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# UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA SOUTHERN DIVISION

INNERLITE, INC. dba ISOLITE SYSTEMS, a California corporation,

Plaintiff,

v.

ZIRC DENTAL PRODUCTS, INC., a Minnesota corporation, BRIAN P. BLACK, and BRIAN P. BLACK, DDS, INC., a California corporation

Defendants.

Case No. CV13-07501-DOC (RNB)

#### THIRD AMENDED AND SUPPLEMENTAL COMPLAINT FOR PATENT INFRINGEMENT

#### DEMAND FOR JURY TRIAL

Judge: Hon. David O. Carter

Ctrm: 9D

Pre-Trial Conf.: May 2, 2016 Trial: May 24, 2016

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Plaintiff Innerlite, Inc. dba Isolite Systems (hereinafter referred to as "Plaintiff" or "Isolite Systems"), by and through its undersigned attorneys, for its Complaint against Defendants Zirc Dental Products, Inc., a Minnesota corporation (hereinafter referred to as "Zirc"), Brian P. Black, an individual (hereinafter referred 24 to as "Black"), and Brian P. Black, DDS, Inc., a California corporation (hereinafter 25 referred to as "Black Dental Corp."), hereby alleges as follows in this third amended and supplemental complaint to add claims based on events occurring during the pendency of this action pursuant to this Court's Order, dated April 2, 2015 (Dkt. #83) and Fed. R. Civ. P. 15:

**INTRODUCTION** 

1. This is an action for patent infringement under 35 U.S.C. § 271, trade dress infringement under Section 43(a) of the Lanham Act (15 U.S.C. § 1125(a)), and violation of California Business and Professions Code Section 17200 et seq.

### PARTIES, JURISDICTION AND VENUE

- 2. Plaintiff Isolite Systems is a corporation duly organized and existing under the laws of the State of California, with its principal place of business located in Santa Barbara, California.
- On information and belief, Defendant Zirc is a corporation duly 10 organized and existing under the laws of the State of Minnesota, with its principal place of business located in Buffalo, Minnesota.
- 4. On information and belief, Defendant Black is an individual who 13 resides in this judicial district in Mentone, California and is licensed to practice dentistry in the State of California.
- 5. On information and belief, Defendant Black Dental Corp. is a corporation duly organized and existing under the laws of the State of California 17 with a place of business located in this judicial district in Palm Desert, California.
  - 6. On information and belief, Defendant Black practices dentistry individually and/or as an officer and/or employee of Defendant Black Dental Corp., under a fictitious name known as "Desert Pearl Dentistry" in Palm Desert, California. Defendants Black and Black Dental Corp. are hereinafter collectively referred to as "the Black Defendants."
- 7. This Court has subject matter jurisdiction over this action (a) pursuant 24 to 28 U.S.C. § 1331 in that it concerns federal questions, (b) pursuant to 28 U.S.C. § 25 1338 in that it concerns violations of the Patent Act (35 U.S.C. §1 et seq.), (c) 26 pursuant to 28 U.S.C. § 1338 and 15 U.S.C. § 1121 in that it concerns violations of the Federal Lanham Act (15 U.S.C. § 1125(a)), and (d) as to state law claims 28 pursuant to 28 U.S.C. §1338(b) and 28 U.S.C. §1367(a) under the doctrine of

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- 8. This Court has personal jurisdiction over (a) Defendant Zirc and the Black Defendants in that acts complained of in this action took place in California, including in this judicial district, as more fully described below, and (b) the Black Defendants in that they reside in this judicial district.
- 9. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b) and (c) and 1400(b) because, among other reasons, this Court has personal jurisdiction over Defendant Zirc and the Black Defendants, and Defendant Zirc and the Black Defendants have committed acts of infringement and/or other acts 10 complained of in this action in this judicial district.

### FACTUAL ALLEGATIONS

### **The Patents**

- 10. Plaintiff Isolite Systems is a family-owned company founded in or around 2001 by brothers James A. Hirsch and Dr. Thomas R. Hirsch (collectively sometimes referred to herein as "the Hirsch Brothers") in Santa Barbara, California.
- In or around 1998, The Hirsch Brothers invented a revolutionary new dental device intended for use by dental professionals (i) to isolate the work area in a patient's mouth, (ii) to retract and protect the tongue and cheek, (iii) to evacuate fluids and oral debris, and (iv) to prevent inadvertent aspiration of material. This device is hereinafter sometimes referred to as "the Isolite Product".
- 12. On November 17, 1998, the Hirsch Brothers filed a patent application covering their invention that issued on February 8, 2000 as U.S. Patent No. 6,022,214 (hereinafter referred to as "the '214 patent"). The Hirsch Brothers assigned the '214 patent to Plaintiff Isolite Systems.
- 13. For approximately ten years, Plaintiff Isolite Systems has manufactured, distributed and sold a model of the Isolite Product currently known as "the Isolite Dryfield illuminator system," that includes an internal LED light source that 28 provides illumination throughout the oral cavity and is sold under the federally

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- 14. Since 2010, Plaintiff Isolite Systems has manufactured, distributed and sold a model of the Isolite Product without the LED light source that is sold under the federally registered trademark "ISODRY", and is intended for use by dental professionals who prefer to work with external lighting.
- For the past decade, Plaintiff Isolite Systems has invested large sums of 15. money and countless hours of human resources to build the strong reputation and valuable goodwill that it presently enjoys in its market niche, i.e. dental professionals such as dentists, dental hygienists and dental assistants, as well as oral surgeons.
- 16. Plaintiff Isolite Systems is the owner by assignment of all right, title, and interest in and to United States Patent No. 8,297,973 entitled "Intraoral Device" (hereinafter referred to as "the '973 patent"), which was duly and legally issued by the United States Patent and Trademark Office ("USPTO") on October 30, 2012 naming James A. Hirsch and Thomas R. Hirsch as inventors. On February 5, 2013, the USPTO issued a Certificate of Correction for the '973 patent. The '973 patent is 16 valid, enforceable, and currently in full force and effect. A true and accurate copy of the '973 patent with the Certificate of Correction is attached hereto as Exhibit "A" and incorporated herein by reference.
  - 17. Plaintiff Isolite Systems is the owner by assignment of all right, title, and interest in and to United States Patent No. 6,908,308 ("the '308 patent") entitled "Intraoral Device and Method of Using the Same" (hereinafter referred to as "the '308 patent"), which was duly and legally issued by the USPTO on June 21, 2005, naming James A. Hirsch and Thomas R. Hirsch as inventors. The '308 patent is valid, enforceable, and currently in full force and effect. A true and accurate copy of the '308 patent is attached hereto as Exhibit "B" and incorporated herein by reference.
  - 18. Plaintiff Isolite Systems is the owner by assignment of all right, title, and interest in and to United States Patent No. 6,338,627 ("the '627 patent") entitled

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"Intraoral Device" (hereinafter referred to as "the '627 patent"), which was duly and legally issued by the USPTO on January 15, 2002, naming James A. Hirsch and Thomas R. Hirsch as inventors. The '627 patent is valid, enforceable, and currently in full force and effect. A true and accurate copy of the '627 patent is attached hereto as Exhibit "C" and incorporated herein by reference.

19. Plaintiff Isolite Systems is the owner by assignment of all right, title, and interest in and to United States Patent No. D615,203 (the "D203 patent"), which was duly and legally issued by the USPTO on May 4, 2010, for the ornamental design of an intraoral device shown therein and naming James A. Hirsch and 10 Thomas R. Hirsch as inventors. The D203 patent is valid, enforceable and currently in full force and effect. A true and accurate copy of the D203 patent is attached hereto as Exhibit "D" and incorporated herein by reference.

### **Defendant Black's Imitation Product**

- 20. On information and belief, in 2006, Defendant Black was a member of the faculty of the Loma Linda University School of Dentistry in Loma Linda, California.
- 21. In Fall 2006, Defendant Black informed Parker Francis ("Mr. Francis"), an employee of Plaintiff Isolite Systems that Defendant Black desired to receive information about the Isolite Product.
- 22. On or about November 15, 2006, Defendant Black met with Plaintiff Isolite Systems' employees at the Malibu, California dental office of Dr. Thomas R. Hirsch, an officer of Plaintiff Isolite Systems and co-inventor of the Isolite Product (hereinafter referred to as "Dr. Hirsch").
- 23. At the November 15, 2006 meeting, Defendant Black witnessed a demonstration of the Isolite Product, and received from Plaintiff Isolite Systems information about the design, manufacturing and operation of the Isolite Product.
- 24. On information and belief, Defendant Black informed Plaintiff Isolite Systems that he was interested in convincing Loma Linda University School of

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Dentistry to acquire the Isolite Product so that its dental students could be trained to use it in the school's dental clinic.

- 25. Defendant Black arranged for Plaintiff Isolite Systems' Dr. Hirsch and Mr. Francis to visit Loma Linda University School of Dentistry on November 17, 2006 and again on December 4, 2006 to give a demonstration of the Isolite Product to the dental faculty.
- 26. On information and belief, at some point in time after Plaintiff Isolite Systems' presentation and demonstration, Loma Linda University School of Dentistry decided not to acquire the Isolite Product.
- 27. On information and belief, unbeknownst to Plaintiff Isolite Systems, Defendant Black had used information that he received from Plaintiff Isolite Systems about the Isolite Product to formulate a plan to develop an imitation product (hereinafter referred to "Defendant Black's Imitation Product") to be sold to existing and prospective customers of Plaintiff Isolite Systems.
- 28. On or about September 24, 2007, Mr. Francis forwarded to Plaintiff Isolite Systems' management an e-mail that he received from Defendant Black containing information about a company that Defendant Black referred to as "truly 18 formidable competition" that will be "going head to head with Isolite." September 24, 2007 Defendant Black e-mail contained a "product description" of a 20 "new dental product" and a representation that "we feel this product is far superior in function and provides a larger working field compared to either a rubber dam or an isolite device [sic]."
  - 29. The next day, on September 25, 2007, Mr. Francis sent an e-mail to Plaintiff Isolite Systems' management announcing his resignation from Isolite Systems.
  - 30. On information and belief, Defendant Black and Mr. Francis subsequently began working together to develop, manufacture and sell Defendant Black's Imitation Product with the intention of inducing existing and prospective

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customers of Plaintiff Isolite Systems to purchase Defendant Black's Imitation Product in lieu of the Isolite Product.

- 31. On information and belief, in December, 2007, Defendant Black formed a corporation organized and existing under the laws of the State of California by the name of Edge Medical Technologies, Inc. for the purpose of carrying out Defendant Black's plan to develop, manufacture and sell Defendant Black's Imitation Product.
- On information and belief, sometime in 2009, Defendant Black 32. launched an intra-oral device constituting Defendant Black's Imitation Product sold under the trademark "Airbug" (hereinafter referred to as "Defendant Black's 10 Airbug").
  - 33. Defendant Black's Airbug was an imitation of the Isolite Product design and features (excluding the LED light source) including, but not limited to, the Airbug's "tongue shield", which copied the Isolite Product's mouthpiece component's distinctive shape and color.
- 34. On information and belief, copies of certain pages from the former active website controlled by Defendant Black and/or his corporation Edge Medical 17 Technologies, Inc. (found at <a href="http://air-bug.sqserver.com">http://air-bug.sqserver.com</a>.) are attached hereto as 18 Exhibit "E" and incorporated herein by reference.
  - 35. On information and belief, after Defendant Black launched Defendant Black's Airbug, one or more dental professionals have referred to Defendant Black's Airbug as an "Isolite knock off".
  - 36. On information and belief, sometime in 2010, Defendant Black's Airbug was no longer offered for sale by Defendant Black, Edge Medical Technologies, Inc. or any other person or entity until the further developments described below.

# The Launch of Defendant Zirc's Mr. Thirsty

37. According to paragraph 35 of Defendant Zirc's original Answer, filed October 29, 2013, Defendant Zirc alleged: "Zirc admits entering into a contract with Dr. Black in 2012." Such "contract", entitled "Intellectual Property License and Tangible Property Purchase Agreement", dated January 11, 2012 (hereinafter referred to as "the Black/Zirc Contract"), appears to have been signed by (a) Linda Robasse, Chief Operating Officer of Defendant Zirc, and (b) Defendant Black, purportedly as President of Joogatech, Inc., which indicated that it was "doing business as airBUG [also referred to therein as "AIRBUG"]." A copy of the Black/Zirc Contract is attached hereto as Exhibit "F" and incorporated herein by reference.

- 38. On information and belief, Defendant Black provided instructions, training, plans and/or other assistance to Defendant Zirc to enable Defendant Zirc to make, use, sell and/or offer to sell Defendant Black's Airbug.
- 39. For example, Article VII of the Black/Zirc Contract, entitled "Support Obligations" provides in pertinent part as follows:

"AIRBUG agrees to consult with ZIRC without compensation for a period of one (1) year following the execution of this Agreement. Such consultation is limited to training by AIRBUG personnel of ZIRC personnel on matters related directly to the airBUG device and system...."

- 40. In addition, Article IV of the Black/Zirc Contract provides as follows:
  - "....Title to and ownership of all tooling, drawings, parts and prototypes relating to the airBUG product, all airBUG inventory (including completed and partially completed airBUG products and components thereof) as reflected in the Invoice attached hereto as Exhibit A and incorporated herein by this reference shall be owned by ZIRC."

Accordingly, on information and belief, Defendant Black and/or Joogatech, Inc. sold to Defendant Zirc "tooling, drawing, parts and prototype relating to the airBUG product," as well as "all airBUG inventory (including completed and partially completed airBUG products and components thereof)...." In addition, on information and belief, such sale also included one or more molds applicable to the airBUG product. Article VI of the Black/Zirc Contract provided for Defendant Zirc to pay "the sum of seventy-five thousand dollars (\$75,000.00)...within five (5) days

"Mr. Thirsty" (hereinafter referred to as "Zirc's Mr. Thirsty").

of receipt by ZIRC of this executed Agreement. Further, ZIRC agrees to pay

AIRBUG a royalty amount equal to five percent (5%) of the gross receipts paid to

ZIRC...resulting from sales of the airBUG device or other devices, enhancements, or

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- improvements derived from the airBUG device...." 41. On information and belief, Defendant Zirc manufactures, distributes, sells and/or offers to sell Defendant Black's Airbug under a new mark known as
- On information and belief, Defendant Black and/or Defendant Black Dental Corp, advertises and promotes Zirc's Mr. Thirsty on the website of Defendant 10 Black's dental practice at <u>www.desertpearldentistry.com</u> by (a) asserting that "Dr. Black invented, patented and sold an intraoral isolation device, Mr. Thirsty, used by schools and clinics across the country," and (b) displaying a video of Zirc's Mr. Thirsty with Zirc's logo on the first frame. On information and belief, Defendant 14 Black Dental Corp. and/or Defendant Black does business under the fictitious name 15 "Desert Pearl Dentistry," and the dental practice is located in this judicial district in Palm Desert, California.
  - 43. On information and belief, Defendant Black individually and/or on behalf of Defendant Black Dental Corp. has been using and continues to use Zirc's Mr. Thirsty in Defendant Black's "Desert Pearl Dentistry" dental practice.
  - 44. On information and belief, Defendant Zirc distributes, offers for sale and sells Zirc's Mr. Thirsty directly via its website at www.zirc.com and through numerous distributors and/or sales representatives all over the United States and exports it outside of the United States.
- 45. The California Dental Association holds "CDA Presents conventions" which its website at <a href="http://www.cdapresents.com/Exhibitors.aspx">http://www.cdapresents.com/Exhibitors.aspx</a> describes as being "among the largest dental tradeshows in the United States." The CDA Presents convention in Anaheim, California took place from April 11-13, 2013 (hereinafter 28 referred to as "the 2013 CDA Anaheim Trade Show"). The CDA Presents

- On or about April 11-13, 2013, Defendant Zirc attended the 2013 CDA 46. Anaheim Trade Show at which Defendant Zirc advertised, promoted, demonstrated, offered for sale and/or, on information and belief, sold Zirc's Mr. Thirsty in this judicial district in Anaheim, California.
- 47. On information and belief: (a) Defendant Zirc regularly markets, distributes and sells Zirc's Mr. Thirsty in California through a distributor known as Pearson Dental pursuant to a distributorship agreement or other agreement to sell 10 Zirc's Mr. Thirsty; (b) Pearson Dental has its headquarters in this judicial district in Sylmar, California; (c) Pearson Dental was an exhibitor at both the 2013 CDA Anaheim Trade Show and the 2013 CDA San Francisco Trade Show; and (d) Pearson Dental was offering for sale Zirc's Mr. Thirsty at its trade show booth at the 2013 CDA San Francisco Trade Show in that attendees could order Zirc's Mr. Thirsty from a Pearson Dental catalog and/or from Pearson Dental's website.
- 48. On information and belief: (a) Defendant Zirc regularly markets, distributes and sells Zirc's Mr. Thirsty in California through a distributor known as 18 Benco Dental pursuant to a distributorship agreement or other agreement to sell Zirc's Mr. Thirsty; (b) Benco Dental has dental showrooms in this judicial district in Costa Mesa, as well as in Fresno, Sacramento and San Diego, California; (c) Benco Dental was an exhibitor at both the 2013 CDA Anaheim Trade Show and the 2013 CDA San Francisco Trade Show; and (d) Benco Dental was offering for sale Zirc's Mr. Thirsty at its trade show booth at the 2013 CDA San Francisco Trade Show in that attendees could order Zirc's Mr. Thirsty from a Benco Dental catalog and/or from Benco Dental's website.
  - 49. On information and belief: (a) Defendant Zirc regularly markets, distributes and sells Zirc's Mr. Thirsty in California through a distributor known as Patterson Dental pursuant to a distributorship agreement or other agreement to sell

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Zirc's Mr. Thirsty; (b) Patterson Dental has offices throughout California including in El Segundo, California in this judicial district; and (c) Patterson Dental was an exhibitor at both the 2013 CDA Anaheim Trade Show and the 2013 CDA San Francisco Trade Show.

- 50. On information and belief: (a) Defendant Zirc regularly markets, distributes and sells Zirc's Mr. Thirsty in California through a distributor known as Henry Schein Dental pursuant to a distributorship agreement or other agreement to sell Zirc's Mr. Thirsty; (b) Henry Schein Dental has dental centers in this judicial district in Orange and Los Angeles, as well as in San Francisco, San Jose, San Diego, 10 Fresno and Dublin, California; and (c) Henry Schein Dental was an exhibitor at both the 2013 CDA Anaheim Trade Show and the 2013 CDA San Francisco Trade Show.
- 51. On information and belief, Defendant Zirc regularly markets, distributes and sells Zirc's Mr. Thirsty in California through a distributor known as Tinman 14 Dental pursuant to a distributorship agreement or other agreement to sell Zirc's Mr. Thirsty. On information and belief, Tinman Dental has offices in Redding, California.
  - 52. On information and belief, one or more dental professionals perceive Zirc's Mr. Thirsty as a cheaper "Isolite knock-off".

### **Defendant Zirc's Launch of Mr. Thirsty One Step**

- 53. During the pendency of this action, in or before March 2015, Defendant Zirc commenced manufacturing, distributing, selling and/or offering to sell a new product derived from the original Mr. Thirsty, that Defendant Zirc calls "mr. thirsty® one-step" (hereinafter referred to as "Zirc's One-step"), which Plaintiff Isolite Systems recently discovered was being advertised and promoted for sale on Defendant Zirc's website at <u>www.zirc.com</u>. A true and accurate copy of a webpage at www.zirc.com.mrthirsty/ showing Zirc's One-step is attached hereto as Exhibit "G" and incorporated herein by reference.
  - 54. On information and belief, Defendant Zirc distributes, sells and offers to

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sell Defendant Zirc's One-step directly via its website and through numerous distributors (including one or more of the distributors listed above with respect to Mr. Thirsty) and/or sales representatives in California and all over the United States, and exports it outside of the United States.

- 55. On information and belief, (a) prior to commencing manufacturing, distributing, selling and/or offering to sell Defendant Zirc's One-step, and (b) prior to the commencement of the instant action and service of the original complaint upon Defendant Zirc, Defendant Zirc had knowledge of the existence of the '627 patent.
- 56. On information and belief, prior to its having commenced 10 manufacturing, distributing, selling and/or offering to sell Defendant Zirc's Onestep, Defendant Zirc acted despite an objectively high likelihood that its actions constituted infringement of the valid '627 patent, and the objectively-defined risk of infringement was either known or so obvious that it should have been known to 14 Defendant Zirc.
- 57. On information and belief, Defendant Zirc induces dental professionals and others to use Defendant Zirc's One-step and distributors, sales representatives and others to sell and/or offer to sell Defendant Zirc's One-step (a) with actual 18 knowledge that the use thereof as intended, sale and/or offer to sell constitutes infringement of the '627 patent, or (b) with willful blindness in that Defendant Zirc took deliberate action to avoid confirming a high probability that such conduct constitutes infringement of the '627 patent.
  - On information and belief, (a) prior to commencing manufacturing, 58. distributing, selling and/or offering to sell Defendant Zirc's One-step, and (b) prior to the filing of this Third Amended and Supplemental Complaint, Defendant Zirc had knowledge of the existence of the '973 patent.
  - On information and belief, prior to its 59. having commenced manufacturing, distributing, selling and/or offering to sell Defendant Zirc's Onestep, Defendant Zirc acted despite an objectively high likelihood that its actions

constituted infringement of the valid '973 patent, and the objectively-defined risk of infringement was either known or so obvious that it should have been known to Defendant Zirc.

- 60. On information and belief, Defendant Zirc induces dental professionals and others to use Defendant Zirc's One-step and distributors, sales representatives and others to sell and/or offer to sell Defendant Zirc's One-step (a) with actual knowledge that the use thereof as intended, sale and/or offer to sell constitutes infringement of the '973 patent, or (b) with willful blindness in that Defendant Zirc took deliberate action to avoid confirming a high probability that such conduct constitutes infringement of the '973 patent.
  - 61. On information and belief, (a) prior to commencing manufacturing, distributing, selling and/or offering to sell Defendant Zirc's One-step, and (b) prior to the filing of this Third Amended and Supplemental Complaint, Defendant Zirc (and/or its counsel) had knowledge of the existence of the '308 patent.
  - 62. On information and belief, prior to its having commenced manufacturing, distributing, selling and/or offering to sell Defendant Zirc's Onestep, Defendant Zirc acted despite an objectively high likelihood that its actions constituted infringement of the valid '308 patent, and the objectively-defined risk of infringement was either known or so obvious that it should have been known to Defendant Zirc.
  - 63. On information and belief, Defendant Zirc induces dental professionals and others to use Defendant Zirc's One-step and distributors, sales representatives and others to sell and/or offer to sell Defendant Zirc's One-step (a) with actual knowledge that the use thereof as intended, sale and/or offer to sell constitutes infringement of the '308 patent, or (b) with willful blindness in that Defendant Zirc took deliberate action to avoid confirming a high probability that that such conduct constitutes infringement of the '308 patent.
    - 64. On information and belief, (a) prior to commencing manufacturing,

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distributing, selling and/or offering to sell Defendant Zirc's One-step, and (b) prior to the filing of this Third Amended and Supplemental Complaint, Defendant Zirc had knowledge of the existence of the D203 patent.

- 65. On information and belief, prior to its having commenced manufacturing, distributing, selling and/or offering to sell Defendant Zirc's Onestep, Defendant Zirc acted despite an objectively high likelihood that its actions constituted infringement of the valid D203 patent, and the objectively-defined risk of infringement was either known or so obvious that it should have been known to Defendant Zirc.
- 66. On information and belief, Defendant Zirc induces dental professionals and others to use Defendant Zirc's One-step and distributors, sales representatives and others to sell and/or offer to sell Defendant Zirc's One-step (a) with actual knowledge that the use thereof as intended, sale and/or offer to sell constitutes 14 infringement of the D203 patent, or (b) with willful blindness in that Defendant Zirc took deliberate action to avoid confirming a high probability that such conduct constitutes infringement of the D203 patent.
  - 67. Defendant Zirc's manufacture, distribution, sale and/or offers to sell Zirc's Mr. Thirsty and Zirc's One-step have caused, continue to cause and will cause Plaintiff Isolite Systems to lose numerous existing and prospective customers, and therefore to suffer severe irreparable harm for which no adequate remedy at law exists.

# FIRST COUNT

# (Infringement of U.S. Patent No. 8,297,973 against Defendant Zirc)

- 68. Plaintiff Isolite Systems repeats and realleges the allegations contained in paragraphs 1 through 67 above and hereby incorporates them herein by reference.
  - 69. This is a claim for patent infringement arising under 35 U.S.C. § 271.
- 70. Plaintiff Isolite Systems is the owner by assignment of all right, title, and interest in and to United States Patent No. 8,297,973 entitled "Intraoral Device"

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(hereinafter referred to as "the '973 patent"), which was duly and legally issued by the United States Patent and Trademark Office ("USPTO") on October 30, 2012 naming James A. Hirsch and Thomas R. Hirsch as inventors. On February 5, 2013, the USPTO issued a Certificate of Correction for the '973 patent. The '973 patent is valid, enforceable, and currently in full force and effect. A true and accurate copy of the '973 patent with the Certificate of Correction is attached hereto as Exhibit "A".

- 71. Defendant Zirc has committed infringement of the '973 patent in violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) by making, using, selling, and/or offering to sell Zirc's Mr. Thirsty in the United States, which is covered by at least one claim of the '973 patent and therefore embodies the patented invention described in the '973 patent.
- 72. As a direct and proximate result of Defendant Zirc's infringement of the '973 patent, Defendant Zirc has derived and received gains, profits and advantages in an amount not presently known to Plaintiff Isolite Systems.
- 73. As a further direct and proximate result of Defendant Zirc having infringed and continuing to infringe the '973 patent, Plaintiff Isolite Systems has suffered, and will continue to suffer, irreparable harm in one or more of the following ways:
  - (a) Plaintiff Isolite System's relationships with certain of its customers and prospective customers will be permanently and irrevocably damaged in that they will be induced to purchase the infringing Zirc's Mr. Thirsty and components thereof from Defendant Zirc and/or its distributors and sales representatives and may refrain from purchasing the Isolite Product;
  - (b) Plaintiff Isolite Systems will lose existing customers as well as prospective customers to Defendant Zirc (and/or its distributors and sales representatives) and thereby permanently and irrevocably lose a substantial share of the market for the Isolite Product and components thereof to Defendant Zirc and/or its distributors and sales representatives;
  - (c) Plaintiff Isolite Systems will be forced to lower the purchase price of the Isolite Product and components thereof:

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- (d) Plaintiff Isolite Systems will lose a substantial and inestimable amount of revenue and profits that will cause the market value of Plaintiff Isolite Systems to permanently diminish; and/or
- (e) Plaintiff Isolite Systems will lose the value of the '973 patent in that ownership of the '973 patent gives Plaintiff Isolite Systems the statutory and constitutionally protected right to exclude others, especially competitors, from making, using, offering to sell and/or selling embodiments of the invention described in the '973 patent's claims.
- 74. Pursuant to 35 U.S.C. § 284, Plaintiff Isolite Systems is entitled to damages for Defendant Zirc's infringing acts.
- 75. As a direct and proximate result of Defendant Zirc's infringing acts, Plaintiff Isolite Systems continues to suffer great and irreparable harm as described above, for which Plaintiff Isolite Systems has no adequate remedy at law, unless Defendant Zirc is enjoined by this Court.

#### SECOND COUNT

### (<u>Infringement of U.S. Patent No. D615,203 Against Defendant Zirc</u>)

- 76. Plaintiff Isolite Systems repeats and realleges the allegations contained in paragraphs 1 through 67 above and hereby incorporates them herein by reference.
  - 77. This is a claim for patent infringement arising under 35 U.S.C. § 271.
- 78. Plaintiff Isolite Systems is the owner by assignment of all right, title, and interest in and to United States Patent No. D615,203 (the "D203 patent"), which was duly and legally issued by the USPTO on May 4, 2010, for the ornamental design of an intraoral device shown therein and naming James A. Hirsch and Thomas R. Hirsch as inventors. The D203 patent is valid, enforceable and currently in full force and effect. A true and accurate copy of the D203 patent is attached hereto as Exhibit "D".
- 79. Defendant Zirc has committed infringement of the D203 patent in violation of 35 U.S.C. § 271(a) by directly infringing by making, using, selling, and/or offering to sell Zirc's Mr. Thirsty tongue shield component, which embodies

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the patented invention described in the D203 patent.

- 80. As a direct and proximate result of Defendant Zirc's infringement of the D203 patent, Defendant Zirc has derived and received gains, profits and advantages in an amount not presently known to Plaintiff Isolite Systems.
- 81. As a further direct and proximate result of Defendant Zirc having infringed and continuing to infringe the D203 patent, Plaintiff Isolite Systems has suffered, and will continue to suffer, irreparable harm. in one or more of the following ways:
  - (a) Plaintiff Isolite System's relationships with certain of its customers and prospective customers will be permanently and irrevocably damaged in that they will be induced to purchase the infringing Zirc's Mr. Thirsty tongue shield component from Defendant Zirc and/or its distributors and sales representatives, and may refrain from purchasing the Isolite Product;
  - (b) Plaintiff Isolite Systems will lose existing customers as well as prospective customers to Defendant Zirc and/or its distributors and sales representatives, and thereby permanently and irrevocably lose a substantial share of the market for the Isolite Product and components thereof to Defendant Zirc and/or its distributors representatives;
  - (c) Plaintiff Isolite Systems will be forced to lower the purchase price of the Isolite Product and components thereof;
  - (d) Plaintiff Isolite Systems will lose a substantial and inestimable amount of revenue and profits that will cause the market value of Plaintiff Isolite Systems to permanently diminish; and/or
  - (e) Plaintiff Isolite Systems will lose the value of the D203 patent in that ownership of the D203 patent gives Plaintiff Isolite Systems the statutory and constitutionally protected right to exclude others, especially competitors, from making, using, offering to sell and/or selling embodiments of the invention described in the D203 patent.
- 82. Pursuant to 35 U.S.C. § 284, Plaintiff Isolite Systems is entitled to damages for Defendant Zirc's infringing acts.
- 83. Pursuant to 35 U.S.C. § 289, Plaintiff Isolite Systems is entitled to Defendant Zirc's total profits from its infringement of the D203 patent.

84. As a direct and proximate result of Defendant Zirc's infringing acts, Plaintiff Isolite Systems continues to suffer great and irreparable harm as described above, for which Plaintiff Isolite Systems has no adequate remedy at law, unless Defendant Zirc is enjoined by this Court.

#### THIRD COUNT

### (Infringement of U.S. Patent No. 8,297,973 against the Black Defendants)

- 85. Plaintiff Isolite Systems repeats and realleges the allegations contained in paragraphs 1 through 67 above and hereby incorporates them herein by reference.
  - 86. This is a claim for patent infringement arising under 35 U.S.C. § 271.
- 87. On information and belief, Defendant Black and Defendant Black Dental Corp. have committed infringement of the '973 patent in violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) through Defendant Black's use of Zirc's Mr. Thirsty in the United States in the dental practice known as "Desert Pearl Dentistry", which is covered by at least one claim of the '973 patent and therefore embodies the patented invention described in the '973 patent.
- 88. As a direct and proximate result of the above-described infringement of the '973 patent, the Black Defendants have derived and received gains, profits and advantages in an amount not presently known to Plaintiff Isolite Systems.
- 89. As a further direct and proximate result of the Black Defendants having infringed and continuing to infringe the '973 patent, Plaintiff Isolite Systems has suffered, and will continue to suffer, irreparable harm in one or more of the following ways:
  - (a) Plaintiff Isolite Systems will lose existing customers as well as prospective customers and thereby permanently and irrevocably lose a substantial share of the market for the Isolite Product and components thereof;
  - (b) Plaintiff Isolite Systems will lose a substantial and inestimable amount of revenue and profits that will cause the market value of Plaintiff Isolite Systems to permanently diminish; and/or

- (c) Plaintiff Isolite Systems will lose the value of the '973 patent in that ownership of the '973 patent gives Plaintiff Isolite Systems the statutory and constitutionally protected right to exclude others, especially competitors, from making, using, offering to sell and/or selling embodiments of the invention described in the '973 patent's claim.
- 90. Pursuant to 35 U.S.C. § 284, Plaintiff Isolite Systems is entitled to damages for the infringing acts of the Black Defendants.
- 91. As a direct and proximate result of the infringing acts of the Black Defendants, Plaintiff Isolite Systems continues to suffer great and irreparable harm as described above, for which Plaintiff Isolite Systems has no adequate remedy at law, unless the Black Defendants are enjoined by this Court.

#### **FOURTH COUNT**

### (Infringement of U.S. Patent No. D615,203 against the Black Defendants)

- 92. Plaintiff Isolite Systems repeats and realleges the allegations contained in paragraphs 1 through 67 above, and hereby incorporates them herein by reference.
  - 93. This is a claim for patent infringement arising under 35 U.S.C. § 271.
- 94. On information and belief, Defendant Black and Defendant Black Dental Corp. have committed infringement of the D203 patent in violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) through Defendant Black's use of Zirc's Mr. Thirsty tongue shield component in the United States in the dental practice known as "Desert Pearl Dentistry," which embodies the patented invention described in the D203 patent.
- 95. On information and belief, Defendant Black has committed infringement of the D203 patent in violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) through Defendant Black and/or Joogatech, Inc.'s sale of one or more units of the tongue shield component of Defendant Black's Airbug to Defendant Zirc pursuant to the Black/Zirc Contract. As set forth prior, Defendant Zirc manufactures, distributes, sells and/or offers to sell Defendant Black's Airbug under the mark known as "Mr.

Thirsty." On information and belief, the one or more units of the tongue shield component of Defendant Black's Airbug sold were identical to that depicted in Exhibit "E" attached hereto and incorporated by reference herein, and were identical to Zirc's Mr. Thirsty (excluding the trademark). Even if such sale is deemed to have been made only by Joogatech, Inc., Defendant Black is personally liable therefor because, on information and belief, (i) Joogatech was dissolved pursuant to a certificate of dissolution filed with the State of California on or about March 11, 2013, and (ii) Defendant Black was the sole or majority shareholder thereof.

- 96. As a direct and proximate result of the above-described infringement of the D203 patent, the Black Defendants have derived and received gains, profits and advantages in an amount not presently known to Plaintiff Isolite Systems.
- 97. As a further direct and proximate result of the Black Defendants having infringed and continuing to infringe the D203 patent, Plaintiff Isolite Systems has suffered, and will continue to suffer, irreparable harm in one or more of the following ways:
  - (a) Plaintiff Isolite Systems will lose existing customers as well as prospective customers and thereby permanently and irrevocably lose a substantial share of the market for the Isolite Product and components thereof;
  - (b) Plaintiff Isolite Systems will lose a substantial and inestimable amount of revenue and profits that will cause the market value of Plaintiff Isolite Systems to permanently diminish; and/or
  - (c) Plaintiff Isolite Systems will lose the value of the D203 patent in that ownership of the D203 patent gives Plaintiff Isolite Systems the statutory and constitutionally protected right to exclude others, especially competitors, from making, using, offering to sell and/or selling embodiments of the invention described in the D203 patent's claim.
- 98. Pursuant to 35 U.S.C. § 284, Plaintiff Isolite Systems is entitled to damages for the infringing acts of the Black Defendants.
- 99. Pursuant to 35 U.S.C. § 289, Plaintiff Isolite Systems is entitled to the total profits of the Black Defendants from infringement of the D203 patent.

100. As a direct and proximate result of the infringing acts of the Black Defendants, Plaintiff Isolite Systems continues to suffer great and irreparable harm as described above, for which Plaintiff Isolite Systems has no adequate remedy at law, unless the Black Defendants are enjoined by this Court.

#### FIFTH COUNT

#### (Trade Dress Infringement in Violation of Section 43(a) of the Federal Lanham Act [15 U.S.C. § 1125(a)] Against Defendant Zirc)

- 101. Plaintiff Isolite Systems repeats and realleges the allegations contained in paragraphs 1 through 67 above and hereby incorporates them herein by reference.
- 102. Plaintiff Isolite Systems owns a valid and protectable interest in the product design trade dress of the Isolite Product, including but not limited to its shape and color ("the Isolite Trade Dress").
- 103. Plaintiff Isolite Systems adopted the Isolite Trade Dress and used it in interstate commerce for the Isolite Product for over ten years.
- 104. As a result of Plaintiff Isolite Systems' continuous, exclusive and extensive promotion, advertising and sale of the Isolite Product incorporating the Isolite Trade Dress in interstate commerce and the commercial success of the Isolite Product, the Isolite Trade Dress has developed secondary meaning among dental professionals as an identifier of the source of the Isolite Product.
- 105. On information and belief, Defendant Zirc knew of the Isolite Product and the Isolite Trade Dress prior to Defendant Zirc's use of the Isolite Trade Dress.
- 106. Defendant Zirc is using the Isolite Trade Dress in connection with the Zirc's Mr. Thirsty tongue shield component in that it incorporates the shape and color of the Isolite Trade Dress without authorization from Plaintiff Isolite Systems.
- 107. Defendant Zirc has caused Zirc's Mr. Thirsty's tongue shield components incorporating the Isolite Trade Dress to enter into interstate commerce.
- 108. Defendant Zirc's unauthorized use of the Isolite Trade Dress is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection or

association of Defendant Zirc with Plaintiff Isolite Systems and/or as to the origin, sponsorship, or approval of Zirc's Mr. Thirsty and/or its tongue shields thereof by Plaintiff Isolite Systems.

- 109. Defendant Zirc's acts as described above are in violation of 15 U.S.C. § 1125(a) in that Defendant Zirc has used in connection with goods or services trade dress which is likely to cause confusion, and to cause mistake, and/or to deceive as to the affiliation, connection or association of Defendant Zirc with Plaintiff Isolite Systems and/or as to the origin, sponsorship, and approval of Defendant Zirc's goods, services and commercial activities by Plaintiff Isolite Systems.
- 110. On information and belief, Defendant Zirc's above-described violations of 15 U.S.C. § 1125(a) have been committed with the intent to cause confusion, to cause mistake and/or to deceive.
- 111. As a direct and proximate result of Defendant Zirc's violation of 15 14 U.S.C. § 1125(a), Defendant Zirc has damaged and will continue to damage Plaintiff 15 Isolite Systems' business, goodwill and reputation, and has caused and is likely to 16 continue to cause lost sales and profits, as well as loss of exclusive ownership and 17 use of the Isolite Trade Dress, resulting in public confusion and damage to Plaintiff 18 Isolite Systems' reputation.
  - 112. Defendant Zirc's actions as described above have caused and will continue to cause irreparable harm to Plaintiff Isolite Systems and to consumers who are or are likely to be confused by Defendant Zirc's violation of 15 U.S.C. § 1125(a), unless Defendant Zirc is restrained and enjoined by this Court, and Plaintiff Isolite Systems has no adequate remedy at law.
  - 113. As a further direct and proximate result of Defendant Zirc's actions as described above, Plaintiff Isolite Systems has been damaged and will continue to sustain damage, and is entitled to receive compensation arising from its lost sales, lost profits, and efforts necessary to minimize and/or prevent customer confusion, in an amount to be proven at the time of trial.

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- 114. In addition, Plaintiff Isolite Systems is entitled to recover Defendant Zirc's profits in an amount to be proven at the time of trial.
- 115. Pursuant to 15 U.S.C. § 1116(a), Plaintiff Isolite Systems is further entitled to injunctive relief to enjoin Defendant Zirc from any further violation of 15 U.S.C. § 1125(a), and to all other and further forms of relief this Court deems appropriate.
- 116. The damages sustained by Plaintiff Isolite Systems as a result of the conduct alleged herein should be trebled in accordance with 15 U.S.C. § 1117(a) due to Defendant Zirc's willful violation of 15 U.S.C. § 1125(a).
- 117. Plaintiff Isolite Systems is entitled to a determination that this is an exceptional case and to recover reasonable attorneys' fees for the necessity of bringing this claim.

#### SIXTH COUNT

### (Direct Infringement of U.S. Patent No. 8,297,973 against Defendant Zirc)

- 118. Plaintiff Isolite Systems repeats and realleges the allegations contained in paragraphs 1 through 67 and 69 through 70 above and hereby incorporates them 17 herein by reference.
- 119. Defendant Zirc has committed infringement of the '973 patent in violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) by making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, which is covered by at least one claim of the 22 '973 patent and therefore embodies the patented invention described in the '973 patent.
- 120. On information and belief, (a) prior to making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, and (b) prior to the 26 filing of this Third Amended and Supplemental Complaint, Defendant Zirc had knowledge of the existence of the '973 patent due at least to the filing and service of the original complaint in October, 2013.

- 121. On information and belief, prior to making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, Defendant Zirc acted despite an objectively high likelihood that its actions constituted infringement of the valid '973 patent, and the objectively-defined risk of infringement was either known or so obvious that it should have been known to Defendant Zirc. Accordingly, Defendant Zirc has engaged in willful infringement of the '973 patent by actual intent to infringe or objective recklessness.
- 122. As a direct and proximate result of Defendant Zirc's infringement of the '973 patent, Defendant Zirc has derived and received gains, profits and advantages in an amount not presently known to Plaintiff Isolite Systems.
- 12 123. As a further direct and proximate result of Defendant Zirc having infringed and continuing to infringe the '973 patent, Plaintiff Isolite Systems has suffered, and will continue to suffer, irreparable harm in one or more of the following ways:
  - (a) Plaintiff Isolite System's relationships with certain of its customers and prospective customers will be permanently and irrevocably damaged in that they will be induced to purchase the infringing Zirc's One-step and components thereof from Defendant Zirc and/or its distributors and sales representatives and may refrain from purchasing the Isolite Product;
  - (b) Plaintiff Isolite Systems will lose existing customers as well as prospective customers to Defendant Zirc (and/or its distributors and sales representatives) and thereby permanently and irrevocably lose a substantial share of the market for the Isolite Product and components thereof to Defendant Zirc and/or its distributors and sales representatives;
  - (c) Plaintiff Isolite Systems will be forced to lower the purchase price of the Isolite Product and components thereof;
  - (d) Plaintiff Isolite Systems will lose a substantial and inestimable amount of revenue and profits that will cause the market value of Plaintiff Isolite Systems to permanently diminish; and/or
  - (e) Plaintiff Isolite Systems will lose the value of the '973 patent in that ownership of the '973 patent gives Plaintiff

Isolite Systems the statutory and constitutionally protected right to exclude others, especially competitors, from making, using, offering to sell and/or selling embodiments of the invention described in the '973 patent's claims.

- 124. Pursuant to 35 U.S.C. § 284, Plaintiff Isolite Systems is entitled to damages for Defendant Zirc's infringing acts and for such damages to be trebled for willful infringement.
- 125. Pursuant to 35 U.S.C. § 285, Plaintiff Isolite Systems is entitled to a determination that this is an exceptional case and to recover reasonable attorneys' fees for the necessity of bringing this claim.
- 126. As a direct and proximate result of Defendant Zirc's infringing acts, Plaintiff Isolite Systems continues to suffer great and irreparable harm as described above, for which Plaintiff Isolite Systems has no adequate remedy at law, unless Defendant Zirc is enjoined by this Court.

#### **SEVENTH COUNT**

### (<u>Inducing Infringement of U.S. Patent No. 8,297,973 against Defendant Zirc</u>)

- 127. Plaintiff Isolite Systems repeats and realleges the allegations contained in paragraphs 1 through 67, 69 through 70 and 118 through 126 above and hereby incorporates them herein by reference.
- 128. On information and belief, (a) prior to commencing manufacturing, distributing, selling and/or offering to sell Defendant Zirc's One-step, and (b) prior to the filing of this Third Amended and Supplemental Complaint, Defendant Zirc had knowledge of the existence of the '973 patent due at least to the filing and service of the original complaint in October, 2013.
- 129. Dental professionals and others who use Defendant Zirc's One-step are committing infringement of the '973 patent in violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) by using Defendant Zirc's One-step in the United States, which is covered by at least one claim of the '973 patent and therefore embodies the patented invention described in

the '973 patent.

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- 130. On information and belief, Defendant Zirc induces dental professionals and others to use Defendant Zirc's One-step (a) with actual knowledge that the use thereof as intended constitutes infringement of the '973 patent, or (b) with willful blindness in that Defendant Zirc took deliberate action to avoid confirming a high probability that using Defendant Zirc's One-step as intended constitutes infringement of the '973 patent.
- 131. Distributors, sales representatives and others who make, use, sell or offer to sell Defendant Zirc's One-step are committing infringement of the '973 10 patent in violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) by making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, which is covered by at least one claim of the '973 patent and therefore embodies the patented invention described in the '973 patent.
  - 132. On information and belief, Defendant Zirc induces distributors and/or sales representatives and others to sell and/or offer to sell Defendant Zirc's One-step (a) with actual knowledge that such sale and/or offer to sell constitutes infringement of the '973 patent, or (b) with willful blindness in that Defendant Zirc took deliberate action to avoid confirming a high probability that selling and/or offering to sell Defendant Zirc's One-step constitutes infringement of the '973 patent.
  - 133. On information and belief, as a result of its above-described conduct, Defendant Zirc has committed indirect infringement of the '973 patent in violation of 35 U.S.C. § 271(b) by actively inducing dental professionals, distributors, sales representatives and others, who are Defendant Zirc's direct and indirect customers to place into the stream of commerce and/or make, use, sell, and/or offer to sell, Defendant Zirc's One-step, with actual knowledge or with willful blindness that Defendant Zirc's One-step infringes the '973 patent. Further, Zirc provides detailed specifications regarding the implementation, use and performance of Zirc's one-step,

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27 28 as shown in Exhibit "G" attached hereto and incorporated herein by reference.

- 134. On information and belief, prior to inducing dental professionals, distributors, sales representatives and others to make, use, sell and/or offer to sell Defendant Zirc's One-step in the United States, Defendant Zirc acted despite an objectively high likelihood that its actions constituted infringement of the valid '973 patent, and the objectively-defined risk of infringement was either known or so obvious that it should have been known to Defendant Zirc. Accordingly, Defendant Zirc has engaged in willful infringement of the '973 patent by actual intent to induce infringement or objective recklessness.
- 135. As a direct and proximate result of Defendant Zirc's infringement of the '973 patent, Defendant Zirc has derived and received gains, profits and advantages in an amount not presently known to Plaintiff Isolite Systems.
- 136. As a further direct and proximate result of Defendant Zirc having induced infringement and continuing to induce infringement of the '973 patent, Plaintiff Isolite Systems has suffered, and will continue to suffer, irreparable harm in one or more of the following ways:
  - (a) Plaintiff Isolite System's relationships with certain of its customers and prospective customers will be permanently and irrevocably damaged in that they will be induced to purchase the infringing Zirc's One-step and components thereof from Defendant Zirc and/or its distributors and sales representatives and may refrain from purchasing the Isolite Product;
  - (b) Plaintiff Isolite Systems will lose existing customers as well as prospective customers to Defendant Zirc (and/or its distributors and sales representatives) and thereby permanently and irrevocably lose a substantial share of the market for the Isolite Product and components thereof to Defendant Zirc and/or its distributors representatives;
  - (c) Plaintiff Isolite Systems will be forced to lower the purchase price of the Isolite Product and components thereof;
  - (d) Plaintiff Isolite Systems will lose a substantial and inestimable amount of revenue and profits that will cause the market value of Plaintiff Isolite Systems to permanently

(e) Plaintiff Isolite Systems will lose the value of the '973 patent in that ownership of the '973 patent gives Plaintiff

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- Isolite Systems the statutory and constitutionally protected right to exclude others, especially competitors, from making, using, offering to sell and/or selling embodiments of the invention described in the '973 patent's claims. 137. Pursuant to 35 U.S.C. § 284, Plaintiff Isolite Systems is entitled to
- damages for Defendant Zirc's infringing acts and for such damages to be trebled for willful infringement.
- 138. Pursuant to 35 U.S.C. § 285, Plaintiff Isolite Systems is entitled to a determination that this is an exceptional case and to recover reasonable attorneys' fees for the necessity of bringing this claim.
- 139. As a direct and proximate result of Defendant Zirc's infringing acts, Plaintiff Isolite Systems continues to suffer great and irreparable harm as described above, for which Plaintiff Isolite Systems has no adequate remedy at law, unless Defendant Zirc is enjoined by this Court.

### EIGHTH COUNT

# (Direct Infringement of U.S. Patent No. 6,338,627 against Defendant Zirc)

- Plaintiff Isolite Systems repeats and realleges the allegations contained in paragraphs 1 through 67 and hereby incorporates them herein by reference.
  - This is a claim for patent infringement arising under 35 U.S.C. § 271.
- 142. Plaintiff Isolite Systems is the owner by assignment of all right, title, and interest in and to United States Patent No. 6,338,627 ("the '627 patent") entitled "Intraoral Device" (hereinafter referred to as "the '627 patent"), which was duly and legally issued by the USPTO on January 15, 2002, naming James A. Hirsch and Thomas R. Hirsch as inventors. The '627 patent is valid, enforceable, and currently in full force and effect. A true and accurate copy of the '627 patent is attached hereto as Exhibit "C" and incorporated herein by reference.
  - 143. Defendant Zirc has committed infringement of the '627 patent in

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violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) by making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, which is covered by at least one claim of the '627 patent and therefore embodies the patented invention described in the '627 patent.

- 144. On information and belief, (a) prior to commencing manufacturing, distributing, selling and/or offering to sell Defendant Zirc's One-step, and (b) prior to the commencement of the instant action and service of the original complaint upon Defendant Zirc, Defendant Zirc had knowledge of the existence of the '627 patent.
- 145. On information and belief, prior to making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, Defendant Zirc acted despite an objectively high likelihood that its actions constituted infringement of the 13 valid '627 patent, and the objectively-defined risk of infringement was either known or so obvious that it should have been known to Defendant Zirc. Accordingly, Defendant Zirc has engaged in willful infringement of the '627 patent by actual intent to infringe or objective recklessness.
  - 146. As a direct and proximate result of Defendant Zirc's infringement of the '627 patent, Defendant Zirc has derived and received gains, profits and advantages in an amount not presently known to Plaintiff Isolite Systems.
  - 147. As a further direct and proximate result of Defendant Zirc having infringed and continuing to infringe the '627 patent, Plaintiff Isolite Systems has suffered, and will continue to suffer, irreparable harm in one or more of the following ways:
    - (a) Plaintiff Isolite System's relationships with certain of its customers and prospective customers will be permanently and irrevocably damaged in that they will be induced to purchase the infringing Zirc's One-step and components thereof from Defendant Zirc and/or its distributors and sales representatives and may refrain from purchasing the Isolite Product;
    - (b) Plaintiff Isolite Systems will lose existing customers as

well as prospective customers to Defendant Zirc (and/or its distributors and sales representatives) and thereby permanently and irrevocably lose a substantial share of the market for the Isolite Product and components thereof to Defendant Zirc and/or its distributors and sales representatives;

- (c) Plaintiff Isolite Systems will be forced to lower the purchase price of the Isolite Product and components thereof;
- (d) Plaintiff Isolite Systems will lose a substantial and inestimable amount of revenue and profits that will cause the market value of Plaintiff Isolite Systems to permanently diminish; and/or
- (e) Plaintiff Isolite Systems will lose the value of the '627 patent in that ownership of the '627 patent gives Plaintiff Isolite Systems the statutory and constitutionally protected right to exclude others, especially competitors, from making, using, offering to sell and/or selling embodiments of the invention described in the '627 patent's claims.
- 148. Pursuant to 35 U.S.C. § 284, Plaintiff Isolite Systems is entitled to damages for Defendant Zirc's infringing acts and for such damages to be trebled for willful infringement.
- 149. Pursuant to 35 U.S.C. § 285, Plaintiff Isolite Systems is entitled to a determination that this is an exceptional case and to recover reasonable attorneys' fees for the necessity of bringing this claim.
- 150. As a direct and proximate result of Defendant Zirc's infringing acts, Plaintiff Isolite Systems continues to suffer great and irreparable harm as described above, for which Plaintiff Isolite Systems has no adequate remedy at law, unless Defendant Zirc is enjoined by this Court.

# NINTH COUNT

# (<u>Inducing Infringement of U.S. Patent No. 6,338,627 against Defendant Zirc</u>)

- 151. Plaintiff Isolite Systems repeats and realleges the allegations contained in paragraphs 1 through 67 and 140 through 150 above and hereby incorporates them herein by reference.
  - 152. On information and belief, (a) prior to commencing manufacturing,

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distributing, selling and/or offering to sell Defendant Zirc's One-step, and (b) prior to the commencement of the instant action and service of the original complaint upon Defendant Zirc, Defendant Zirc had knowledge of the existence of the '627 patent.

- 153. Dental professionals and others who use Defendant Zirc's One-step are committing infringement of the '627 patent in violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) by using Defendant Zirc's One-step in the United States, which is covered by at least one claim of the '627 patent and therefore embodies the patented invention described in the '627 patent.
- 154. On information and belief, Defendant Zirc induces dental professionals and others to use Defendant Zirc's One-step (a) with actual knowledge that the use thereof as intended constitutes infringement of the '627 patent, or (b) with willful blindness in that Defendant Zirc took deliberate action to avoid confirming a high probability that using Defendant Zirc's One-step as intended constitutes infringement of the '627 patent.
- 155. Distributors, sales representatives and others who make, use, sell or offer to sell Defendant Zirc's One-step are committing infringement of the '627 patent in violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) by making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, which is covered by at least one claim of the '627 patent and therefore embodies the patented invention described in the '627 patent.
- 156. On information and belief, Defendant Zirc induces distributors and/or sales representatives and others to sell and/or offer to sell Defendant Zirc's One-step (a) with actual knowledge that such sale and/or offer to sell constitutes infringement of the '627 patent, or (b) with willful blindness in that Defendant Zirc took deliberate action to avoid confirming a high probability that selling and/or offering to sell 28 Defendant Zirc's One-step constitutes infringement of the '627 patent.

157. On information and belief, as a result of its above-described conduct, Defendant Zirc has committed indirect infringement of the '627 patent in violation of 35 U.S.C. § 271(b) by actively inducing dental professionals, distributors, sales representatives and others, who are Defendant Zirc's direct and indirect customers to place into the stream of commerce and/or make, use, sell, and/or offer to sell, Defendant Zirc's One-step, with actual knowledge or with willful blindness that Defendant Zirc's One-step infringes the '627 patent. Further, Zirc provides detailed specifications regarding the implementation, use and performance of Zirc's one-step, as shown in Exhibit "G" attached hereto and incorporated herein by reference.

- 158. On information and belief, prior to inducing dental professionals, distributors, sales representatives and others to make, use, sell and/or offer to sell Defendant Zirc's One-step in the United States, Defendant Zirc acted despite an objectively high likelihood that its actions constituted infringement of the valid '627 patent, and the objectively-defined risk of infringement was either known or so obvious that it should have been known to Defendant Zirc. Accordingly, Defendant Zirc has engaged in willful infringement of the '627 patent by actual intent to induce infringement or objective recklessness.
- 159. As a direct and proximate result of Defendant Zirc's infringement of the '627 patent, Defendant Zirc has derived and received gains, profits and advantages in an amount not presently known to Plaintiff Isolite Systems.
- 160. As a further direct and proximate result of Defendant Zirc having induced infringement and continuing to induce infringement of the '627 patent, Plaintiff Isolite Systems has suffered, and will continue to suffer, irreparable harm in one or more of the following ways:
  - (a) Plaintiff Isolite System's relationships with certain of its customers and prospective customers will be permanently and irrevocably damaged in that they will be induced to purchase the infringing Zirc's One-step and components thereof from Defendant Zirc and/or its distributors and sales representatives and may refrain from purchasing the Isolite Product:

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- (b) Plaintiff Isolite Systems will lose existing customers as well as prospective customers to Defendant Zirc (and/or its distributors and sales representatives) and thereby permanently and irrevocably lose a substantial share of the market for the Isolite Product and components thereof to Defendant Zirc and/or its distributors and sales representatives;
- (c) Plaintiff Isolite Systems will be forced to lower the purchase price of the Isolite Product and components thereof;
- (d) Plaintiff Isolite Systems will lose a substantial and inestimable amount of revenue and profits that will cause the market value of Plaintiff Isolite Systems to permanently diminish; and/or
- (e) Plaintiff Isolite Systems will lose the value of the '627 patent in that ownership of the '627 patent gives Plaintiff Isolite Systems the statutory and constitutionally protected right to exclude others, especially competitors, from making, using, offering to sell and/or selling embodiments of the invention described in the '627 patent's claims.
- 161. Pursuant to 35 U.S.C. § 284, Plaintiff Isolite Systems is entitled to damages for Defendant Zirc's infringing acts and for such damages to be trebled for willful infringement.
- 162. Pursuant to 35 U.S.C. § 285, Plaintiff Isolite Systems is entitled to a determination that this is an exceptional case and to recover reasonable attorneys' fees for the necessity of bringing this claim.
- 163. As a direct and proximate result of Defendant Zirc's infringing acts, Plaintiff Isolite Systems continues to suffer great and irreparable harm as described above, for which Plaintiff Isolite Systems has no adequate remedy at law, unless Defendant Zirc is enjoined by this Court.

### TENTH COUNT

### (Direct Infringement of U.S. Patent No. 6,908,308 against Defendant Zirc)

- 164. Plaintiff Isolite Systems repeats and realleges the allegations contained in paragraphs 1 through 67 and hereby incorporates them herein by reference.
  - 165. This is a claim for patent infringement arising under 35 U.S.C. § 271.

166. Plaintiff Isolite Systems is the owner by assignment of all right, title, and interest in and to United States Patent No. 6,908,308 ("the '308 patent") entitled "Intraoral Device and Method of Using the Same" (hereinafter referred to as "the '308 patent"), which was duly and legally issued by the USPTO on June 21, 2005, naming James A. Hirsch and Thomas R. Hirsch as inventors. The '308 patent is valid, enforceable, and currently in full force and effect. A true and accurate copy of the '308 patent is attached hereto as Exhibit "B" and incorporated herein by reference.

167. Defendant Zirc has committed infringement of the '308 patent in violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) by making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, which is covered by at least one claim of the '308 patent and therefore embodies the patented invention described in the '308 patent.

- 168. On information and belief, (a) prior to making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, and (b) prior to the filing of this Third Amended and Supplemental Complaint, Defendant Zirc had knowledge of the existence of the '308 patent due at least to Defendant Zirc's counsel having reviewed it in another action that had been pending in this Court.
- 169. On information and belief, prior to making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, Defendant Zirc acted despite an objectively high likelihood that its actions constituted infringement of the valid '308 patent, and the objectively-defined risk of infringement was either known or so obvious that it should have been known to Defendant Zirc. Accordingly, Defendant Zirc has engaged in willful infringement of the '308 patent by actual intent to infringe or objective recklessness.
- 170. As a direct and proximate result of Defendant Zirc's infringement of the '308 patent, Defendant Zirc has derived and received gains, profits and advantages in

an amount not presently known to Plaintiff Isolite Systems.

- 171. As a further direct and proximate result of Defendant Zirc having infringed and continuing to infringe the '308 patent, Plaintiff Isolite Systems has suffered, and will continue to suffer, irreparable harm in one or more of the following ways:
  - (a) Plaintiff Isolite System's relationships with certain of its customers and prospective customers will be permanently and irrevocably damaged in that they will be induced to purchase the infringing Zirc's One-step and components thereof from Defendant Zirc and/or its distributors and sales representatives and may refrain from purchasing the Isolite Product;
  - (b) Plaintiff Isolite Systems will lose existing customers as well as prospective customers to Defendant Zirc (and/or its distributors and sales representatives) and thereby permanently and irrevocably lose a substantial share of the market for the Isolite Product and components thereof to Defendant Zirc and/or its distributors and sales representatives;
  - (c) Plaintiff Isolite Systems will be forced to lower the purchase price of the Isolite Product and components thereof;
  - (d) Plaintiff Isolite Systems will lose a substantial and inestimable amount of revenue and profits that will cause the market value of Plaintiff Isolite Systems to permanently diminish; and/or
  - (e) Plaintiff Isolite Systems will lose the value of the '308 patent in that ownership of the '308 patent gives Plaintiff Isolite Systems the statutory and constitutionally protected right to exclude others, especially competitors, from making, using, offering to sell and/or selling embodiments of the invention described in the '308 patent's claims.
- 172. Pursuant to 35 U.S.C. § 284, Plaintiff Isolite Systems is entitled to damages for Defendant Zirc's infringing acts and for such damages to be trebled for willful infringement.
- 173. Pursuant to 35 U.S.C. § 285, Plaintiff Isolite Systems is entitled to a determination that this is an exceptional case and to recover reasonable attorneys' fees for the necessity of bringing this claim.

174. As a direct and proximate result of Defendant Zirc's infringing acts, Plaintiff Isolite Systems continues to suffer great and irreparable harm as described above, for which Plaintiff Isolite Systems has no adequate remedy at law, unless Defendant Zirc is enjoined by this Court.

#### **ELEVENTH COUNT**

# (Inducing Infringement of U.S. Patent No. 6,908,308 against Defendant Zirc)

- 175. Plaintiff Isolite Systems repeats and realleges the allegations contained in paragraphs 1 through 67 and 164 through 174 above and hereby incorporates them herein by reference.
- 176. On information and belief, (a) prior to making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, and (b) prior to the filing of this Third Amended and Supplemental Complaint, Defendant Zirc had knowledge of the existence of the '308 patent due at least to its counsel having reviewed it in another action that had been pending before this Court.
- 15 177. Dental professionals and others who use Defendant Zirc's One-step are committing infringement of the '308 patent in violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) by using Defendant Zirc's One-step in the United States, which is covered by at least one claim of the '308 patent and therefore embodies the patented invention described in the '308 patent.
  - 178. On information and belief, Defendant Zirc induces dental professionals and others to use Defendant Zirc's One-step (a) with actual knowledge that the use thereof as intended constitutes infringement of the '308 patent, or (b) with willful blindness in that Defendant Zirc took deliberate action to avoid confirming a high probability that using Defendant Zirc's One-step as intended constitutes infringement of the '308 patent.
  - 179. Distributors, sales representatives and others who make, use, sell and/or offer to sell Defendant Zirc's One-step are committing infringement of the '627

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patent in violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) by making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, which is covered by at least one claim of the '308 patent and therefore embodies the patented invention described in the '308 patent.

- 180. On information and belief, Defendant Zirc induces distributors and/or sales representatives and others to sell and/or offer to sell Defendant Zirc's One-step (a) with actual knowledge that such sale and/or offer to sell constitutes infringement of the '308 patent, or (b) with willful blindness in that Defendant Zirc took deliberate action to avoid confirming a high probability that selling and/or offering to sell Defendant Zirc's One-step constitutes infringement of the '308 patent.
- 181. On information and belief, as a result of its above-described conduct, Defendant Zirc has committed indirect infringement of the '308 patent in violation of 35 U.S.C. § 271(b) by actively inducing dental professionals, distributors, sales representatives and others, who are Defendant Zirc's direct and indirect customers to place into the stream of commerce and/or make, use, sell, and/or offer to sell, 17 Defendant Zirc's One-step, with actual knowledge or with willful blindness that Defendant Zirc's One-step infringes the '308 patent. Further, Zirc provides detailed specifications regarding the implementation, use and performance of Zirc's one-step, as shown in Exhibit "G" attached hereto and incorporated herein by reference.
- 182. On information and belief, prior to inducing dental professionals, distributors, sales representatives and others to make, use, sell and/or offer to sell Defendant Zirc's One-step in the United States, Defendant Zirc acted despite an objectively high likelihood that its actions constituted infringement of the valid '308 patent, and the objectively-defined risk of infringement was either known or so obvious that it should have been known to Defendant Zirc. Accordingly, Defendant Zirc has engaged in willful infringement of the '308 patent by actual intent to induce 28 infringement or objective recklessness.

- 183. As a direct and proximate result of Defendant Zirc's infringement of the '308 patent, Defendant Zirc has derived and received gains, profits and advantages in an amount not presently known to Plaintiff Isolite Systems.
- 184. As a further direct and proximate result of Defendant Zirc having induced infringement and continuing to induce infringement of the '308 patent, Plaintiff Isolite Systems has suffered, and will continue to suffer, irreparable harm in one or more of the following ways:
  - (a) Plaintiff Isolite System's relationships with certain of its customers and prospective customers will be permanently and irrevocably damaged in that they will be induced to purchase the infringing Zirc's One-step and components thereof from Defendant Zirc and/or its distributors and sales representatives and may refrain from purchasing the Isolite Product;
  - (b) Plaintiff Isolite Systems will lose existing customers as well as prospective customers to Defendant Zirc (and/or its distributors and sales representatives) and thereby permanently and irrevocably lose a substantial share of the market for the Isolite Product and components thereof to Defendant Zirc and/or its distributors and sales representatives;
  - (c) Plaintiff Isolite Systems will be forced to lower the purchase price of the Isolite Product and components thereof;
  - (d) Plaintiff Isolite Systems will lose a substantial and inestimable amount of revenue and profits that will cause the market value of Plaintiff Isolite Systems to permanently diminish; and/or
  - (e) Plaintiff Isolite Systems will lose the value of the '308 patent in that ownership of the '308 patent gives Plaintiff Isolite Systems the statutory and constitutionally protected right to exclude others, especially competitors, from making, using, offering to sell and/or selling embodiments of the invention described in the '308 patent's claims.
- 185. Pursuant to 35 U.S.C. § 284, Plaintiff Isolite Systems is entitled to damages for Defendant Zirc's infringing acts and for such damages to be trebled for willful infringement.
- 186. Pursuant to 35 U.S.C. § 285, Plaintiff Isolite Systems is entitled to a determination that this is an exceptional case and to recover reasonable attorneys'

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fees for the necessity of bringing this claim.

187. As a direct and proximate result of Defendant Zirc's infringing acts, Plaintiff Isolite Systems continues to suffer great and irreparable harm as described above, for which Plaintiff Isolite Systems has no adequate remedy at law, unless Defendant Zirc is enjoined by this Court.

#### TWELFTH COUNT

## (Direct Infringement of U.S. Patent No. D615,203 against Defendant Zirc)

- 188. Plaintiff Isolite Systems repeats and realleges the allegations contained in paragraphs 1 through 67 and 77 through 78 and hereby incorporates them herein 10 by reference.
- 189. Defendant Zirc has committed infringement of the D203 patent in violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) by making, using, selling, and/or offering to sell Defendant 14 Zirc's One-step in the United States, which is covered by at least one claim of the 15 '308 patent and therefore embodies the patented invention described in the D203 16 patent.
  - 190. On information and belief, (a) prior to making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, and (b) prior to the filing of this Third Amended and Supplemental Complaint, Defendant Zirc had knowledge of the existence of the D203 patent due at least to the filing and service of the original complaint in October, 2013.
- 191. On information and belief, prior to making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, Defendant Zirc acted despite an objectively high likelihood that its actions constituted infringement of the 25 valid D203 patent, and the objectively-defined risk of infringement was either known or so obvious that it should have been known to Defendant Zirc. Accordingly, Defendant Zirc has engaged in willful infringement of the D203 patent by actual 28 intent to infringe or objective recklessness.

- 192. As a direct and proximate result of Defendant Zirc's infringement of the D203 patent, Defendant Zirc has derived and received gains, profits and advantages in an amount not presently known to Plaintiff Isolite Systems.
- 193. As a further direct and proximate result of Defendant Zirc having infringed and continuing to infringe the D203 patent, Plaintiff Isolite Systems has suffered, and will continue to suffer, irreparable harm in one or more of the following ways:
  - (a) Plaintiff Isolite System's relationships with certain of its customers and prospective customers will be permanently and irrevocably damaged in that they will be induced to purchase the infringing Zirc's One-step and components thereof from Defendant Zirc and/or its distributors and sales representatives and may refrain from purchasing the Isolite Product;
  - (b) Plaintiff Isolite Systems will lose existing customers as well as prospective customers to Defendant Zirc (and/or its distributors and sales representatives) and thereby permanently and irrevocably lose a substantial share of the market for the Isolite Product and components thereof to Defendant Zirc and/or its distributors and sales representatives;
  - (c) Plaintiff Isolite Systems will be forced to lower the purchase price of the Isolite Product and components thereof;
  - (d) Plaintiff Isolite Systems will lose a substantial and inestimable amount of revenue and profits that will cause the market value of Plaintiff Isolite Systems to permanently diminish; and/or
  - (e) Plaintiff Isolite Systems will lose the value of the D203 patent in that ownership of the D203 patent gives Plaintiff Isolite Systems the statutory and constitutionally protected right to exclude others, especially competitors, from making, using, offering to sell and/or selling embodiments of the invention described in the D203 patent's claims.
- 194. Pursuant to 35 U.S.C. § 284, Plaintiff Isolite Systems is entitled to damages for Defendant Zirc's infringing acts and for such damages to be trebled for willful infringement. Pursuant to 35 U.S.C. § 289, Plaintiff Isolite Systems is entitled to Defendant Zirc's total profits from its infringement of the D203 patent and for

such amounts to be trebled for willful infringement.

- 195. Pursuant to 35 U.S.C. § 285, Plaintiff Isolite Systems is entitled to a determination that this is an exceptional case and to recover reasonable attorneys' fees for the necessity of bringing this claim.
- 196. As a direct and proximate result of Defendant Zirc's infringing acts, Plaintiff Isolite Systems continues to suffer great and irreparable harm as described above, for which Plaintiff Isolite Systems has no adequate remedy at law, unless Defendant Zirc is enjoined by this Court.

#### THIRTEENTH COUNT

## (Inducing Infringement of U.S. Patent No. D615,203 against Defendant Zirc)

- 197. Plaintiff Isolite Systems repeats and realleges the allegations contained in paragraphs 1 through 67, 77 through 78 and 188 through 196 above and hereby incorporates them herein by reference.
- 198. On information and belief, (a) prior to commencing manufacturing, distributing, selling and/or offering to sell Defendant Zirc's One-step, and (b) prior to the filing of this Third Amended and Supplemental Complaint, Defendant Zirc had knowledge of the existence of the D203 patent due at least to the filing and service of the original complaint in October, 2013.
- 199. Dental professionals and others who use Defendant Zirc's One-step are committing infringement of the D203 patent in violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) by using Defendant Zirc's One-step in the United States, which is covered by at least one claim of the D203 patent and therefore embodies the patented invention described in the D203 patent.
- 200. On information and belief, Defendant Zirc induces dental professionals and others to use Defendant Zirc's One-step (a) with actual knowledge that the use thereof as intended constitutes infringement of the D203 patent, or (b) with willful blindness in that Defendant Zirc took deliberate action to avoid confirming a high

probability that using Defendant Zirc's One-step as intended constitutes infringement of the D203 patent.

- 201. Distributors, sales representatives and others who make, use, sell and/or offer to sell Defendant Zirc's One-step are committing infringement of the D203 patent in violation of 35 U.S.C. § 271(a) by directly infringing (either literally or under the doctrine of equivalents) by making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, which is covered by at least one claim of the D203 patent and therefore embodies the patented invention described in the D203 patent.
- 202. On information and belief, Defendant Zirc induces distributors and/or sales representatives and others to sell and/or offer to sell Defendant Zirc's One-step (a) with actual knowledge that such sale and/or offer to sell constitutes infringement of the D203 patent, or (b) with willful blindness in that Defendant Zirc took deliberate action to avoid confirming a high probability that selling and/or offering to sell Defendant Zirc's One-step constitutes infringement of the D203 patent.
- 203. On information and belief, as a result of its above-described conduct, Defendant Zirc has committed indirect infringement of the D203 patent in violation of 35 U.S.C. § 271(b) by actively inducing dental professionals, distributors, sales representatives and others, who are Defendant Zirc's direct and indirect customers to place into the stream of commerce and/or make, use, sell, and/or offer to sell, Defendant Zirc's One-step, with actual knowledge or with willful blindness that Defendant Zirc's One-step infringes the D203 patent. Further, Zirc provides detailed specifications regarding the implementation, use and performance of Zirc's one-step, as shown in Exhibit "G" attached hereto and incorporated herein by reference.
- 204. On information and belief, prior to making, using, selling, and/or offering to sell Defendant Zirc's One-step in the United States, Defendant Zirc acted despite an objectively high likelihood that its actions constituted infringement of the valid D203 patent, and the objectively-defined risk of infringement was either known

or so obvious that it should have been known to Defendant Zirc. Accordingly, Defendant Zirc has engaged in willful infringement of the D203 patent by actual intent to induce infringement or objective recklessness.

- 205. As a direct and proximate result of Defendant Zirc's infringement of the D203 patent, Defendant Zirc has derived and received gains, profits and advantages in an amount not presently known to Plaintiff Isolite Systems.
- 206. As a further direct and proximate result of Defendant Zirc having induced infringement and continuing to induce infringement of the D203 patent, Plaintiff Isolite Systems has suffered, and will continue to suffer, irreparable harm in one or more of the following ways:
  - (a) Plaintiff Isolite System's relationships with certain of its customers and prospective customers will be permanently and irrevocably damaged in that they will be induced to purchase the infringing Zirc's One-step and components thereof from Defendant Zirc and/or its distributors and sales representatives and may refrain from purchasing the Isolite Product;
  - (b) Plaintiff Isolite Systems will lose existing customers as well as prospective customers to Defendant Zirc (and/or its distributors and sales representatives) and thereby permanently and irrevocably lose a substantial share of the market for the Isolite Product and components thereof to Defendant Zirc and/or its distributors and sales representatives;
  - (c) Plaintiff Isolite Systems will be forced to lower the purchase price of the Isolite Product and components thereof;
  - (d) Plaintiff Isolite Systems will lose a substantial and inestimable amount of revenue and profits that will cause the market value of Plaintiff Isolite Systems to permanently diminish; and/or
  - (e) Plaintiff Isolite Systems will lose the value of the D203 patent in that ownership of the D203 patent gives Plaintiff Isolite Systems the statutory and constitutionally protected right to exclude others, especially competitors, from making, using, offering to sell and/or selling embodiments of the invention described in the D203 patent's claims.
  - 207. Pursuant to 35 U.S.C. § 284, Plaintiff Isolite Systems is entitled to

damages for Defendant Zirc's infringing acts and for such damages to be trebled for willful infringement. Pursuant to 35 U.S.C. § 289, Plaintiff Isolite Systems is entitled to Defendant Zirc's total profits from its infringement of the D203 patent and for such amounts to be trebled for willful infringement.

- 208. Pursuant to 35 U.S.C. § 285, Plaintiff Isolite Systems is entitled to a determination that this is an exceptional case and to recover reasonable attorneys' fees for the necessity of bringing this claim.
- 209. As a direct and proximate result of Defendant Zirc's infringing acts, Plaintiff Isolite Systems continues to suffer great and irreparable harm as described above, for which Plaintiff Isolite Systems has no adequate remedy at law, unless Defendant Zirc is enjoined by this Court.

#### FOURTEENTH COUNT

(Trade Dress Infringement in Violation of Section 43(a) of the Federal Lanham Act [15 U.S.C. § 1125(a)] Against Defendant Zirc)

- 210. Plaintiff Isolite Systems repeats and realleges the allegations contained in paragraphs 1 through 67 above and hereby incorporates them herein by reference.
- 211. Plaintiff Isolite Systems owns a valid and protectable interest in the product design trade dress of the Isolite Product, including but not limited to its shape ("the Isolite Shape Trade Dress").
- 212. Plaintiff Isolite Systems adopted the Isolite Shape Trade Dress and used it in interstate commerce for the Isolite Product for over ten years.
- 213. As a result of Plaintiff Isolite Systems' continuous, exclusive and extensive promotion, advertising and sale of the Isolite Product incorporating the Isolite Shape Trade Dress in interstate commerce and the commercial success of the Isolite Product, the Isolite Shape Trade Dress has developed secondary meaning among dental professionals as an identifier of the source of the Isolite Product.
- 214. On information and belief, Defendant Zirc knew of the Isolite Product and the Isolite Shape Trade Dress prior to Defendant Zirc's use of the Isolite Shape

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- 215. Defendant Zirc is using the Isolite Shape Trade Dress in connection with the Zirc's One-step mouthpiece component in that it incorporates the shape of the Isolite Shape Trade Dress without authorization from Plaintiff Isolite Systems.
- 216. Defendant Zirc has caused Zirc's One-step's mouthpiece incorporating the Isolite Shape Trade Dress to enter into interstate commerce.
- 217. Defendant Zirc's unauthorized use of the Isolite Shape Trade Dress is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection or association of Defendant Zirc with Plaintiff Isolite Systems and/or as 10 to the origin, sponsorship, or approval of Zirc's One-step by Plaintiff Isolite Systems.
  - 218. Defendant Zirc's acts as described above are in violation of 15 U.S.C. § 1125(a) in that Defendant Zirc has used in connection with goods or services trade dress which is likely to cause confusion, and to cause mistake, and/or to deceive as to the affiliation, connection or association of Defendant Zirc with Plaintiff Isolite Systems and/or as to the origin, sponsorship, and approval of Defendant Zirc's goods, services and commercial activities by Plaintiff Isolite Systems.
  - 219. On information and belief, Defendant Zirc's above-described violations of 15 U.S.C. § 1125(a) have been committed with the intent to cause confusion, to cause mistake and/or to deceive.
- 220. As a direct and proximate result of Defendant Zirc's violation of 15 U.S.C. § 1125(a), Defendant Zirc has damaged and will continue to damage Plaintiff Isolite Systems' business, goodwill and reputation, and has caused and is likely to continue to cause lost sales and profits, as well as loss of exclusive ownership and use of the Isolite Shape Trade Dress, resulting in public confusion and damage to 25 Plaintiff Isolite Systems' reputation.
  - 221. Defendant Zirc's actions as described above have caused and will continue to cause irreparable harm to Plaintiff Isolite Systems and to consumers who are or are likely to be confused by Defendant Zirc's violation of 15 U.S.C. § 1125(a),

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unless Defendant Zirc is restrained and enjoined by this Court, and Plaintiff Isolite Systems has no adequate remedy at law.

- 222. As a further direct and proximate result of Defendant Zirc's actions as described above, Plaintiff Isolite Systems has been damaged and will continue to sustain damage, and is entitled to receive compensation arising from its lost sales, lost profits, and efforts necessary to minimize and/or prevent customer confusion, in an amount to be proven at the time of trial.
- 223. In addition, Plaintiff Isolite Systems is entitled to recover Defendant Zirc's profits in an amount to be proven at the time of trial.
- 224. Pursuant to 15 U.S.C. § 1116(a), Plaintiff Isolite Systems is further entitled to injunctive relief to enjoin Defendant Zirc from any further violation of 15 U.S.C. § 1125(a), and to all other and further forms of relief this Court deems appropriate.
- 225. The damages sustained by Plaintiff Isolite Systems as a result of the conduct alleged herein should be trebled in accordance with 15 U.S.C. § 1117(a) due to Defendant Zirc's willful violation of 15 U.S.C. § 1125(a).
- 226. Plaintiff Isolite Systems is entitled to a determination that this is an exceptional case and to recover reasonable attorneys' fees for the necessity of bringing this claim.

### FIFTEENTH COUNT

# (<u>Unfair Competition in Violation of Cal. Bus. & Prof. Code §17200 et seq. Against Defendant Zirc)</u>

- 227. Plaintiff Isolite Systems repeats and realleges the allegations contained in paragraphs 1 through 67, 101 through 117, and 210 through 226 above and hereby incorporates them herein by reference.
- 228. Defendant Zirc's actions as described above constitute unlawful, unfair and/or fraudulent business acts or practices and unfair competition in violation of Cal. Bus. & Prof. Code §17200.

- 229. As a direct and proximate result of Defendant Zirc's conduct, Plaintiff Isolite Systems has suffered an injury in fact, including without limitation, damages in an amount to be proven at trial, loss of money or property, and diminution in the value of its trade dress and goodwill associated therewith, as well as diminution in its market value. Accordingly, Plaintiff Isolite Systems has standing to assert this claim pursuant to Cal. Bus. & Prof. Code §17204.
- 230. Defendant Zirc's actions have caused, and will continue to cause Plaintiff Isolite Systems to suffer irreparable harm unless enjoined by this Court pursuant to Cal. Bus. & Prof. Code §17203.
- 231. In addition, Plaintiff Isolite Systems is entitled to an order that Defendant Zirc disgorge all profits wrongfully obtained as a result of its unfair competition, and an order that Defendant Zirc pay restitution to Plaintiff Isolite Systems in an amount to be proven at trial.
- 232. Plaintiff Isolite Systems is entitled to recover reasonable attorneys' fees for the necessity of bringing this claim.

## PRAYER FOR RELIEF

WHEREFORE, Plaintiff Isolite Systems prays for the following relief:

- 1. An Order adjudging Defendant Zirc to have infringed the '973 patent and the D203 patent under 35 U.S.C. § 271(a) with respect to Defendant Zirc's Mr. Thirsty and components;
- 2. An Order adjudging Defendant Black and Defendant Black Dental Corp. to have infringed the '973 patent and the D203 patent under 35 U.S.C. § 271(a);
- 3. An Order adjudging Defendant Zirc to have infringed the '973 patent, the '627 patent, the '308 patent and the D203 patent under 35 U.S.C. § 271(a) with respect to Defendant Zirc's One-step, and that such infringement was willful;
- 4. An Order adjudging Defendant Zirc to have induced infringement of the '973 patent, the '627 patent, the '308 patent and the D203 patent under 35 U.S.C. §

271(b) with respect to Defendant Zirc's One-step, and that such infringement was willful;

- 5. Pursuant to 35 U.S.C. § 283:
  - a preliminary and permanent injunction enjoining Defendant Zirc (a) and its directors, officers, agents, servants, employees, representatives, successors and assigns, and all persons and entities in active concert or participation with Defendant Zirc, from directly infringing and/or indirectly infringing by inducement or otherwise the '973 patent, the D203 patent, the '627 Patent and the '308 Patent by making, using, selling and/or offering to sell Defendant Zirc's Mr. Thirsty and/or Zirc's Onestep and/or inducing others to do so or otherwise;
  - an Order directing Defendant Zirc to destroy all infringing (b) Defendant Zirc's Mr. Thirsty and Defendant Zirc's One-step dental devices and all components thereof in their possession, custody or control of Defendant Zirc and to file a declaration with the Court within thirty (30) days of such order that Defendant Zirc have complied with same;
- Pursuant to 35 U.S.C. § 283: 6.
  - (a) a preliminary and permanent injunction enjoining Defendant Black and Defendant Black Dental Corp., and their directors, officers, agents, servants, employees, representatives, successors and assigns, and all persons and entities in active concert or participation with them, from infringing the '973 patent and the D203 patent;
  - an Order directing Defendant Black and Defendant Black Dental (b) Corp. to destroy all infringing Zirc's Mr. Thirsty dental devices and all components thereof in their possession, custody or control

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27 20 and to file a declaration with the Court within thirty (30) days of such order that each has complied with same;

- 7. Pursuant to 35 U.S.C. § 284, damages adequate to compensate Plaintiff Isolite Systems for Defendant Zirc's infringement, but in no event less than a reasonable royalty for the use made of the inventions contained in the '973 patent, and the D203 patent by Defendant Zirc with respect to Defendant Zirc's Mr. Thirsty;
- 8. Pursuant to 35 U.S.C. § 289, an Order that Defendant Zirc account for all gains, profits, and advantages derived by Defendant Zirc's infringement of the D203 patent with respect to Defendant Zirc's Mr. Thirsty;
- 9. Pursuant to 35 U.S.C. § 284, damages adequate to compensate Plaintiff Isolite Systems for the Black Defendants' infringement, but in no event less than a reasonable royalty for the use made of the invention contained in the '973 patent and the D203 patent;
- 10. Pursuant to 35 U.S.C. § 289, an Order that the Black Defendants account for all gains, profits, and advantages derived from infringement of the D203 patent;
- 11. Pursuant to 35 U.S.C. § 284, damages adequate to compensate Plaintiff Isolite Systems for Defendant Zirc's infringement, but in no event less than a reasonable royalty for the use made of the invention contained in the '973 patent, the '627 patent, the '308 patent, and the D203 patent, with respect to Defendant Zirc's One-step;
- 12. Pursuant to 35 U.S.C. § 284, an Order trebling the aforesaid damages and/or exemplary damages because of Defendant Zirc's willful infringement of the '973 patent, the '627 patent, the '308 patent, and the D203 patent with respect to Defendant Zirc's One-step;
- 13. Pursuant to 35 U.S.C. § 289, an Order that Defendant Zirc account for all gains, profits, and advantages derived from infringement of the D203 patent with respect to Defendant Zirc's One-step, and an Order trebling the aforesaid amounts

because of Defendant Zirc's willful infringement of the D203 patent;

- 14. Pursuant to 35 U.S.C. § 285, an Order adjudging this case to be an exceptional case and awarding attorneys' fees and costs to Plaintiff Isolite Systems;
- 15. For Defendant Zirc's violation of 15 U.S.C. § 1125(a), a preliminary and permanent injunction enjoining Defendant Zirc, and its directors, officers, employees, agents, servants, representatives and attorneys, and all persons in active concert or participation with them, from infringing the trade dress of Plaintiff Isolite Systems, including the Isolite Trade Dress and the Isolite Shape Trade Dress;
  - 16. For Defendant Zirc's violations of 15 U.S.C. § 1125(a), an Order:
    - (a) directing Defendant Zirc to destroy all of Zirc's Mr. Thirsty tongue shield components and Zirc's One-step devices that are infringing the Isolite Trade Dress and/or the Isolite Shape Trade Dress, as well as any plates, molds and/or other means of making same, in the possession, custody or control of Defendant Zirc; and
    - (b) directing Defendant Zirc to file a declaration with the Court within thirty (30) days of such order that Defendant Zirc has complied with same;
  - 17. For Defendant Zirc's violations of 15 U.S.C. § 1125(a):
    - (a) Compensatory damages, including lost profits and goodwill;
    - (b) Disgorgement of Defendant Zirc's profits; and
    - (c) an Order declaring that Defendant Zirc's violation of 15 U.S.C. § 1125(a) be deemed to be willful, that this is an exceptional case, and that Plaintiff Isolite Systems is entitled to treble and/or enhanced damages and reasonable attorneys' fees and costs;
- 18. For Defendant Zirc's violation of Cal. Bus. & Prof. Code §17200, a preliminary and permanent injunction enjoining Defendant Zirc, and its directors, officers, employees, agents, servants, representatives and attorneys, and all persons

in active concert or participation with them, (a) from infringing any trade dress of Plaintiff Isolite Systems, including the Isolite Trade Dress and the Isolite Shape Trade Dress, and/or (b) from any further violations of Cal. Bus. & Prof. Code §17200;

- 19. For Defendant Zirc's violation of Cal. Bus. & Prof. Code §17200, an
  - (a) directing Defendant Zirc to destroy all of Zirc's Mr. Thirsty tongue shield components and Zirc's One-step devices that infringe the Isolite Trade Dress and/or the Isolite Shape Trade Dress, as well as any plates, molds and/or other means of making same, in the possession, custody or control of Defendant Zirc; and
  - (b) directing Defendant Zirc to file a declaration with the Court within thirty (30) days of such order that Defendant Zirc has complied with same;
  - 20. For Defendant Zirc's violation of Cal. Bus. & Prof. Code §17200:
    - (a) Compensatory damages, including for lost profits and goodwill;
    - (b) Disgorgement of Defendant Zirc's profits;
    - (c) Restitution in an amount to be proven at trial;
    - (d) Exemplary or punitive damages; and
    - (e) Reasonable attorneys' fees and costs;
  - 21. An award of pre-judgment and post-judgment interest;
  - 22. Costs of this action, including reasonable attorneys' fees; and
  - 23. Such other and further relief as this court deems just and proper.

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#### **CERTIFICATE OF SERVICE**

I hereby certify that all counsel of record that have consented to electronic service and are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV – 5-3.2 on April 13, 2015. Any other counsel of record will be served by traditional means of service on this same date.

> /s/ Paul E. Burns Paul E. Burns