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UNITED STATES DISTRICT COURT DISTRICT OF NEVADA

HYDRO ENGINEERING, INC., a Utah corporation and HYDRO ENGINEERING EQUIPMENT & SUPPLY CO., LLC, a Utah limited liability company,

CASE NO.:

COMPLAINT

JURY DEMANDED

Plaintiffs,

v.

IECOB'S INDUSTRIAL EQUIPMENT, INC., a California corporation

Defendant.

Plaintiffs Hydro Engineering, Inc. and Hydro Engineering Equipment & Supply Co., LLC, by and through counsel, allege and complain against Defendant IECOB's Industrial Equipment, Inc. as follows:

THE PARTIES

- 1. Plaintiff Hydro Engineering, Inc. (sometimes referred to herein as "HEI") is a Utah corporation having its principal place of business at 865 West 2600 South, Salt Lake City, Utah 84119. HEI, as an exclusive licensee of the patent in suit, manufactures and sells unique, patented wash pad systems having a novel side gutter or trough configuration throughout the United States.
- 2. Hydro Engineering Equipment & Supply Co., LLC (sometimes referred to herein as "HEPTR") is a Utah limited liability company having its principal place of business at 865 West 2600 South, Salt Lake City, Utah 84119. HEPTR owns the valid and enforceable United States Patent No. 7,258,749 ("the '749 patent"), entitled "Wash Fluid Containment System."

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The '749 patent issued August 21, 2007, a copy of which is attached as Exhibit A. HEPTR exclusively licenses the '749 patent to HEI. Plaintiffs are collectively referred to herein as "Hydro" or "Plaintiff."

3. Upon information and belief, Defendant IECOB's Industrial Equipment, Inc. ("Industrial Equipment" or "Defendant") is a California corporation having a place of business at 830 Cherry St., Chico, CA 95928. Upon information and belief, Defendant makes, uses, offers for sale and sells wash pad systems with a side gutter or trough configuration throughout the United States, including this judicial district.

JURISDICTION AND VENUE

- 4. This action is for patent infringement under 35 U.S.C. § 271. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338.
- 5. On information and belief, Defendant has offered for sale its infringing wash pads in the District of Nevada. This Court has personal jurisdiction over Defendant due to its infringing activities in the state of Nevada.
 - 6. Venue is proper in the District of Nevada pursuant to 28 U.S.C. § 1391.

GENERAL ALLEGATIONS

- 7. Defendant has made, used, offered for sale, and/or sold wash pad systems that, when used as intended, infringe one or more of the claims of the '749 patent (hereafter the "Infringing Systems"). Photographs of exemplary infringing systems sold by Defendant are attached as Exhibit B.
- 8. Defendant has actively engaged in contributory or induced infringement by advertising, product manuals, user instructions, and/or otherwise, to encourage use of the Infringing Systems in a way that directly infringes one or more claims of the '749 patent. On information and belief, Defendant intended to cause these acts, which it knew or should have known would directly infringe one or more claims of the '749 patent.
- 9. At no time has Hydro given Defendant or its customers permission, license, or authorization to use Hydro's patented wash pad technology as disclosed and claimed in the '749 patent.

CAUSE OF ACTION

(Infringement of the '749 Patent Under 35 U.S.C. § 271)

- 10. Hydro re-alleges and incorporates by this reference the preceding allegations of this Complaint.
- 11. Defendant's actions as described above, and specifically Defendant's unauthorized use, of the Infringing Systems constitute direct infringement of the '749 patent under 35 U.S.C. § 271.
- 12. Defendant's actions as described above, and specifically Defendant's active inducement of others to use the Infringing Systems in a manner that directly infringes one or more claims of the '749 patent constitute induced infringement of the '749 patent under 35 U.S.C. § 271.
- 13. Defendant's continued actions of making, using, importing, selling, offering for sale, and/or distributing the Infringing Systems has injured, is injuring, and will cause irreparable injury to Hydro and Hydro's patent rights and exclusive market position if not preliminarily and permanently enjoined by this Court.
- 14. To the extent Defendant continues to make, use, sell and/or offer for sale the Infringing Systems, Hydro is entitled to an injunction prohibiting Defendant from further making, using, selling, or offering to sell the Infringing Systems without permission or license from Hydro under 35 U.S.C. § 283.
- 15. Hydro is entitled to recover all damages caused by Defendant's direct and induced infringement, together with prejudgment interest and costs under 35 U.S.C. § 284.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that:

- A. the Court preliminarily and permanently enjoin Defendant, its officers, directors, principals, agents, servants, employees, successors and assigns, and all others aiding, abetting, or acting in concert or active participation therewith, from making, using, selling, or offering to sell the Infringing Systems, and from inducing others to use the Infringing Systems;
 - B. the Court enter judgment against Defendant for direct and induced infringement

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of the '749 patent under 35 U.S.C. § 271;

- the Court order that Defendant account to Plaintiff for all sales, revenues, and C. profits derived from the sale of the infringing systems, and that Defendant pay to Plaintiff all compensatory damages to which Plaintiff is entitled by law, including without limitation lost profits, reasonable royalties, price erosion damages, and convoyed sales damages;
- the Court award Plaintiff, against Defendant, the costs and reasonable attorneys' D. fees and expenses incurred in this action pursuant to 35 U.S.C. § 285 and the equity powers of the Court;
- the Court award Plaintiff prejudgment interest against Defendant on all sums E. allowed by law pursuant to 35 U.S.C. § 284;
- the Court award Plaintiff such other and further relief as the Court may deem just F. and proper.

JURY DEMAND

Plaintiff demands that all claims or causes of action raised in this Complaint be tried by a jury to the fullest extent possible under the United States Constitution.

DATED January 25, 2011.

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Attorneys for Plaintiff