

**IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

GATES CORPORATION,

Plaintiff,

v.

OPTIBELT CORPORATION,  
ARNTZ BETEILIGUNGS GMBH & CO. KG,  
OPTIBELT GMBH, OPTIBELT URETHANE  
BELTING, LTD.,

Defendants.

No. 1:18-cv-03179

**PLAINTIFF'S FIRST AMENDED COMPLAINT  
FOR PATENT INFRINGEMENT AND JURY DEMAND**

Plaintiff Gates Corporation (“Gates”), by and through its attorneys, Perkins Coie LLP, files this First Amended Complaint for Patent Infringement against Optibelt Corporation (“Optibelt Corp.”), Optibelt GmbH, Optibelt Urethane Belting, Ltd. (“Optibelt Belting”), and Arntz Beteiligungs GmbH & Co. KG (“Arntz”) (collectively “Defendants”), stating as follows:

**THE PARTIES**

1. Plaintiff Gates Corporation is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business located at 1551 Wewatta Street, Denver, Colorado 80202.

2. On information and belief, Defendant Arntz Beteiligungs GmbH & Co. KG is the parent company to Optibelt GmbH, Optibelt Belting, Optibelt Corporation, and is a corporation with a principal place of business located at Corveryer Alee 15, Hoxter, 37672 Germany. Arntz is a corporation organized under the laws of Germany. Arntz is the ultimate parent of a conglomeration of numerous entities in addition to co-defendants Optibelt GmbH, Optibelt Belting, and Optibelt Corp. This conglomeration is often referred to by the defendants as the “Arntz Optibelt Group.”

3. On information and belief, Defendant Optibelt GmbH is a corporation with a principal place of business located at Corveyer Alee 15, Hoxter, 37672 Germany. Optibelt GmbH is a corporation organized under the laws of Germany. Optibelt GmbH is a direct subsidiary of Arntz. Optibelt GmbH is also the parent corporation, either directly or indirectly, of many of the entities that are referred to under the trade name “Optibelt” including defendant Optibelt Corp.

4. On information and belief, Defendant Optibelt Urethane Belting, Ltd. is a corporation with a principal place of business located at Ida Business & Technology Park, Lisnenan, Letterkenny, Co. Donegal, Ireland. Optibelt Belting is a corporation organized under the laws of the United Kingdom. Optibelt Belting manufactures and assembles timing belts for vehicles and machinery including the Delta Chain Carbon Belt. Optibelt Belting is a direct or indirect subsidiary of Arntz.

5. On information and belief, Defendant Optibelt Corporation is a corporation organized and existing under the laws of the State of Illinois, with its principal place of business located at 565 Fullerton Avenue, Carol Stream, Illinois 60188. For sales in the United States, Arntz and Optibelt GmbH distribute their products — under the trade name “Optibelt” — through defendant Optibelt Corp. Optibelt Corp. is a subsidiary, owned completely and directly, by Optibelt GmbH.

6. On Information and belief, all Defendants work together in a coordinated effort to bring to the United States market the “Delta Carbon Chain Belt” that infringes Gates’ patent.

7. “Optibelt” products, including the Delta Chain Carbon Belts, are distributed in the United States through a systematic stream of commerce through Optibelt Corp. in Illinois.

8. On information and belief Arntz, Optibelt GmbH and Optibelt Belting gain substantial revenues from sales of products through Optibelt Corp. in Illinois.

### **JURISDICTION AND VENUE**

9. This is an action for patent infringement arising under the Patent Laws of the United States, 35 U.S.C. § 1 *et seq.*, including but not limited to 35 U.S.C. §§ 271 and 281.

10. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

11. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391(b) and (d) and 1400(b).

### **FACTUAL BACKGROUND**

12. Gates Corporation is a leading innovator of application-specific fluid power and power transmission solutions. Gates's technology is used in numerous industries worldwide, including agriculture, automotive, construction, consumer equipment, food and beverage, manufacturing, industrial equipment, HVAC equipment, lawns and landscaping, machine tools, mining, oil and gas, recreational vehicles, and trucking. Gates is continually investing in research and development to improve its technology for its customers. Gates also invests in protecting the intellectual property it develops.

13. Gates developed a novel polyurea-urethane cord treatment for power transmission belts and filed U.S. Patent Application No. 12/628,676 describing its invention on December 1, 2009. On April 17, 2018, the United States Patent and Trademark Office issued United States Patent No. 9,944,763 ("the '763 Patent"), entitled "Polyurea-Urethane Cord Treatment for Power Transmission and Belt," to Gates. The '763 Patent discloses and claims a power transmission belt, a twisted tensile cord for reinforcing an elastomeric article, and methods for manufacturing the power transmission belt and twisted tensile cord for reinforcing elastomeric articles. A true and correct copy of the '763 Patent is attached as Exhibit A.

14. Gates is the owner and assignee of all right, title, and interest in and to the '763 Patent.

15. Defendants manufacture, use, sell, offer for sale and/or import into the United States products, including, v-belts, timing belts, cogged v-belts, and ribbed belts. Optibelt Corp. is the United States subsidiary of Optibelt GmbH and acquires products for distribution from Optibelt Belting, either directly or indirectly through Optibelt GmbH.

16. On information and belief, Defendants make, use, import, offer for sale, and/or sell in the United States belt products that infringe one or more claims of the '763 Patent. On further information and belief, Defendants make, use, import, offer for sale, and/or sell in the United States belt products that Defendants market as "Delta Chain Carbon" belts. The "Delta Chain Carbon" belts are marketed on Defendants' website at <http://www.optibelt-usa.com/products/view/product/delta-chain.html> (last accessed April 30, 2018). A printout from Defendants' website describing the "Delta Chain Carbon" belt products is attached hereto as Exhibit B.

17. The "Delta Chain Carbon Belts" include a statement, on the belts themselves, that they are "Made in Ireland." The "Delta Chain Carbon Belt" packaging states that it is "Engineered in Germany" and includes a marking of the "Arntz Optibelt Group" trade name.

18. While Optibelt Corp. directly sells and offers for sale the "Delta Chain Carbons Belts" in Illinois and the greater United States markets, the infringement of the '763 Patent is a joint effort by all defendants.

19. Optibelt Belting manufactures the Delta Chain Carbon belts in Ireland and sends the products to Optibelt GmbH who then distributes the products to Optibelt Corp. for sale in the

United States. On information and belief, Optibelt Belting also ships products directly to Optibelt Corp.

20. On information and belief, Optibelt GmbH is the corporation that coordinates the sales activities of the entire Arntz Optibelt Group.

21. Defendants collectively work in a concerted effort to design, engineer, and devise a pricing and marketing plan for the “Delta Chain Carbon Belts” in the United States.

22. On information and belief, Optibelt Corp., Optibelt GmbH, Optibelt Belting, and Arntz all share common board members.

23. Optibelt Corp. keeps its principal place of business in Illinois and is also the entity importing the “Delta Carbon Chain Belts” and other products from Arntz, Optibelt GmbH, and Optibelt Belting into Illinois.

24. On information and belief, many of Defendants’ sales of the “Delta Chain Carbon Belts” have been to locations in Illinois.

25. On information and belief, the “Delta Chain Carbon” belt products infringe at least Claim 1 of the ’763 Patent. Claim 1 of the ’763 Patent describes:

A power transmission belt comprising:

[a] an elastomeric body, and a twisted tensile cord embedded in the elastomeric body;

[b] with the tensile cord impregnated with a crosslinked polyurea-urethane composition different from said elastomeric body comprising the reaction product of:

[c] a polyurethane prepolymer; and

[d] a curative selected from the group consisting of diamines  
and water.

Exhibit A, at col. 24, ll. 13-23.

26. Defendants describe the “Delta Chain Carbon” belt products as power transmission belts in its own product literature. *See, e.g.*, Optibelt Technical Manual, at p. 1 (“Up to 100% higher power transmission is possible compared to high performance rubber timing belts such as optibelt oMEgA Hp.”), in Exhibit C.

27. On information and belief, Defendants’ “Delta Chain Carbon” belt products compromise [a] an elastomeric body, and a twisted tensile cord embedded in the elastomeric body. Specifically, the “Delta Chain Carbon” belt products include an elastomeric body made from bulk polyurethane. *See, e.g.*, Exhibit C, at p. 1 (“The innovative combination of materials comprising an extremely resistant polyurethane compound, an abrasion-resistant and specially treated polyamide fabric, as well as a carbon fibre cord, provides the optibelt DELTA CHAIN carbon with unmatched strength and resistance to a wide range of chemicals, oils and fluids.”). In addition, the “Delta Chain Carbon” belt products include a twisted tensile cord embedded in the elastomeric body. *See, e.g., id.*; Timing Belts Delta Chain Carbon, in Exhibit D, at p. 3 (pictured below showing twisted cords).



28. On information and belief, the “Delta Chain Carbon” belt products further comprise [b] a tensile cord impregnated with a crosslinked polyurea-urethane composition different from said elastomeric body. Specifically, on information and belief, the elastomeric body of the “Delta Chain Carbon” belt is made from polyurethane containing toluene diisocyanate and isophorone diisocyanate. In contrast, the tensile cord is impregnated with a crosslinked polyurea-urethane composition that contains isophorone diisocyanate and/or hexamethylene diisocyanate and is free of toluene diisocyanate.

29. On information and belief, the tensile cord impregnated with a crosslinked polyurea-urethane composition of the “Delta Chain Carbon” belt products is a reaction product of [c] a polyurethane prepolymer, specifically, a polyurethane prepolymer formed from the reaction products of polytetramethylene ether glycol (PTMEG), isophorone diisocyanate and/or hexamethylene diisocyanate; and [d] a curative of either diamine 4,4-methylene bis(3-chloro-2,6-diethylaniline) (MCDEA) and/or atmospheric water.

30. On information and belief, the “Delta Chain Carbon” belt products further infringe at least Claim 2 of the '763 Patent. Claim 2 of the '763 Patent describes

The belt of claim 1 wherein said prepolymer comprises the reaction product of a diisocyanate and one or more polyols selected from the group consisting of polyester polyols, polycarbonate polyols and polyether polyols; and wherein said curative is water.

31. On information and belief, the polyurethane prepolymer utilized in the “Delta Chain Carbon” belt products is a reaction product of a diisocyanate (isophorone diisocyanate and/or hexamethylene diisocyanate) and a polyether polyol (polytetramethylene ether glycol (PTMEG)). Ambient water is a curative for this reaction.

32. On information and belief, Defendants copied the “Delta Chain Carbon” belt products from Gates’s own innovative belt products that practice claims of the ’763 Patent.

33. On information and belief, Defendants have had knowledge of U.S. Patent No. 9,944,763 since its issuance on or about April 17, 2018.

**CLAIM FOR RELIEF**

34. Gates incorporates by reference Paragraphs 1-33.

35. Defendants have infringed and are currently infringing one or more claims of the ’763 Patent in violation of 35 U.S.C. § 271(a), including but not limited to Claim 1, by, among other things, making, using, importing, offering to sell, and/or selling in the United States products that embody the patented invention, including, for example, products marketed as the “Delta Chain Carbon” belts.

36. On information and belief, Defendants’ infringement of the ’763 Patent have been willful and intentional because Defendants had prior knowledge of the ’763 Patent yet continue to infringe the patent by committing the acts described above.

37. Defendants’ infringement of the ’763 Patent have caused and will continue to cause Gates both monetary damage and irreparable harm for which it has no adequate remedy at law.

38. Unless this Court enjoins Defendants’ infringing conduct, Gates will continue to be irreparably harmed by Defendant’s infringement of the ’763 Patent.

**PRAYER FOR RELIEF**

Accordingly, Plaintiff Gates Corporation respectfully requests that this Court enter judgment against Defendants as follows:

- A. A declaration that Defendants have infringed the ’763 Patent;
- B. A declaration that Defendants’ infringement was willful;



C. A preliminary and permanent injunction against continuing infringement of any of the claims of the '763 Patent in any manner by Defendants and their respective officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert therewith;

D. An accounting for damages in an amount adequate to compensate Gates for Defendants' infringement, but in no event less than a reasonable royalty, including up to treble damages for willful infringement, and together with interest thereon;

E. A judgment in favor of Gates that this is an exceptional case under 35 U.S.C. § 285, and an award to Gates of its costs, including its reasonable attorney fees and other expenses incurred in connection with this action;

F. An award of prejudgment interest under 35 U.S.C. § 284 and post-judgment interest under 35 U.S.C. § 1961 on all damages awarded; and

G. Such other costs and further relief as the Court may deem just and proper.

**JURY DEMAND**

Plaintiff Gates Corporation respectfully demands a jury trial on all issues so triable.

Respectfully submitted,

GATES CORPORATION

By: /s/ Douglas L. Sawyer  
Douglas L. Sawyer

Douglas L. Sawyer  
DSawyer@perkinscoie.com  
Kourtney Mueller Merrill  
KMerrill@perkinscoie.com  
Stephanie Nelson  
SJNelson@perkinscoie.com  
PERKINS COIE LLP  
131 South Dearborn Street, Suite 1700  
Chicago, IL 60603-5559  
Tel: 312.324.8400

Dated: April 15, 2019