduct alleged herein constituting inducement to infringe or contributory infringement was done with such knowledge regarding Audio Systems' rights in the '200 Patent that the inducement was intentional and or with willful blindness.

97. On information and belief, Defendant has unlawfully derived, and continues to unlawfully derive income and profits from its conduct constituting inducement to infringe and/or contributory infringement of the '200 Patent.

98. On Information and belief, Plaintiff has suffered and continue to suffer damages as a result of Defendant's indirect infringement of the '200 Patent.

99. On information and belief, Plaintiff has suffered and will continue to suffer irreparable harm for which there is no adequate remedy at law because of Defendant's indirect infringement of the '200 Patent, and will continue to be harmed unless Defendant and its customers/distributors are enjoined from further acts of infringement.

100. Plaintiff is entitled to damages in an amount to be determined at trial adequate to compensate for the infringement of the '200 Patent, but in no event less than a reasonable royalty for all Pinnacle lecterns sold through an infringing offer for sale.

101. Plaintiff is entitled to an order enjoining Defendant from engaging in indirect infringement of the '200 Patent.

102. Defendant's infringing and wrongful conduct has been intentional, willful and malicious and this case is exceptional.

103. Plaintiff is entitled to treble damages pursuant to 35 U.S.C. 284.

104. Plaintiff is entitled to its reasonable attorney fees pursuant to 35 U.S.C. 285.

## THIRD CLAIM FOR RELIEF

### **BREACH OF CONTRACT**

105. Plaintiff incorporates herein each and every allegation of paragraphs 1 through104 of this Complaint as if fully set forth herein and further alleges as follows:

106. The February 1, 2011 Settlement Agreement is a valid and enforceable contract.

107. Amplivox breached material terms of Paragraphs 3 of the February 1, Settlement Agreement.

108. On information and belief, Amplivox breached material terms of Paragraphs 4 of the February 1, Settlement Agreement.

109. On information and belief, Amplivox's breach of the February 1, 2011 Settlement Agreement was done knowingly, intentionally, malicious and in bad faith.

110. Plaintiff is entitled to damages in an amount to be determined at trial adequate to compensate for Plaintiff for Amplivox's breaches of the Settlement Agreement.

111. On information and belief, Amplivox's conduct alleged herein also constitutes fraud in the inducement and, accordingly, Plaintiff is entitled to void the February 1, 2011 Settlement Agreement

## FOURTH CLAIM FOR RELIEF

### BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING

112. Plaintiff incorporates herein each and every allegation of paragraphs 1 through111 of this Complaint as if fully set forth herein and further alleges as follows:

113. The February 1, 2011 Settlement Agreement is a valid and enforceable contract.

114. The February 1, 2011 Settlement Agreement carries with it an implied covenant of good faith and fair dealing and imposes a duty on Amplivox to act consistently with the parties' agreed upon common purpose and to not do anything to destroy or injure Audio System's right to receive the benefits of the contract.

116. Amplivox breached its duty under the covenant of good faith and fair dealing.

117. On information and belief, Amplivox's breach was done knowingly, intentionally, maliciously and in bad faith.

118. Plaintiff is entitled to damages in an amount to be determined at trial adequate to compensate Plaintiff for Amplivox's breaches of the covenant of good faith and fair dealing.

### FIFTH CLAIM FOR RELIEF

#### **UNFAIR COMPETITION**

119. Plaintiff incorporates herein each and every allegation of paragraphs 1 through118 of this Complaint as if fully set forth herein and further alleges as follows:

120. Defendant, by its actions set forth hereinabove, has engaged in intentional business acts or practices that are unlawful, unfair, and/or fraudulent and that have caused material diminution in the value of the '200 Patent, in violation of, *inter alia*, Utah Code Ann. \$13-5a-102(4).

121. Defendant's conduct as set forth hereinabove gives rise to a cause of action for unfair competition and related wrongs under the statutory and common law of the State of Utah, the State of Illinois, and other states, including at least Utah Code Ann. § 13-5a-101, et seq.

122. By reason of the foregoing, Audio Systems has suffered damages and irreparable harm.

123. By reason of the foregoing, Audio Systems is entitled to actual and punitive damages from Amplivox, along with its attorneys' fees and costs pursuant to at least Utah Code Ann. § 13-5a-103(1)(b) as more fully set forth herein.

## SIXTH CLAIM FOR RELIEF

### **DECEPTIVE TRADE PRACTICES**

124. Plaintiff incorporates herein each and every allegation of paragraphs 1 through123 of this Complaint as if fully set forth herein and further alleges as follows:

### Case 2:12-cv-00662-RJS Document 45 Filed 12/27/13 Page 22 of 26

125. Defendant, by its actions as set forth hereinabove, has represented that its goods are of a particular model, style or have particular traits they do not have, has advertised goods with intent not to sell them as advertised or shown in photographs used to advertise them, and has engaged in conduct which creates a likelihood of confusion or of misunderstanding, and has thereby engaged in deceptive trade practices, pursuant to, *inter alia*, Utah Code Ann. §§ 13-11a-3(1)(g), (i), and (t).

126. Defendant's conduct as set forth hereinabove gives rise to a cause of action for deceptive trade practices and related wrongs under the statutory and common law of the State of Utah, including at least Utah Code Ann. § 13-11a-1, *et seq.* 

127. Audio Systems alleges on information and belief that Amplivox has engaged in deceptive trade practices against Audio Systems in willful and deliberate disregard of the rights of Audio Systems and the consuming public.

128. By reason of Amplivox's acts of deceptive trade practices, Audio Systems has suffered damages and irreparable harm.

129. By reason of the foregoing, Audio Systems is entitled to preliminary and permanent injunctive and monetary relief against Amplivox, along with its attorneys' fees and costs, pursuant to at least Utah Code Ann. §§ 13-11a-4(2)(b), as set forth herein.

### PRAYER FOR RELIEF

WHEREFORE, Plaintiff Audio Systems and Audio Systems pray for judgment as follows:

### Case 2:12-cv-00662-RJS Document 45 Filed 12/27/13 Page 23 of 26

A. Judgment finding the '200 Patent valid and infringed by Amplivox's first and second iterations of its Pinnacle model lectern.

B. Judgment finding Defendant liable for infringement of the '200 Patent;

C. Judgment finding Defendant liable for unfair competition;

D. Judgment finding Defendant liable for unfair/deceptive trade practices;

E. Judgment finding Defendant liable for breach of the February 1, 2011 Settlement Agreement;

F. Judgment finding Defendant liable for breach of the covenant of good faith and fair dealing under the February 1, 2011 Settlement Agreement;

G. For injunctive relief permanently enjoining Defendant, and its respective officers, directors, agents, employees, representatives and all persons operating in concert with Defendant, as follows:

a. from manufacturing any products falling within the scope of the claims of the '200 Patent;

b. from using any product or method falling within the scope of any of the claims of the '200 Patent;

c. from selling, offering for sale, licensing or purporting to license any product or method falling within the scope of any of the claims of the '200 Patent;

d. from importing any product into the United States which falls within the scope of any of the claims of the '200 Patent;

e. from actively inducing others to infringe any of the claims of the '200

Patent;

f. from engaging in acts constituting contributory infringement of any of the claims of the '200 Patent;

g. from all other acts of infringement of the '200 Patent;

h. from engaging in acts of unfair competition;

i. from engaging in deceptive trade practices; and

j. from engaging in conduct contrary to the terms of the February 1, 2011 Settlement Agreement, including conduct in breach of the covenant of good faith and fair dealing;

H. For judgment finding the infringement of the Defendant to be willful, and for an award of enhanced damages in connection with such finding;

I. For judgment finding this to be an exceptional case and awarding Plaintiff its attorney fees and costs incurred in connection herewith;

J. An award of damages adequate to compensate Plaintiff for infringement of the '200 Patent, in an amount to be proven at trial, including treble damages, lost profits damages, reasonable royalty damages, and other damages allowed by 35 U.S.C. §284;

K. An award of Plaintiff' costs in bringing this action, pursuant to at least 28 U.S.C.§ 1920 and 35 U.S.C. § 284;

L. An award of exemplary and punitive damages;

M. An award of Plaintiff's attorney fees and costs incurred in connection herewith pursuant to statute as alleged herein;

- N. An order that Plaintiff be granted pre-judgment and post-judgment interest; and
- O. For such other and further relief as the Court deems just and equitable.

# JURY DEMAND

Plaintiff demands a jury by trial on all claims for relief and all issues so triable.

DATED: December 27, 2013

CLEGG, P.C.

/s/ Perry S. Clegg Perry S. Clegg

Attorneys for Plaintiff, Audio Systems Group, Inc.

# **CERTIFICATE OF SERVICE**

I, the undersigned, hereby certify that a true and correct copy of the foregoing FIRST

AMENDED COMPLAINT, which was filed under seal by conventional filing, and this

CERTIFICATE OF SERVICE were served on the 27<sup>th</sup> day of December, 2013 on counsel for

Defendant per stipulation of the parties via email as follows:

Allen Woolley - <u>AWoolley@edwardswildman.com</u>

Elizabeth Wassef - EWassef@edwardswildman.com

John H. Bogart - jbogart@telosvg.com

and that a true and correct copy of the redacted version of the foregoing FIRST

AMENDED COMPLAINT, which was filed electronically through the Court's ECF/CMS

system, and this CERTIFICATE OF SERVICE were served on the 27<sup>th</sup> day of December, 2013

on all parties appearing in this case electronically through the ECF/CMS system.

/s/ Perry S. Clegg	
Perry S. Clegg	