

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF GEORGIA  
MACON DIVISION

	)	
IGGESUND TOOLS AB, and	)	
IGGESUND TOOLS, INC.	)	
	)	CIVIL ACTION FILE
Plaintiffs,	)	
	)	
v.	)	NO. _____
	)	
KEY KNIFE, INC.	)	
	)	
Defendant.	)	
	)	

COMPLAINT

Plaintiffs, Iggesund Tools AB and Iggesund Tools, Inc. (“Plaintiffs” or jointly as “Iggesund”), for their complaint against defendant Key Knife, Inc. (“Defendant” or “Key Knife”) allege as follows:

NATURE AND BASIS OF ACTION

1. This is an action for monetary damages and injunctive relief to remedy Defendant’s past, current and threatened infringement of Plaintiff’s U.S. Patents Nos. 6,722,595 (“the ‘595 Patent”), 6,951,313 (“the ‘313 Patent”), and 7,159,626 (“the ‘626 Patent”) (collectively the “Asserted Patents”). Each of the Asserted Patents is directed to inventions that relate to knives, knife clamping

assemblies and/or the combination of clamping assemblies and knives for use in wood working and chip producing machines used in the forest product industries such as saw mills, chip mills and pulp mills.

### PARTIES

2. Plaintiff Iggesund Tools AB is a corporation organized and existing under the laws of Sweden having its principal place of business at Iggesund, Sweden.

3. Iggesund Tools, Inc. is a corporation organized and existing under the laws of the State of Delaware having its principal place of business at 220 Scarlet Boulevard, Oldsmar, Florida 34677. Iggesund Tools, Inc. is commonly owned with and is a sister company of Iggesund Tools AB.

4. Plaintiff Iggesund Tools AB manufactures in Sweden and sells throughout the world, wood working and chip producing disposable knives and clamping assemblies to the forest products industries such as saw mills, chip mills and pulp mills.

5. Plaintiff Iggesund Tools, Inc. is the exclusive authorized marketing agent in the United States for Iggesund Tools AB. It purchases wood working and chip cutting knives and clamping assemblies from Iggesund Tools AB and is the exclusive distributor of such products in this country.

6. Upon information and belief, defendant Key Knife is a corporation organized and existing under the laws of the state of Oregon, having a principal place of business at 19100 SW 125<sup>th</sup> Court, Tualatin, Oregon 97062. Upon information and belief, Key Knife is registered to do business in Georgia and may be served through its registered agent, Corporation Service Company, at 40 Technology Parkway South, #300, Norcross, Georgia 30092.

7. Key Knife is a major competitor of Iggesund. It also is engaged in the manufacture and sale of disposable knives and clamping assemblies for wood working and/or chip cutting machines to the same forest products industries as Iggesund.

8. The knives made by Iggesund and Key Knife typically have two opposed cutting edges and are used to process logs into lumber or chips. By their structure, when an edge becomes worn the knife can be reversed in the clamping assembly to present the other knife edge to the wood. When both edges are worn the knives are readily removed and replaced by new knives in the clamping assemblies. These disposable knives and their clamping assemblies are intended to replace the single edged large knives typically used in wood working and chipping machines which require repeated removal and regrinding. The ability of the disposable knife structures to cooperate with their associated clamping assemblies to hold the knives rigidly in the wood working and chipping

machines in a defined and fixed position relative to the wood being treated is one of the key points of competition between Iggesund and Key Knife.

### JURISDICTION AND VENUE

9. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1338 because this is an action for patent infringement arising under the patent laws of the United States.

10. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391 and 1400 because Defendant has infringed, actively induced infringement of, and/or contributed to the infringement of the Asserted Patents in this Judicial District.

11. Upon information and belief, this Court has personal jurisdiction over defendant Key Knife because Key Knife has transacted business within this Judicial District, committed tortious acts within this Judicial District and/or committed tortious injury in this Judicial District, and regularly does or solicits business, engages in other persistent courses of conduct and/or derives substantial revenue from goods used or consumed or services rendered in this Judicial District.

## BACKGROUND FACTS

12. The '595 Patent was duly and lawfully issued by the United States Patent and Trademark Office on April 20, 2004, and is currently in full force and effect. A true and correct copy of the '595 Patent is attached hereto as Exhibit A.

13. The '313 Patent was duly and lawfully issued by the United States Patent and Trademark Office on October 4, 2005 and is currently in full force and effect. A true and correct copy of the '313 Patent is attached hereto as Exhibit B.

14. The '626 Patent was duly and lawfully issued by the United States Patent and Trademark Office on January 9, 2007 and is currently in full force and effect. A true and correct copy of the '626 Patent is attached hereto as Exhibit C.

15. Iggesund Tools AB is, and has been at all times since the issuance thereof, the owner by assignment of all right, title and interest in and to each of the Asserted Patents.

16. Iggesund Tools AB is also the owner of U.S. Patent No. 4,694,995, now expired (hereinafter the "'995 Patent"). A true and correct copy of the '995 Patent is attached hereto as Exhibit D.

17. Iggesund pioneered and commercialized the use of disposable knives and related clamping assemblies for heavy wood working equipment used in forest industries. Shortly after Iggesund's introduction of the disposable knives and related clamping assemblies as shown in the '995 patent Key Knife (then called Commercial Knife) was founded and introduced a disposable reversible knife and clamping assembly sold in competition with Iggesund's innovative product.

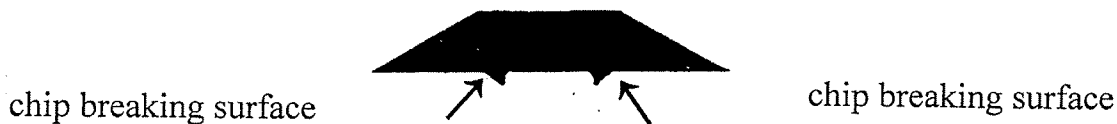
18. In Civil Action No. 08-527-PA (D. Oregon, 1988) Iggesund sued Commercial Knife for manufacturing and selling disposable knives and related clamping assemblies which Iggesund asserted infringed the '995 patent. By agreement of the parties, that action was settled with the entry of a consent judgment in which Commercial Knife acknowledged the validity and infringement of the '995 patent. As part of the settlement a license was granted to Commercial Knife to manufacture two specific forms of infringing chipper knives used only for waste wood chippers. The knife involved in that suit is shown to scale and in cross-section in Fig. 1 below.



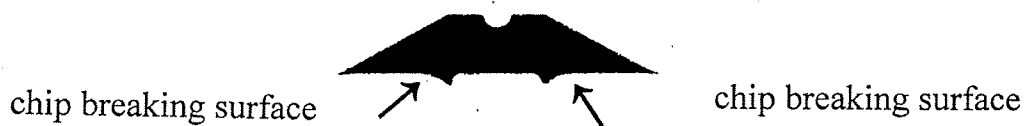
19. Shortly thereafter Commercial Knife modified the design of its knives to make them considerably larger and stronger so that they could be used with whole log chipper machines. Commercial Knife refused to pay royalties to Iggesund for its modified design. Commercial Knife sought an advisory opinion from the District Court in Oregon that the modified design did not infringe the '995 Patent. The Court referred the matter to arbitration pursuant to the settlement agreement. On May 17, 1997, the arbitrator held that Commercial Knife's modified design was covered by and infringed the '995 Patent. He also held that Key Knife's refusal to pay royalties for the modified design was a breach of the license agreement. Subsequently, the District Court in Oregon found Commercial Knife's acts to be in contempt of the consent judgment and awarded Iggesund attorneys fees.

20. In the mid-1990's Iggesund developed and introduced a new and different knife and clamping structure shown in the '595 and '313 Patents. The new knife structure used a unique rib design having a curved wood chip breaking structure which protected the clamping part behind the rib from wear during use. Commercial Knife (by change of name at this time Key Knife) also changed its existing knife design (in Fig. 1 above) to the design of Figure 2 (shown below in cross-section and to scale) using a rib structure including curved

chip breaking surfaces. The Key Knife design shown in Figure 2 infringes and continues to infringe the '595 and '313 Patents.



21. Subsequently Key Knife further modified its knife of Figure 2, to the form of knife shown in Figure 3 below in cross-section and to scale. This further modified design continued use of the curved chip breaking structure developed by Iggesund and infringes the '595 and '313 Patents as well.



22. Iggesund has developed a further improved knife and knife clamping assembly for wood working machines in which the knife has a pair of opposed clamping features separated by a smooth non-load bearing surface. The opposed inclined clamping features cooperate with similarly shaped features on the clamp to localize forces on the knife and hold the knife more stably in the clamp. These features are the subject of the '626 Patent.

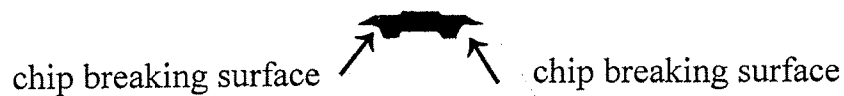
23. On information and belief the Key Knife's knife design of Figure 3 was not satisfactory and was replaced by Key Knife with the knife shown



in Figure 4 (below in cross-section and to scale). That knife continued use of the rib structure and chip breaking surfaces which infringe the '595 and '313 Patents. It also includes the opposed inclined clamping features disclosed and claimed in the '626 Patent and infringes that patent as well.



24. Key Knife has introduced yet another new knife for use in a smaller specialized wood working machine, as shown in Figure 5 (below in cross-section and to scale), which continues the use of the rib structure and chip breaking surfaces that infringes the '595 and '313 Patents.



COUNT ONE

INFRINGEMENT OF THE '595 PATENT BY KEY KNIFE

25. Iggesund incorporates herein and realleges, as if fully set forth in this paragraph, the allegations of paragraph 1 through 24 above.

26. By manufacturing, using, offering to sell, and selling disposable knives shown in Figures 2-5 above and/or the clamping assemblies and components used therewith, Key Knife has infringed and continues to infringe the '595 Patent.

27. By promoting, offering to sell, and selling the knives shown in Figures 2-5, Key Knife has actively induced and contributed to infringement of the '595 Patent by others, and continues to actively induce and contribute to the infringement by others, of the '595 Patent.

28. On information and belief, Key Knife's infringement of the '595 Patent is willful and entitles Iggesund to enhanced damages.

29. Iggesund has suffered and will continue to suffer irreparable harm and damage as a result of Key Knife's infringement of the '595 Patent.

## COUNT TWO

### INFRINGEMENT OF THE '313 PATENT BY KEY KNIFE

30. Iggesund incorporates herein and realleges, as if fully set forth in this paragraph, the allegations of paragraphs 1 through 24 above.

31. By manufacturing, using, offering to sell, and selling the knives shown in Figures 2-5 and the clamping assemblies or components used therewith, Key Knife has infringed the '313 Patent.

32. By promoting, offering to sell, and selling the knives shown in Figures 2-5, Key Knife has actively induced and contributed to infringement of the '313 Patent by others, and continues to actively induce and contribute to the infringement by others of the '313 Patent.

33. On information and belief Key Knife's infringement of the '313 Patent is willful and entitles Iggesund to enhanced damages.

34. Iggesund has suffered irreparable harm and damages as a result of Key Knife's infringement of the '313 Patent.

### COUNT THREE

#### INFRINGEMENT OF THE '626 PATENT BY KEY KNIFE

35. Iggesund incorporates herein and realleges, as if fully set forth in this paragraph, the allegations of paragraphs 1 through 24 above.

36. By manufacturing, using, offering to sell, and selling the knives shown in at least Figure 4 above and the clamping assemblies and components used therewith, Key Knife has infringed the '626 Patent.

37. By promoting, offering to sell, and selling the knives shown in at least Figure 4, Key Knife has actively induced and contributed to the infringement by others and continues to actively induce and contribute to the infringement by others of the '626 Patent.

38. On information and belief Key Knife's infringement of the '626 Patent is willful and entitles Iggesund to enhanced damages.

39. Iggesund has suffered irreparable harm and damages as a result of Key Knife's infringement of the '626 Patent.

#### PRAYER FOR RELIEF

WHEREFORE, by virtue of the unlawful conduct of Key Knife as alleged in this Complaint, plaintiffs Iggesund respectfully pray that:

1. The Court enter judgment that defendant Key Knife has infringed, actively induced infringement of, or contributed to the infringement of the '595 Patent, in violation of 35 U.S.C. § 271;

2. The Court enter judgment that defendant Key Knife has infringed, actively induced infringement of, or contributed to the infringement of the '313 Patent, in violation of 35 U.S.C. § 271;

3. The Court enter judgment that defendant Key Knife has infringed, actively induced infringement of, or contributed to the infringement of the '626 Patent, in violation of 35 U.S.C. § 271.

4. The Court enter a preliminary and, thereafter, a permanent injunction prohibiting defendant Key Knife, its agents, servants, and employees,

and all persons in active concert or participation with them, from further acts that infringe Iggesund's rights in the '595, '313 and '626 Patents.

5. The Court enter judgment awarding Iggesund damages adequate to compensate for infringement of the Asserted Patents as a result of the acts of defendant Key Knife, with such amounts to be determined by the trier of fact and to be increased as provided by applicable law;

6. The Court enter judgment increasing the damages for infringement of the Asserted Patents to three times the amount found by the jury or assessed by the Court, for defendant Key Knife's willful infringement of the Asserted Patents;

7. The Court enter judgment that Key Knife be required to pay to Iggesund its reasonable attorneys' fees pursuant to 35 U.S.C. § 285; and

8. The Court grant Iggesund such other and further relief as the Court deems just, proper and equitable.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand trial by jury as to all issues triable by jury in this action.

This 22<sup>nd</sup> day of February, 2007

Respectfully submitted,

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