SJS 44 (Rev. 11/04)

## **CIVIL COVER SHEET**

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS		DEFENDANTS	DEFENDANTS	
Andersen Manufacturing, Inc.		Diversi-Tech Corp	Diversi-Tech Corporation, Angela Budge, and Paul Budge	
(b) County of Residence of First Listed Plaintiff Bonneville (EXCEPT IN U.S. PLAINTIFF CASES)		NOTE: IN LANI	County of Residence of First Listed Defendant  (IN U.S. PLAINTIFF CASES ONLY)  NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.	
(c) Attorney's (Firm Name, Address, and Telephone Number) Todd E. Zenger, KIRTON & McCONKIE, 60 East South Temple, Suite 1800, Salt Lake City, UT 84111; 328-3600; fax: 321-4893		Attorneys (If Known)	UNZLER & McKENZIE	
II. BASIS OF JURISD			RINCIPAL PARTIES(Place an "X" in One Box for Plaintiff	
U.S. Government Plaintiff	■ 3 Federal Question (U.S. Government Not a Party)	(For Diversity Cases Only) PT Citizen of This State	and One Box for Defendant)  FF DEF PTF DEF  1	
☐ 2 U.S. Government Defendant	☐ 4 Diversity  (Indicate Citizenship of Parties in Item III)	Citizen of Another State 🛛	of Business In Another State	
		Citizen or Subject of a  Foreign Country	3 3 Foreign Nation 6 6 6	
IV. NATURE OF SUIT		FORFEITURE/PENALTY	BANKRUPTCY OTHER STATUTES	
110 Insurance   120 Marine   130 Miller Act   140 Negotiable Instrument   150 Recovery of Overpayment & Enforcement of Judgment   151 Medicare Act   152 Recovery of Defaulted Student Loans (Excl. Veterans)   153 Recovery of Overpayment of Veteran's Benefits   160 Stockholders' Suits   190 Other Contract   195 Contract Product Liability   196 Franchise   REAL PROPERTY   210 Land Condemnation   220 Foreclosure   230 Rent Lease & Ejectment   240 Torts to Land   245 Tort Product Liability   290 All Other Real Property	PERSONAL INJURY    310 Airplane   362 Personal Injury   Med. Malpractice   315 Airplane   365 Personal Injury   Med. Malpractice   365 Personal Injury   365 Personal Injury   Product Liability   365 Personal Injury   Product Liability   100   310 Federal Employers'   Liability   200   20	Security Act   10   10   10   10   10   10   10   1	422 Appeal 28 USC 158	
V. ORIGIN Original Proceeding Original State Court Original State Court Original Appellate Court Original Appellate Court Original Appellate Court Original Original Appellate Court Original Original Original State Court Original Original State Court Original Original Original State Court Original Or				
VI. CAUSE OF ACTIO	ON  Cite the U.S. Civil Statute under which you a 35 U.S.C. § 1 et. seq.  Brief description of cause: Patent Infringement			
VII. REQUESTED IN COMPLAINT:	CHECK IF THIS IS A CLASS ACTIO UNDER F.R.C.P. 23	N DEMAND \$	CHECK YES only if demanded in complaint:  JURY DEMAND: ☑ Yes ☐ No	
VIII. RELATED CAS	(See instructions): JUDGE		DOCKET NUMBER	
DATE SIGNATURE PRATIORNEY OF RECORD				
FOR OFFICE USE ONLY				
DECEMBE #	AMOUNT APPLYING IFP	IUDGE	MAG. JUDGE	

Todd E. Zenger (5238)
Dax D. Anderson (10168)
KIRTON & McCONKIE
1800 Eagle Gate Tower
60 East South Temple
Salt Lake City, Utah 84111
Phone: (801) 328 3600

Phone: (801) 328-3600 Fax: (801) 321-4893

Email: <a href="mailto:tzenger@kmclaw.com">tzenger@kmclaw.com</a>
Email: <a href="mailto:danderson@kmclaw.com">danderson@kmclaw.com</a>

Attorneys for Plaintiff

## IN THE UNITED STATES DISTRICT COURT

## DISTRICT OF UTAH

ANDERSEN MANUFACTURING , INC., an Idaho Corporation

Plaintiff,

VS.

DIVERSI-TECH, CORP., A Utah Corporation, ANGELA BUDGE, an Individual, and PAUL BUDGE, an Individual,

Defendants.

Civil Action No. 2:07-CV-00088

Judge Ted Stewart

COMPLAINT AND JURY DEMAND

Plaintiff, Andersen Manufacturing, Inc., by and through their attorneys, complaining of Diversi-Tech Corp. and Paul and Angela Budge (collectively referred to as "Diversi-Tech") seeks judgment and other relief and alleges:

#### JURISDICTION, VENUE

1. This action arises under the patent laws of the United States. 35 U.S.C. § 1 et. seq. Jurisdiction is conferred on this Court by 28 U.S.C. §§ 1331 and 1338. Venue is proper in this District under 28 U.S.C. §§ 1391 and 1400.

#### **PARTIES**

- 2. Plaintiff, Anderson Manufacturing, Inc. ("Andersen"), is an Idaho corporation organized and operating under the laws of the State of Idaho with a principal place of business at 3125 N. Yellowstone Highway. Idaho Falls, Idaho 83401. By assignment and agreement, Anderson has all necessary legal rights to bring this action.
- 3. Upon information and belief, Diversi-Tech, Diversi-Tech Corporation, a Utah corporation, has a principal place of business at 1187 W. Green Spring Heights North Drive, Washington, Utah ("Diversi-Tech"), and is doing business in Utah and in this judicial district.
- 4. Upon information and belief, Mr. Paul W. Budge is residing at 1187 W. Green Spring Heights North, Washington, Utah 84750.
- 5. Upon information and belief, Mrs. Angela Budge is an officer of Diversi-Tech Corp., and is residing at 1187 W. Green Spring Heights North, Washington, Utah 84750.

#### GENERAL ALLEGATIONS

- 6. This case relates to United States Patent No. 7,156,412 ("the '412 Patent') for Systems and methods for providing an aluminum bar for towing and United States Patent No. 6,908,099 ("the '099 Patent') for methods of manufacturing aluminum tow hitches.
- 7. Andersen designs, develops, produces, manufactures, markets, sells and distributes aluminum trailer hitch components.

- 8. Andersen's business is throughout the United States, including the state of Utah and this judicial District.
- 9. Upon information and belief Angela Budge makes all major decisions for Diversi-Tech as Diversi-Tech's only director, secretary, treasurer and registered agent.
- 10. Diversi-Tech-Tech and Angela Budge were alerted of the '412 Patent by certified mail on February 12, 2007, and to the '099 Patent at least as early as November, 2005.
- 11. Upon information and belief, Angela Budge deliberately used the corporate entity as an instrument to willfully infringe Andersen's patents when she authorized and oversaw Diversi-Tech's Corp.'s decisions to design and manufacture infringing products.
- 12. Upon information and belief, Paul Budge deliberately used the corporate entity as an instrument to willfully infringe Andersen's patents by authorizing the manufacture, use and/or sale of Diversi-Tech's infringing products with knowledge of Andersen's patents; by making made day to day decisions for Diversi-Tech including Diversi-Tech's product line, the methods used to manufacture the products, and by directing Diversi-Tech Corp. to continue its infringing conduct after receiving Andersen's demand to cease manufacture, use and/or sale of the accused devices.
- 13. Upon information and belief, Paul Budge had knowledge of the '412 and the '099 Patents by virtue of his employment at Diversi-Tech, his involvement in Diversi-Tech's day to day operations, and his involvement in Diversi-Tech's other co-pending litigation.
  - 14. Upon information and belief, Paul Budge is a major stakeholder in Diversi-Tech.
- 15. Diversi-Tech, Angela Budge and/or Paul Budge manufactures and/or sells aluminum drop bar tow bars which are made of aluminum and configured with outside

dimensions which permit insertion of the end into the hitch adapter of a motorized vehicle for towing. An example of the infringing device is Diversi-Tech's DT-LBM8200 tow bar.

- 16. Upon information and belief, Angela Budge and/or Paul Budge have used Diversi-Tech Corp. to willfully infringe the claims of the '099 and '412 Patents with the intention of avoiding personal liability for its infringing activity.
- 17. Upon information and belief, Angela Budge and/or Paul Budge have treated the entity Diversi-Tech as an alter-ego by failing to observe at least one of the corporate formalities including undercapitalizing the entity, intermingling personal assets with corporate assets, and shuttling personal funds in and out of the corporation without regard to formality and to suit their immediate convenience.
- 18. Without authorization from Andersen, Diversi-Tech, Angela Budge and/or Paul Budge has used and/or is manufacturing tow bars and/or trailer hitch components which is protected by one or more of claims 1, 4-22 of the '412 Patent, and 1-4, 6-8 and 11-18 of the '099 Patent ("Asserted Claims") in the United States.
- 19. Without authorization from Andersen, Diversi-Tech, Angela Budge and/or Paul Budge has offered to sell and/or does offer to sell aluminum trailer hitch components protected by one or more of the Asserted Claims in the United States, including in this judicial district.
- 20. Without authorization from Andersen, Diversi-Tech Angela Budge and/or Paul Budge has sold and/or is selling aluminum trailer hitch components protected by one or more of the Asserted Claims in the United States, including in this judicial district.
- 21. Without authorization from Andersen, Diversi-Tech, Angela Budge and/or Paul Budge has actively induced and/or is actively inducing third parties to offer for sale, to sell

and/or to use aluminum hitch components protected by one or more of the Asserted Claims in the United States, including in this judicial district.

- 22. Diversi-Tech's, Angela Budge's and/or Paul Budge's conduct constitutes infringement of the '099 and '412 Patents.
- 23. The forgoing conduct of Diversi-Tech, Angela Budge and/or Paul Budge has caused and will continue to cause irreparable harm to Andersen. The conduct of Diversi-Tech is knowing and willful and will continue to be knowing and willful unless enjoined by this Court.
- 24. The forgoing conduct of Diversi-Tech, Angela Budge and/or Paul Budge has caused and will continue to cause damage, including irreparable harm to Andersen. The conduct of Diversi-Tech, Angela Budge and/or Paul Budge is knowing and willful and will continue to be knowing and willful unless remedied by this Court by causing Diversi-Tech to pay money damages, including increasing damages up to three times as permitted by law.
- 25. Because the conduct of Diversi-Tech, Angela Budge and/or Paul Budge is knowing and willful, this is a case in which Diversi-Tech should be required to pay Andersen's attorneys fees.

#### FIRST CLAIM FOR RELIEF

(Judgment of Direct Infringement of the '099 and '412 Patents)

- 26. Andersen incorporates by reference paragraphs 1 through 25 of this Complaint as though set forth here in full.
- 27. Pursuant to patent laws of the United States, the forgoing acts of Diversi-Tech constitute direct infringement of one or more claims of the '099 and '412 Patents.
- 28. Andersen requests the Court to find that the acts of Diversi-Tech constitute direct infringement of one or more of the claims of the '099 '412 Patents.

29. Andersen requests the Court to find the direct infringement of Diversi-Tech has been willful, in bad faith and/or in reckless disregard of the rights of Andersen.

# SECOND CLAIM FOR RELIEF (Judgment of Inducing Infringement of the '099 and '412 Patents)

- 30. Andersen incorporates by reference paragraphs 1 through 29 of this Complaint as though set forth here in full.
- 31.One Pursuant to patent laws of the United States, the forgoing acts of Diversi-Tech, Angela Budge and Paul Budge constitute inducing infringement of one or more claims of the '099 and '412 Patents.
- 32. Andersen requests the Court to find that the acts of Diversi-Tech, Angela Budge and/or Paul Budge constitute inducing infringement of one or more of the claims of the '099 and '412 Patents.
- 33. Andersen requests the Court to find that the induced infringement of Diversi-Tech, Angela Budge and Paul Budge has been willful, in bad faith and/or in reckless disregard of the rights of Andersen.

WHEREFORE, Plaintiff, Andersen, prays for judgment and relief as follows:

- 34. Judgment in favor of Andersen finding that Diversi-Tech, Angela Budge and/or Paul Budge are jointly and severally liable for direct infringement of the '099 and '412 Patents.
- 35. Judgment in favor of Andersen finding that Diversi-Tech, Angela Budge and/or Paul Budge are jointly and severally liable for inducing infringement of the '099 and '412 Patents.
- 36. Judgment in favor of Andersen finding that Diversi-Tech, Angela Budge and/or Paul Budge must pay Andersen money damages in an amount to be determined at trial.

- 37. Judgment in favor of Andersen that damages should be increased up to three times.
- 38. For temporary, preliminary and permanent injunctive relief ordering Diversi-Tech to refrain from further infringing any claims of the '099 and '412 Patents.
- 39. An accounting for and an award of any and all ascertainable damages, to be determined at trial, related to the unlawful acts of Diversi-Tech.
  - 40. For reasonable attorney's fees.
  - 41. For costs of suit incurred in his action.
  - 42. For such further relief as the Court may deem proper.

#### JURY DEMAND

A demand is hereby made for trial by jury.

DATED this 14<sup>th</sup> day of February, 2007.

KIRTON & McCONKIE

By: s/ Todd E. Zenger

Todd E. Zenger Dax D. Anderson

Attorney for Plaintiff ANDERSEN MANUFACTURING, INC.

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