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Attorney for Plaintiffs

UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

PORTLAND DIVISION

**SAGETECH CORPORATION, an Oregon
corporation,**

Plaintiff,

v.

**ZANE HOVEY, an individual, and ZAON
FLIGHT SYSTEMS, INC, a Texas
corporation,**

Defendants.

Civil Action No. 3:12-cv-1024

**COMPLAINT FOR DECLARATORY
RELIEF OF NONINFRINGEMENT OF
PATENT**

DEMAND FOR JURY TRIAL

Plaintiff Sagatech Corporation (“Sagatech”) brings this action for declaratory judgment against Zane Hovey (“Hovey”) and Zaon Flight Systems, Inc (Zaon”), collectively referred to as Defendants.

PARTIES

1. Plaintiff is a corporation organized and existing under the laws of Oregon with principal places of business at 1280 Alameda Road, Hood River, OR 97031 and 186 E. Jewett Boulevard, White Salmon, WA 98672.

2. Defendant Zane Hovey is an individual and based on information is a citizen and resident of Dallas, Texas.

3. Defendant Zaon Flight Systems, Inc. is a corporation organized and existing under the laws of Texas and has a principal place of business at 4951 Airport Parkway, Addison, TX 75001.

JURISDICTION AND VENUE

4. Plaintiff brings this action under Title 35 of the United States Code, and under 28 U.S.C. § 2201, to obtain a declaration of non-infringement and invalidity with respect to U.S. Patent No. 8,072,374 (“the ‘374 Patent”), titled “Automatic Dependant [sic] Surveillance System.”

5. The Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1338(a) for claims arising under the patent laws of the United States.

6. The Court has personal jurisdiction over the Defendants because the Defendants transact business within this forum and because Defendants’ conduct outside this jurisdiction is causing injury in this forum.

7. Venue is proper in this Court, pursuant to 28 U.S.C. §§ 1391 and 1400, in that a substantial part of the events giving rise to the claims occurred in this district, and based on information and belief, Defendants transact business in this district.

GENERAL ALLEGATIONS

8. On December 6, 2011, the ‘374 patent was issued by the United States Patent and Trademark Office. A true and correct copy of the ‘374 Patent is attached as Exhibit A to this Complaint.

9. Hovey is the owner of all right, title and interest in and to the ‘374 Patent.

10. Based on information and belief, Zaon is the exclusive licensee of all right, title and interest in and to the '374 Patent.

11. Plaintiff manufactures and sells automatic dependent surveillance-broadcast receivers ("ADS-B receivers).

12. On or about May 23, 2012, Hovey mailed a letter to Plaintiff on Zaon stationery demanding that Plaintiff contact him regarding obtaining a license to manufacture ADS-B systems.

13. In the '374 patent, Hovey distinguishes the '374 patent from the prior art by incorporating the element "in response to the timing information" from a global positioning system receiver in each of the independent claims. Despite the fact that Plaintiff manufactures no ADS-B receivers that decode information in response to timing information from a global positioning system receiver, Defendants nonetheless assert the '374 patent against Plaintiff.

14. The dispute between Plaintiff and Defendants is definite and concrete, and affects the legal relations having adverse legal interests in that Defendants contend that Plaintiff's products are infringing the '374 patent. Thus, Plaintiff is at risk if Defendants are correct. The dispute admits of specific relief through a decree of a conclusive character.

FIRST COUNT

Declaratory Judgment of Noninfringement and Invalidity of the '374 Patent

15. Plaintiff incorporates by reference its allegations set forth in paragraphs 1-14.

16. Plaintiff has not infringed and is not infringing, either directly by inducement or contributorily, the '374 patent, either literally or under the doctrine of equivalents.

17. The '374 patent is invalid under one or more of 35 U.S.C. §§ 102, 103, and 112

because the invention is obvious and the patent is indefinite and not enabled. For example, the patent fails to adequately describe how the system utilizes timing information from the global positioning system receiver.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court:

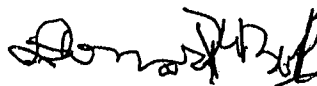
- A. Declare that Plaintiff has not infringed and is not infringing any claims of the '374 patent;
- B. Declare that the claims of the '374 patent are invalid; and
- C. Award Plaintiff such other and further relief as this Court may deem just and proper.

JURY DEMAND

Plaintiff demands a trial by jury.

DATED: June 8, 2012.

Respectfully submitted,



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