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J.R. Simplot Company

UNITED STATES DISTRICT COURT
DISTRICT OF IDAHO

J.R. SIMPLOT COMPANY,

Plaintiff,

v.

MCCAIN FOODS USA, INC.

Defendant.

Case No. 1:16-cv-449

**COMPLAINT FOR PATENT
INFRINGEMENT, TRADE DRESS
INFRINGEMENT, AND UNFAIR
COMPETITION**

JURY TRIAL DEMANDED

Plaintiff J.R. Simplot Company (“Simplot”), by way of complaint against Defendant McCain Foods USA, Inc. (“Defendant” or “McCain”), hereby alleges and avers as follows:

NATURE OF THE ACTION

1. In 1929, J.R. “Jack” Simplot started the company that now bears his name in Declo, Idaho. Mr. Simplot grew the company from a one-man farming operation into one of the world’s largest and most successful privately owned, family-run food and agribusiness companies. Today, with its innovative spirit and more than 80 years of experience, Simplot is one of the most established and respected companies in the food and agribusiness industry in the United States and abroad.

2. Simplot’s unprecedented growth and success is linked to its proud history of innovation. On the eve of World War II, and in an effort to help the U.S. Army, the company invented a method for dehydrating potatoes. In September 1941, just three months before the attack on Pearl Harbor, Mr. Simplot opened the world’s largest potato drying plant in Caldwell, Idaho. Within a year, the company was the largest producer of dehydrated potatoes and onions in the United States, serving a critical civilian role supplying food to members of our nation’s Armed Forces. Simplot continued to innovate after the War and helped shape the modern day agribusiness industry. The company revolutionized the foodservice industry more than 60 years ago with one of its most famous inventions: the world’s first commercially viable frozen french fry.

3. Innovation remains part of the fabric of Simplot’s entrepreneurial culture today, and Simplot invests heavily in protecting its intellectual property. The United States Patent and Trademark Office has awarded Simplot dozens of patents for its innovations in the food industry. Simplot relies on the protections of our patent system to protect these inventions and to incentivize investment in new technologies. In addition to patents, Simplot has other valuable intellectual property including trade secrets, trademarks, and trade dress.

4. Today, Simplot's inventions and product offerings in the food industry include frozen and shelf-stable potatoes, vegetables, fruits, grains, and avocados. But Simplot remains particularly well known for its potato and french fry products. Simplot french fries and potato products can be found in restaurants, supermarkets, and schools throughout the globe. Simplot remains one of the nation's largest suppliers of french fries and hash browns, supplying hundreds of customers in the foodservice and retail markets. These products are produced at several facilities across the United States, including at Simplot's Caldwell, Idaho plant. Simplot's Caldwell plant is one of the largest food processing and packaging facilities in North America. It includes state-of-the-art equipment used in a variety of scientific disciplines including robotics, optics, fluid dynamics, organic chemistry, and microbiology.

5. In 2013, Simplot introduced the public to its SIDEWINDERS™ branded "twist" potato fries ("SIDEWINDERS™"). With their unique and distinctive "twist" design, SIDEWINDERS™ were an overnight success. Sold in all 50 states and abroad, SIDEWINDERS™ are now one of Simplot's most well-known and bestselling new brands. In 2014, Simplot reconfigured its production lines and added additional hardware to its Caldwell production facility to keep up with increasing consumer demand for SIDEWINDERS™.

6. As with many of its products, Simplot's unique SIDEWINDERS™ design is protected by patents and other forms of intellectual property, including trademark and trade dress.

7. McCain is a direct competitor of Simplot. Indeed, McCain and Simplot are two of three companies that are the primary competitors in the United States market for french fries and frozen potatoes. As alleged below, rather than develop its own unique frozen potato design, McCain copied Simplot's popular and protected SIDEWINDERS™ design. McCain designed

its “Twisted Potato” products to look like Simplot’s SIDEWINDERS™ in an attempt to piggyback off of Simplot’s investment and to ride the coattails of Simplot’s success. Recently, McCain began advertising, promoting, and offering its copycat Twisted Potato products for sale in the United States in an effort to unfairly compete against Simplot and cut into Simplot’s 100% share of the SIDEWINDERS™ market.

8. Simplot brings this action to seek damages and injunctive relief arising out of McCain’s illegal conduct and unfair competition.

PARTIES

9. Simplot is a Nevada corporation having a principal place of business at 999 W. Main Street, Boise, Idaho 83702.

10. McCain is a Maine corporation having a corporate office and principal place of business at 2275 Cabot Drive, Lisle, Illinois 60532. McCain is one of Simplot’s primary competitors. McCain makes, uses, sells, and offers for sale potato products in the United States in competition with Simplot. McCain advertises, sells, and offers its potato products for sale in the United States, including on its website, www.mccainusafoodservice.com.

JURISDICTION AND VENUE

11. This action arises under the patent laws of the United States, Title 35 of the United States Code, and under the trademark laws of the United States, Title 15 of the United States Code. This Court has subject matter jurisdiction under 15 U.S.C. § 1121, 28 U.S.C. § 1331, and 28 U.S.C. § 1338(a).

12. McCain is subject to this Court’s specific and general personal jurisdiction pursuant to due process and/or the Idaho Long Arm Statute, due at least to its substantial business in this forum, including that McCain operates a manufacturing plant in Burley, Idaho

where it produces potato products for the food industry. In addition, McCain has purposely availed itself of the privilege of conducting business in this forum, and Simplot's claims alleged herein arise out of, or relate to, activities that McCain engaged in in this forum.

13. On information and belief, without limitation, within this forum, McCain has made, used, sold, or offered to sell the accused products described herein. Further, McCain regularly conducts and solicits business in this forum, engages in other persistent courses of conduct in this forum, and derives substantial revenue from goods and services provided to persons or entities in Idaho.

14. Venue is proper in this district under 28 U.S.C. §§ 1391(b), 1391(c), and 1400(b).

FACTS GIVING RISE TO THIS ACTION

Development and Success of SIDEWINDERS™ Brand Potato Fries

15. Simplot is one of the world's largest producers of french fries. It provides french fries and other frozen potato products to thousands of food outlets including, but not limited to, restaurants, schools, and supermarkets throughout the United States. In addition to traditional cut, restaurant-style french fries, Simplot's portfolio of potato products includes a variety of uniquely designed specialty french fries.

16. Among Simplot's recent innovations are its SIDEWINDERS™ fried potato products. Simplot invented these products as a novel alternative to the traditionally shaped french fries that have dominated the market for decades. As shown below in some of Simplot's marketing materials, SIDEWINDERS™ are unlike traditional straight-cut fries, lattice-cut fries, or curly fries and were designed with a new and unique "twist."



17. Simplot began investing substantial resources to the design and development of SIDEWINDERS™ years before they were made available to the consuming public in 2013. The unique shape of SIDEWINDERS™ has been the subject of extensive promotion and advertisement. SIDEWINDERS™ are prominently featured on Simplot's website and in various

brochures and marketing materials. Simplot also routinely advertises SIDEWINDERS™ at trade shows and industry functions.

18. Simplot's SIDEWINDERS™ have been a commercial success. Simplot has sold SIDEWINDERS™ in all 50 states and internationally. Demand for the unique SIDEWINDERS™ design continues to increase, and SIDEWINDERS™ are now one of Simplot's most popular new brands. Initial demand for SIDEWINDERS™ opened the door for Simplot to develop unique varieties of the product with various batters and seasonings. Simplot currently offers four varieties of its SIDEWINDERS™ that have become distinct signature menu items. Shown below, these include: (1) Bent Arm Ale® Craft Beer Battered SIDEWINDERS™; (2) SeasonedCrisp® Smokey BBQ SIDEWINDERS™; (3) SeasonedCrisp® JR Buffalos® SIDEWINDERS™, and; (4) Conquest® SIDEWINDERS™.



Simplot's Intellectual Property Rights

19. Simplot invests significant resources in protecting the intellectual property embodied by its products. The United States Patent and Trademark Office has awarded dozens of patents to Simplot, including patents for various designs of its potato products. Simplot notifies the public of its patent rights at least by maintaining the website <http://www.simplotfoods.com/patents>, which is accessible to the public free of charge. At least one of these patents—U.S. Patent No. D640,036 titled “Spiral Potato Piece” (“the ’036 Patent”)—covers the ornamental features of Simplot’s SIDEWINDERS™. Simplot was awarded the ’036 Patent in 2011 and owns all right, title, and interest in and to the ’036 Patent. A copy of the ’036 Patent is attached as **Exhibit A**.

20. The distinctive spiral design of the SIDEWINDERS™ potato products constitutes Simplot’s trade dress. As a result of its unique design and Simplot’s extensive sales and promotion of the product, SIDEWINDERS™ became closely associated with Simplot. Customers now identify Simplot as the source of SIDEWINDERS™ potato products. Simplot also brands SIDEWINDERS™ with the unique spiral “S” logo:



McCain's Infringement of Simplot's Patents and Trade Dress

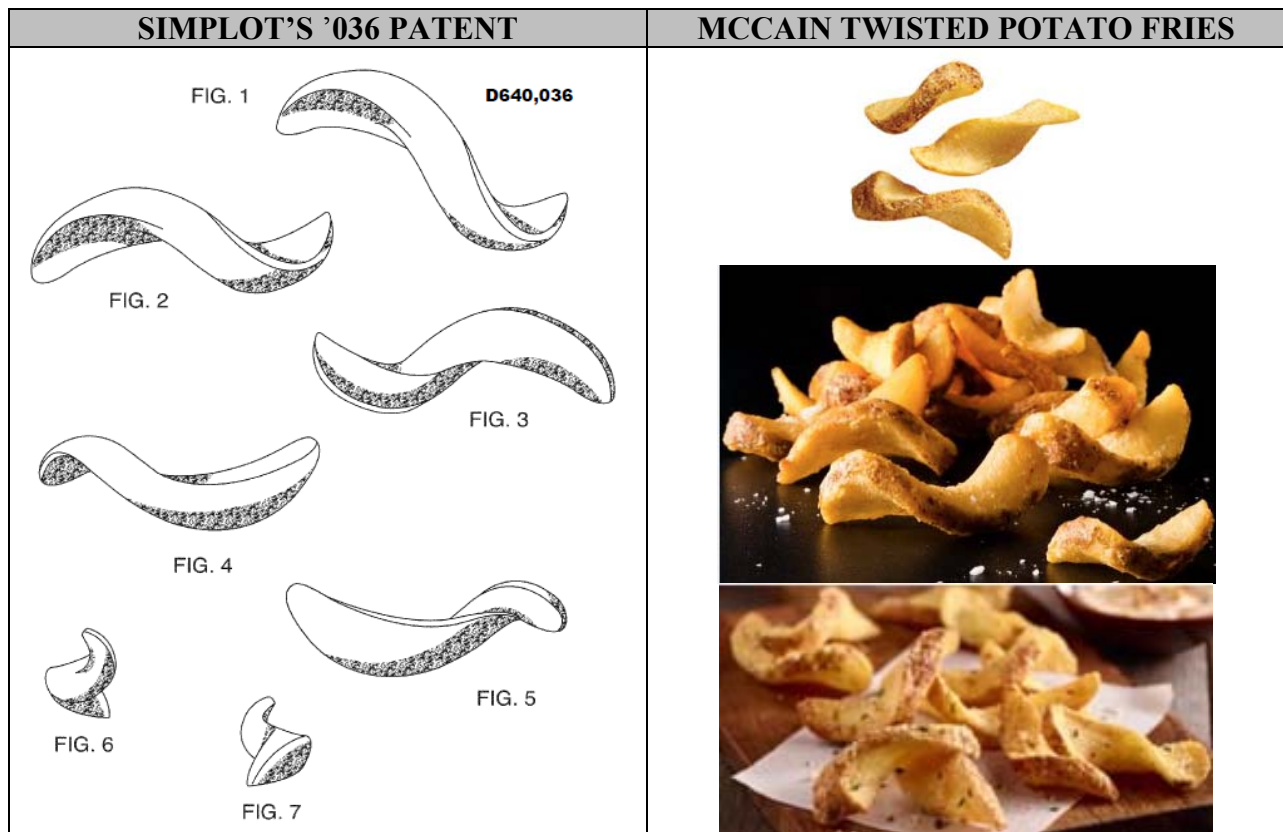
21. In approximately June 2016, McCain began promoting and advertising its Twisted Potato products in the United States.

22. McCain’s promotions, advertisements, and offers to sell its Twisted Potatoes included a coupon, a copy of which is attached as **Exhibit B**.

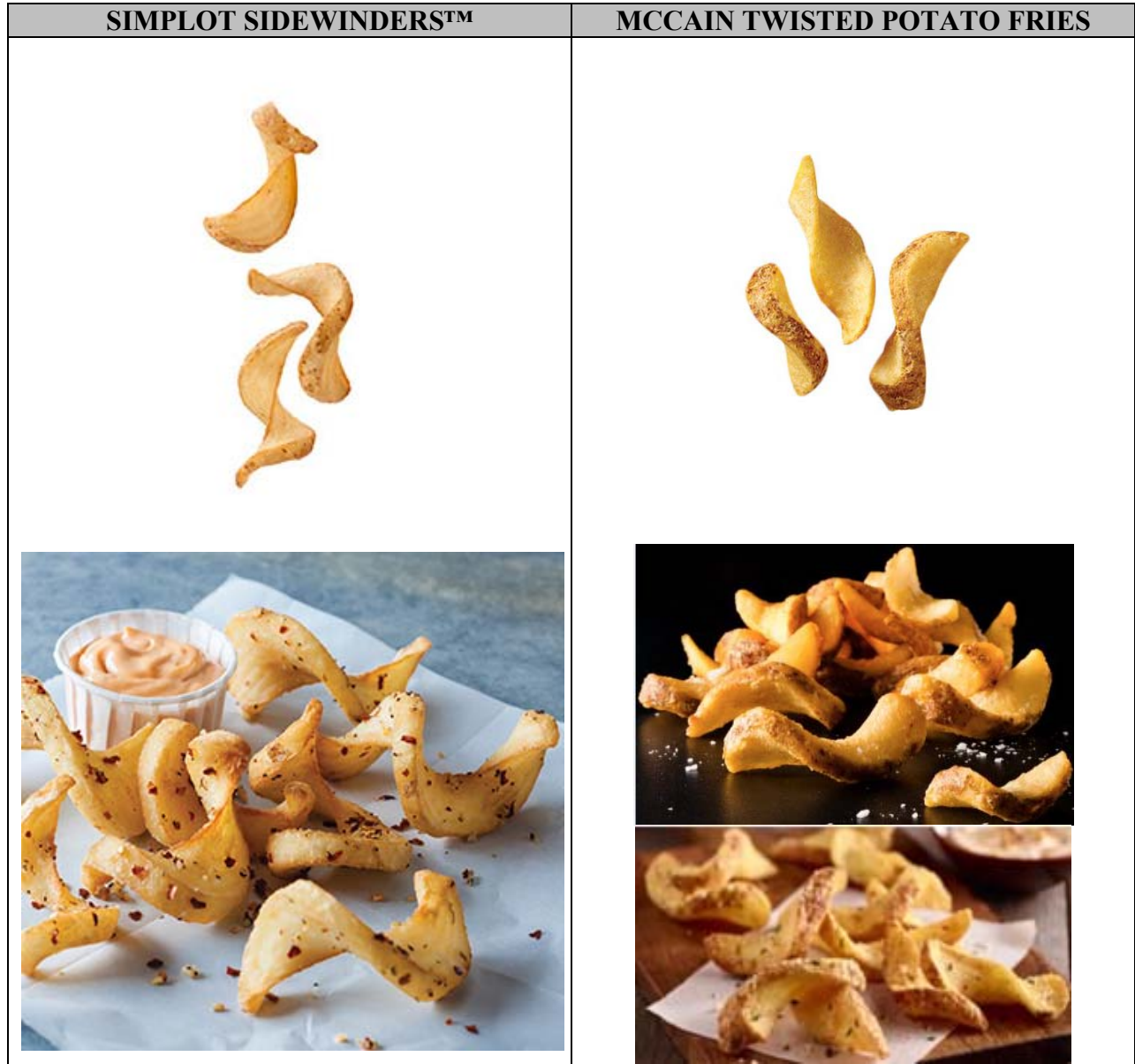
23. McCain's promotions and advertisements for its Twisted Potatoes included videos on its YouTube channel. Screenshots of these videos captured on June 28, 2016 are attached as **Exhibit C**. McCain has since removed these videos from its YouTube channel.

24. McCain has used and continues to use its website, www.mccainusafoodservice.com, to promote its Twisted Potato products. Screenshots of McCain's website advertising its Twisted Potatoes and a brochure available on McCain's website are attached as **Exhibit D**. These screenshots were captured on July 21, 2016 from the following locations: (a) <http://www.mccainusafoodservice.com/Product/Detail/mccaintwistedpotatoes>, and (b) <http://www.mccainusafoodservice.com/Product/ExportPDF?pID=3803>. McCain has since removed these materials from its United States website.

25. As the following side-by-side comparisons show, McCain copied Simplot's patented SIDEWINDERS™ design in developing its Twisted Potato products.



26. In addition, as the following side-by-side comparisons show, McCain copied Simplot’s innovative SIDEWINDERS™ design and developed a french fry that is deceptively and confusingly similar to the design of Simplot’s SIDEWINDERS™. When McCain’s Twisted Potatoes are placed alongside Simplot’s SIDEWINDERS™, customers are likely to confuse the products and their sources of origin.



27. Until McCain’s infringement, Simplot was the exclusive provider of potato products with a twist design to all customers in the United States and abroad, and it owned 100%
 COMPLAINT FOR PATENT INFRINGEMENT, TRADE DRESS INFRINGEMENT, AND UNFAIR COMPETITION - 10

of the worldwide market for such products. McCain's entry into this market, and its direct and unfair competition against Simplot, will necessarily and permanently alter the market and irreparably harm Simplot.

28. Simplot therefore seeks damages and injunctive relief against McCain's manufacture, use, sale, or offer for sale of the Twisted Potatoes and any other McCain products or systems that infringe the '036 Patent or Simplot's SIDEWINDERS™ trade dress.

FIRST CLAIM FOR RELIEF
Patent Infringement

29. Paragraphs 1-28 are incorporated by reference as if set forth here in full.

30. McCain has manufactured, used, imported, offered for sale, or sold potato products, including at least its Twisted Potatoes, that directly or indirectly infringe at least the claim of the '036 Patent in violation of 35 U.S.C. § 271.

31. McCain's infringement of the '036 Patent has been willful and deliberate. McCain had actual knowledge of the '036 Patent prior to the filing of this lawsuit, and at least as early as November 5, 2013. On that date, McCain submitted an Information Disclosure Statement to the United States Patent and Trademark Office during prosecution of its own patent application, US App. No. 29/461,506. On the Information Disclosure Statement, McCain listed the '036 Patent and another Simplot patent as prior art to its application.

32. McCain's conduct has caused and will cause great and irreparable harm to Simplot in an amount which cannot be adequately remedied by money damages, leaving Simplot with no adequate remedy at law. Therefore, Simplot is entitled to injunctive relief against McCain, and anyone associated therewith, to restrain further acts of unfair competition and trade dress infringement.

33. Simplot has suffered economic harm as a result of McCain's infringing activities in an amount to be proven at trial.

SECOND CLAIM FOR RELIEF
Trade Dress Infringement/Unfair Competition

34. Paragraphs 1-33 are incorporated by reference as if set forth here in full.

35. Based on both its inherently distinctive and nonfunctional shape as well as Simplot's extensive advertising, promotion, and sales of SIDEWINDERS™ in the United States, the consuming public both accepts and recognizes Simplot's SIDEWIDERS™ design, and it has become an asset of substantial value as a symbol of Simplot, its innovative products, and its goodwill. As a result of Simplot's efforts, Customers associate the distinctive SIDEWINDERS™ design with Simplot.

36. Accordingly, Simplot has established valid and enforceable trade dress rights in the SIDEWINDERS™ design, as described above.

37. Simplot is the owner of all right and title to the SIDEWINDERS™ trade dress.

38. Notwithstanding Simplot's preexisting valid and enforceable rights in the SIDEWINDERS™ trade dress, McCain used Simplot's trade dress without permission or approval. McCain's unauthorized use of Simplot's SIDEWINDERS™ trade dress includes selling and offering for sale its Twisted Potato product in the United States, including on McCain's website. In addition, McCain featured the product shape – Simplot's unique and nonfunctional trade dress – prominently on its packaging and website.

39. McCain's Twisted Potato product copies the unique SIDEWINDERS™ design and incorporates Simplot's SIDEWINDERS™ trade dress. By using Simplot's trade dress without Simplot's permission, McCain is unfairly benefiting from Simplot's investment in the

SIDEWINDERS™ trade dress and the reputation, success, and goodwill that Simplot has cultivated through its marketing and promotion of its SIDEWINDERS™ products.

40. McCain's unauthorized use of Simplot's SIDEWINDERS™ trade dress in connection with advertising and offering its Twisted Potato product for sale is likely to cause consumer confusion and mistake, and to deceive consumers as to the source, origin, or affiliation of McCain's products and services.

41. McCain's actions constitute unfair competition and false designation of origin in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

42. McCain's conduct has caused and will cause great and irreparable harm to Simplot in an amount which cannot be adequately remedied by money damages, leaving Simplot with no adequate remedy at law. Therefore, Simplot is entitled to injunctive relief against McCain, and anyone associated therewith, to restrain further acts of unfair competition and trade dress infringement.

43. Simplot is informed and believes, and on that basis alleges, that McCain knew of Simplot's trade dress when it designed its Twisted Potato product. Accordingly, McCain's infringement has been and continues to be intentional and willful.

DEMAND FOR JURY TRIAL

Simplot hereby demands a trial by jury on all issues so triable pursuant to Federal Rule of Civil Procedure 38.

PRAYER FOR RELIEF

WHEREFORE, Simplot prays for entry of judgment against McCain, as follows:

1. That judgment be entered in favor of Simplot on all claims for relief raised in the Complaint;

2. That judgment be entered that the '036 Patent is valid and enforceable and that McCain has infringed, directly, jointly, and/or indirectly, by way of inducing and/or contributing to the infringement of the '036 Patent;

3. That judgment be entered awarding Simplot all damages adequate to compensate for McCain's infringement of the '036 Patent, and in no event less than a reasonable royalty for McCain's acts of infringement, including all pre-judgment and post-judgment interest at the maximum rate permitted by law;

4. That judgment be entered that McCain's infringement is and/or has been willful and the award of damages to Simplot be increased up to three times in view of McCain's willful infringement as provided under 35 U.S.C. § 284;

5. That a preliminary and permanent injunction be entered enjoining McCain, and its officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert therewith, from infringing the '036 Patent or Simplot's SIDEWINDERS™ trade dress.

6. That judgment and order be entered finding that this is an exceptional case within the meaning of 35 U.S.C. § 285 and awarding to Simplot its reasonable attorney's fees;

7. That judgment be entered awarding an accounting of McCain's profits pursuant to 15 U.S.C. § 1117.

8. That judgment be entered trebling any damages awarded pursuant to 15 U.S.C. § 1117 and awarding Simplot costs and reasonable attorneys' fees;

9. That judgment be entered awarding restitutionary relief against McCain and in favor of Simplot, including disgorgement of wrongfully obtained profits and any other appropriate relief;

10. That judgment and order be entered awarding to Simplot all other relief to which Simplot may prove itself to be entitled; and

11. For such other and further relief as the Court deems just and proper.

DATED THIS 7th day of October, 2016.

PARSONS BEHLE & LATIMER

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