Peter M. de Jonge, UT 7185 Jed H. Hansen, UT 10679 Eric E. Westerberg, UT 12712

THORPE, NORTH & WESTERN, LLP

8180 South 700 East, Suite 350

Sandy, Utah 84070

Telephone: (801) 566-6633 Facsimile: (801) 566-0750

Attorneys for Plaintiff, American Covers, Inc.

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH, CENTRAL DISTRICT

American Covers, Inc., a Utah corporation,

Plaintiff

v.

Argento SC by Sicura Inc., a New York corporation

Defendant.

COMPLAINT WITH JURY DEMAND

Case No.: 2:15-cv-00138 Judge Dee Benson

Plaintiff American Covers, Inc. (hereinafter "Plaintiff" or "American Covers") by and through its counsel hereby files this Complaint with Jury Demand against Defendant Argento SC by Sicura Inc. ("Argento" or "Defendant").

COMPLAINT

American Covers complains and alleges as follows:

PARTIES, JURISDICTION AND VENUE

1. American Covers, Inc. is a Utah corporation having a principal place of business at 102 West 12200 South, Draper, Utah 84020.

- 2. Upon information and belief, Argento SC by Sicura Inc. is a New York corporation with its principal place of business at 1407 Broadway, Suite 2201, New York, NY 10018.
- 3. Plaintiff brings this action under U.S. patent laws, 35 U.S.C. §§ 1 *et seq.*, and under various other Utah state law and common law provisions.
- 4. This Court has subject matter jurisdiction over this action under 28 U.S.C. §§ 1331 and 1338.
- 5. This Court has supplemental jurisdiction over any state law, or statutory and common law claims pursuant to 28 U.S.C. § 1367.
- 6. Upon information and belief, this Court has specific personal jurisdiction over Defendant as Defendant has purposefully directed its activities toward the state of Utah and has sold the product at issue in this case into the state of Utah.
- 7. Upon information and belief, this Court has general personal jurisdiction over Defendant since its contacts with Utah are substantial, continuous, and systematic and this action is based upon activities that arise out of, or are related to, those contacts.
- 8. Venue is proper in this judicial district pursuant to 28 U.S.C. §1391 because Defendant conducts business directly related to the patents at issue in this case, thereby causing harm to Plaintiff in this judicial district.

GENERAL ALLEGATIONS PLAINTIFF'S PRODUCTS AND INTELLECTUAL PROPERTY

- 9. American Covers is in the business of inventing, developing, manufacturing, distributing, and selling various products used in the automotive accessories market.
- 10. One of its automotive accessory products is designed to be placed on the dash of an automobile and hold an electronic device therein. This product has been marketed and labeled by American Covers as the "Roadster" product. An image of the Roadster product is provided below.



11. American Covers is the owner of two United States patents protecting its Roadster product from copying and other acts of patent infringement. U.S. Patent No. 8,490,846 (hereinafter the "846 Patent") was granted on July 23, 2013. A copy of the '846 patent is attached hereto as Exhibit A. U.S. Patent No. 8,851,349 (hereinafter the "349 Patent") was granted on October 7, 2014. A copy of the '349 patent is attached hereto as Exhibit B.

ARGENTO'S MISCONDUCT

12. Upon information and belief, Argento makes, uses, sells, offers for sale, and/or imports into the United States, an automobile accessory for holding an electronic device that infringes the '846 Patent and the '349 Patent (the "Infringing Product"). An image of one example of the Infringing Product is shown below.



- 13. Upon information and belief, Argento is in direct competition with American Covers in the automotive accessories market.
- 14. Upon information and belief, Argento makes, uses, sells, imports, offers for sale, and/or distributes its Infringing Product in the United States.
- 15. Upon information and belief, the Infringing Product is a copy of American Covers' Roadster product.
- 16. Upon information and belief, Argento has purposefully copied American Covers' Roadster product to unlawfully benefit from American Covers' goodwill in the marketplace.
- 17. Upon information and belief, the Infringing Product infringes at least claim 1 of the '846 Patent and claim 1 of the '349 Patent.
- 18. Upon information and belief, Argento's continued manufacture, use, sale, import, and offer for sale, and distribution of its Infringing Product has injured, is injuring, and will continue to cause irreparable injury to American Covers.
- 19. Additionally, upon information and belief, Argento acted in an objectively reckless manner with respect to American Covers' patent rights. Upon information and belief, Argento made, used, sold, offered for sale, and imported into the United States its Infringing Products knowing that it was highly likely that its acts would constitute infringement of a valid patent. Upon information and belief, Argento knew, or should have known, that its actions were highly likely to result in the infringement of a valid patent. As a consequence, Argento has engaged in willful infringement of the '846 Patent and the '349 Patent. American Covers is therefore entitled to treble damages and attorneys' fees as well as costs incurred in this action along with prejudgment interest under 35 U.S.C. §§ 284 and 285.

20. American Covers has been and continues to be significantly damaged by Argento's actions. So long as Argento continues performing the unlawful and improper actions described in this Complaint, American Covers will continue to suffer irreparable harm that will not be fully compensable by money damages.

FIRST CAUSE OF ACTION (PATENT INFRINGEMENT OF THE '846 AND '349 PATENTS UNDER 35 U.S.C. § 271)

- 21. American Covers hereby incorporates by reference each and every preceding allegation of this Complaint as if set forth fully herein.
 - 22. American Covers owns the '846 Patent and the '349 Patent.
- 23. Argento makes, uses, sells, offers for sale, and/or imports into the United States a product that infringes claims of the '846 Patent and the '349 Patent, literally as well as under the doctrine of equivalents.
- 24. At no time has American Covers granted Argento permission, license, or authorization to market or sell the Infringing Product.
- 25. Upon information and belief, Argento's infringing activities have damaged American Covers in an amount to be proven at trial. Among other remedies, American Covers is entitled to its lost profits or, in the alternative, a reasonable royalty to adequately compensate American Covers for Argento' infringing activities under 35 U.S.C. §284. Additionally, the harm to American Covers arising from these acts by Argento is not fully compensable by money damages. American Covers has suffered, and continues to suffer, irreparable harm that has no adequate remedy at law and that will continue unless this infringing conduct by Argento is preliminarily and permanently enjoined.
- 26. Upon information and belief, Argento acted in an objectively reckless manner with respect to American Covers' patent rights. Upon information and belief, Argento made,

used, sold, and offered for sale its Infringing Product knowing that it was highly likely that its acts would constitute infringement of a valid patent. As a consequence, Argento has engaged in willful infringement of the '846 Patent and the '349 Patent. American Covers is therefore entitled to treble damages and attorneys' fees as well as costs incurred in this action along with prejudgment interest under 35 U.S.C. §§ 284 and 285.

SECOND CAUSE OF ACTION (CONTRIBUTORY INFRINGEMENT OF THE '846 AND '349 PATENTS UNDER 35 U.S.C. § 271)

- 27. American Covers hereby incorporates by reference each and every preceding allegation of this Complaint as if set forth fully herein.
 - 28. American Covers owns the '846 Patent and the '349 Patent.
- 29. Upon information and belief, Argento makes, uses, sells, offers for sale, and/or imports into the United States a product that is material to practicing claims of the '846 Patent and the '349 Patent.
- 30. Upon information and belief, the Infringing Product marketed and sold by Argento has no substantial non-infringing uses.
- 31. Moreover, upon information and belief, the Infringing Product is known by Argento to be especially made or especially adapted for use in an infringement of the '846 Patent and the '349 Patent.
- 32. At no time has American Covers granted Argento permission, license, or authorization to market or sell the Infringing Product.
- 33. Upon information and belief, Argento's infringing activities have damaged

 American Covers in an amount to be proven at trial. Among other remedies, American Covers is

 entitled to its lost profits or, in the alternative a reasonable royalty to adequately compensate

American Covers for Argento's infringing activities under 35 U.S.C. §284. Additionally, the harm to American Covers arising from these acts by Argento is not fully compensable by money damages. American Covers has suffered, and continues to suffer, irreparable harm that has no adequate remedy at law and that will continue unless this infringing conduct by Argento is preliminarily and permanently enjoined.

34. Upon information and belief, Argento acted in an objectively reckless manner with respect to American Covers' patent rights. Upon information and belief, Argento made, used, sold, and offered for sale its Infringing Product knowing that it was highly likely that its acts would constitute infringement of a valid patent. As a consequence, Argento has engaged in willful infringement of the '846 Patent and the '349 Patent. American Covers is therefore entitled to treble damages and attorneys' fees as well as costs incurred in this action along with prejudgment interest under 35 U.S.C. §§ 284 and 285.

THIRD CAUSE OF ACTION (INDUCED PATENT INFRINGEMENT OF THE '846 AND '349 PATENTS UNDER 35 U.S.C. § 271)

- 35. American Covers hereby incorporates by reference each and every preceding allegation of this Complaint as if set forth fully herein.
 - 36. American Covers owns the '846 Patent and the '349 Patent.
- 37. Upon information and belief, Argento actively induces its customers to make use of the Infringing Products in a manner that infringes the '846 Patent and the '349 Patent.
- 38. Upon information and belief, Argento possessed specific intent to encourage its customers to make use of the Infringing Product in a manner that Argento knew, or should have known, would infringe the '846 Patent and the '349 Patent.
- 39. At no time has American Covers granted Argento permission, license, or authorization to market or sell the Infringing Product.

- 40. Upon information and belief, Argento' infringing activities have damaged American Covers in an amount to be proven at trial. Among other remedies, American Covers is entitled to its lost profits or, in the alternative, a reasonable royalty to adequately compensate American Covers for Argento's infringing activities under 35 U.S.C. §284. Additionally, the harm to American Covers arising from these acts by Argento is not fully compensable by money damages. American Covers has suffered and continues to suffer irreparable harm that has no adequate remedy at law and that will continue unless this infringing conduct by Argento is preliminarily and permanently enjoined.
- 41. Upon information and belief, Argento acted in an objectively reckless manner with respect to American Covers' patent rights. Upon information and belief, Argento made, used, sold, and offered for sale its Infringing Product knowing that it was highly likely that its acts would constitute infringement of a valid patent. American Covers is therefore entitled to treble damages and attorneys' fees as well as costs incurred in this action along with prejudgment interest under 35 U.S.C. §§ 284 and 285.

FOURTH CAUSE OF ACTION (UNFAIR COMPETITION, UTAH CODE ANN. §13-5A-102, 103 AND UTAH COMMON LAW)

- 42. American Covers hereby incorporates by this reference each and every preceding allegation of this Complaint as if set forth fully herein.
 - 43. American Covers owns the '846 Patent and the '349 Patent.
- 44. Argento has engaged in unfair methods of competition by infringing the '846 Patent and the '349 Patent either directly, indirectly, under the doctrine of equivalents, contributorily, or induced infringement.

- 45. Argento makes, uses, sells, offers for sale, and/or import into the United States a product that infringes the '846 Patent and the '349 Patent.
- 46. Upon information and belief, American Covers has been injured by Argento's infringing acts.
- 47. Upon information and belief, the Infringing Product is a copy of American Covers' Roadster product.
- 48. By engaging in the above-described activities, Argento has engaged in unfair competition under Utah Code Ann. §13-5a-102, 103 and under Utah common law.
- 49. American Covers has suffered actual damages as a result of unfair business practices by Argento in an amount to be proven at trial. Additionally, the harm to American Covers arising from these acts by Argento is not fully compensable by money damages.

 American Covers has suffered, and continues to suffer irreparable harm that has no adequate remedy at law and that will continue unless this unfair conduct by Argento is preliminarily and permanently enjoined. Furthermore, American Covers is entitled to its attorneys' fees and costs.

FIFTH CAUSE OF ACTION (UNJUST ENRICHMENT UNDER UTAH COMMON LAW)

- 50. American Covers hereby incorporates by this reference each and every preceding allegation of this Complaint as if set forth fully herein.
- 51. Argento has benefited from the improper, unfair, and unauthorized use of the '846 Patent and the '349 Patent as alleged herein.
- 52. Argento knew, or should have known, that its actions were improper and fully appreciated the benefits received as a result of its improper actions.
- 53. Argento would be unjustly enriched if it were permitted to retain the benefits obtained from such actions.

54. Equity and good conscience require that Argento be required to account for, and pay to American Covers, an amount equal to value of the benefits conferred upon it.

WHEREFORE, it is respectfully requested that the Court enter judgment in favor of Plaintiffs as follows:

- A. That the Court enter judgment that Argento has infringed the '846 Patent and the '349 Patent both literally and under the doctrine of equivalents.
- B. That the Court enter judgment that Argento is liable to American Covers for contributory infringement of the '846 Patent and the '349 Patent.
- C. That the Court enter judgment that Argento is liable to American Covers for inducement to infringe the '846 Patent and the '349 Patent.
- D. That the Court enter judgment that Argento has competed unfairly pursuant to Utah Code. Ann. §§ 13-5a-102, 103 and Utah common law.
- E. That the Court enter judgment that Argento has been unjustly enriched through its misconduct.
- F. That Argento be ordered to pay damages to American Covers, together with interest, in an amount to be determined by this Court.
- G. That the Court award American Covers treble damages pursuant to 35 U.S.C. §284.
- H. That the Court award American Covers punitive damages pursuant to Utah Code.Ann. § 13-5a-102 and § 13-5a-103.
- I. That the Court award American Covers costs and attorneys' fees related to this action pursuant to 35 U.S.C. §285 and/or Utah Code. Ann. §§ 13-5a-102, 103.
 - J. That the Court award American Covers prejudgment interest.

K. That American Covers have such other and further relief as shall seem just and proper to the Court.

L. That the Court grant preliminary and permanent injunctive relief enjoining Argento, its officers, directors, principals, agents, servants, employees, successors and assigns, and all other aiding, abetting, or acting in concert or active participation therewith, from directly or indirectly infringing the '846 Patent and/or the '349 Patent, including with limitation, precluding Argento from making, using, selling, offering for sale, or importing the Infringing Product.

JURY DEMAND

American Covers demands that all claims and causes of action raised in this Complaint be tried to a jury to the fullest extent possible under the United States and Utah Constitutions. DATED this 3^{rd} day of March, 2015.

THOPRE NORTH & WESTERN, LLP

/Jed H. Hansen/ Peter M. de Jonge Jed H. Hansen Eric E. Westerberg

Attorneys for Plaintiff, American Covers, Inc.