

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WISCONSIN**

EXTANG CORPORATION and
UNDERCOVER, INC.,

Case No. 12-cv-372

Plaintiffs,

v.

LAURMARK ENTERPRISES INC.,
BAK INDUSTRIES, INC., JULIAN MAIMIN,
and ISRAEL MAIMIN,

Defendants.

THIRD AMENDED COMPLAINT

Plaintiffs Extang Corporation (“Extang”) and UnderCover, Inc. (“UCI”) (collectively, “Plaintiffs”) file this Third Amended Complaint against the Defendants Laurmark Enterprises Inc. (“Laurmark”), BAK Industries, Inc. (“BAK”), Julian Maimin, and Israel Maimin (collectively, “Defendants”) alleging as follows:

THE PARTIES

1. Extang is a corporation organized and existing under the laws of the State of Michigan with its principal place of business located at 1901 East Ellsworth Road, Ann Arbor, Michigan 48108.

2. Extang is in the business of making and selling tonneau covers and related products, including products under the Solid Fold and Encore trade names.

3. UCI is a corporation organized and existing under the laws of the State of Delaware with its principal place of business located at 59 Absolute Drive, Rogersville, Missouri 65742.

4. UCI is in the business of making and selling tonneau covers and related products, including products under the Flex trade name.

5. Extang and UCI are wholly-owned subsidiaries of Tectum Holdings, Inc. (“THI”), a wholly owned subsidiary of THI-UnderCover Holdings, Inc.

6. On information and belief, Laurmark Enterprises Inc. is a Texas corporation with its principal place of business located at 720 Jessie Street, San Fernando, California 91340. Laurmark does business under the name of BAK Industries, Inc.

7. On information and belief, Laurmark and BAK are in the business of making and selling tonneau covers and related products.

8. Julian and Israel Maimin are listed as inventors on U.S. Patent Nos. 7,537,264 (“the ‘264 patent”), 8,061,758 (“the ‘758 patent”), and 8,182,021 (“the ‘021 patent”), attached as Exhibits C, D, and E, respectively.

9. On information and belief, Julian Maimin is a resident of Los Angeles County, California, and possessed an ownership interest in the ‘264 patent, the ‘758 patent, and the ‘021 patent at some point during the period of time in question. On information and belief, Julian Maimin and Laurmark Enterprises Inc. dba BAK Industries entered into an Intellectual Property License Agreement dated May 28, 2012 relating to the ‘264 patent, the ‘758 patent, and the ‘021 patent. On information and belief, Israel Maimin signed the Intellectual Property License Agreement on behalf of Laurmark Enterprises, Inc.

10. On information and belief, Israel Maimin is a resident of Los Angeles County, California, and possessed an ownership interest in the ‘264 patent, the ‘758 patent, and the ‘021 patent at some point during the period of time in question.

JURISDICTION AND VENUE

11. Plaintiffs bring this action under the patent laws of the United States, 35 U.S.C. § 1, *et seq.*, and the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202. Thus, this Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

12. This Court has personal jurisdiction over the Defendants because, upon information and belief, Defendants regularly transact business in the State of Wisconsin and in this judicial district by, among other things, offering for sale and selling products in this district. At a minimum, Defendants place their products, including the infringing products identified in this Complaint, into the stream of commerce knowing that such products will be sold and/or offered for sale in this district.

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

THE EXTANG ASSERTED PATENTS

14. On June 22, 2004, United States Patent No. 6,752,449 (“the ‘449 patent”) was duly and legally issued to Donald G. Wheatley for an invention entitled “Roll Up Tonneau Cover System.” Extang is the current owner by assignment of the ‘449 patent. A copy of the ‘449 patent is attached hereto as Exhibit A and made a part of this Complaint.

15. On October 26, 2004, United States Patent No. 6,808,221 (“the ‘221 patent”) was duly and legally issued to Donald G. Wheatley for an invention entitled “Tonneau Cover System With Adjustment Limit.” Extang is the current owner by assignment of the ‘221 patent. A copy of the ‘221 patent is attached hereto as Exhibit B and made a part of this Complaint.

FACTS IN SUPPORT OF DECLARATORY JUDGMENT JURISDICTION

16. Upon information and belief, Laurmark and BAK are licensees of several United States patents, including the ‘264 patent and the ‘758 patent. Upon information and belief,

Laurmark and BAK are also licensees of the '021 patent (the three patents will be referred to collectively as the "BAK Patents"). The BAK Patents relate generally to tonneau covers.

17. Laurmark, doing business as BAK, has lodged accusations of infringement of the '264 patent, the '758 patent and the recently allowed U.S. Patent Application No. 13/227,373 (now the '021 patent) against Plaintiffs' customers based on their sale of UCI Flex products supplied to those customers.

18. Specifically, in a letter dated March 1, 2012, Laurmark, doing business as BAK, notified Plaintiffs' customer of BAK's issued patents, U.S. Patent Nos. 7,537,264 and 8,061,758, as well as its recently allowed U.S. Patent Application No. 13/227,373 (now the '021 patent). BAK warned of the potential liability for patent infringement under 35 U.S.C. § 271(a) and asserted that "UnderCover's Flex model products may be infringing one or more of the claims of BAK's two issued patents or soon to be issued patent." BAK then asked the customer to "voluntarily refrain from the sale and or proposed sale of the Flex model products for at least the next 30 days, that is, through March 31, 2012 so that we can seek to resolve this matter amicably with UnderCover, Inc."

19. Laurmark, doing business as BAK, has also recently mentioned patent infringement litigation to Plaintiff's corporate parent with reference to UCI's Flex product. Upon information and belief, Laurmark and BAK, as licensees of the BAK Patents, have the right to assert the BAK Patents.

20. On May 30, 2012, Laurmark filed a complaint against Extang and UCI in the United States District Court for the Central District of California, Western Division (Case No. 2:12-CV-04702-SJO-MAN). Laurmark and Julian Maimin filed an amended complaint on September 12, 2012. In the amended complaint, Laurmark and Julian Maimin

identified three of Plaintiffs' products: the Extang Encore cover, the Extang Solid Fold cover and the UCI Flex cover. Laurmark and Julian Maimin identified the '264 patent, the '758 patent, and the '021 patent as being infringed by Plaintiffs. Laurmark and Julian Maimin also alleged that Plaintiffs induced others to infringe these patents.

21. Based on the foregoing facts, a justiciable controversy has arisen and exists between Plaintiffs and Defendants concerning the infringement and invalidity of the BAK Patents.

COUNT I
PATENT INFRINGEMENT OF THE '449 PATENT

22. Extang realleges and incorporates by reference the foregoing paragraphs of this Complaint as though fully set forth herein.

23. Laurmark and BAK have directly infringed, induced infringement, and/or contributorily infringed and continue to infringe, induce infringement of and/or contributorily infringe the '449 patent pursuant to 35 U.S.C. § 271, literally or under the doctrine of equivalents, in this district and elsewhere in the United States, by making, using, selling, offering to sell and/or importing folding tonneau covers under the BAKFlip trade name, and by causing others to use Laurmark's and BAK's infringing products.

24. As a direct and proximate result of Laurmark's and BAK's patent infringement, Extang has suffered injury and damage, which continues to accrue, in an amount to be determined at trial.

25. Laurmark's and BAK's infringing activities have caused and will continue to cause Extang irreparable harm unless the infringement is enjoined by this Court.

COUNT II
PATENT INFRINGEMENT OF THE '221 PATENT

26. Extang realleges and incorporates by reference the foregoing paragraphs of this Complaint as though fully set forth herein.

27. Laurmark and BAK have directly infringed, induced infringement, and/or contributorily infringed and continue to infringe, induce infringement of and/or contributorily infringe the '221 patent pursuant to 35 U.S.C. § 271, literally or under the doctrine of equivalents, in this district and elsewhere in the United States, by making, using, selling, offering to sell and/or importing folding tonneau covers under the BAKFlip and Roll-X trade names, and by causing others to use Laurmark's and BAK's infringing products.

28. As a direct and proximate result of Laurmark's and BAK's patent infringement, Extang has suffered injury and damage, which continues to accrue, in an amount to be determined at trial.

29. Laurmark's and BAK's infringing activities have caused and will continue to cause Extang irreparable harm unless the infringement is enjoined by this Court.

COUNT III
DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF THE '264 PATENT

30. Plaintiffs reallege and incorporate by reference the foregoing paragraphs of this Complaint as though fully set forth herein.

31. The UCI Flex product has not been and is not now infringing any claim of the '264 patent, either directly or indirectly, literally or under the doctrine of equivalents.

32. The Extang Solid Fold product has not been and is not now infringing any claim of the '264 patent, either directly or indirectly, literally or under the doctrine of equivalents.

33. The Extang Encore product has not been and is not now infringing any claim of the '264 patent, either directly or indirectly, literally or under the doctrine of equivalents.

COUNT IV
DECLARATORY JUDGMENT OF INVALIDITY OF THE '264 PATENT

34. Plaintiffs reallege and incorporate by reference the foregoing paragraphs of this Complaint as though fully set forth herein.

35. The '264 patent is invalid for failure to comply with the conditions of patentability, including but not limited to 35 U.S.C. §§ 101 *et seq.*, including but not limited to §§ 101, 102, 103, and/or 112. For example, if the claims are read broadly enough to cover all of the Extang and UCI products in question then all of the claims of the '264 patent are invalid under 35 U.S.C. §§ 102 and 103 because the prior art discloses all of the elements of those claims. The relevant prior art includes but is not limited to U.S. Patent No. 4,221,423, and Laurmark's and BAK's own prior art, including the BAK RollBak Tonneau Cover ("RollBAK") product and U.S. Patent No. 5,564,773, which are all within the scope of the prior art relevant to the claims of the '264 patent. Any differences between this prior art and the claims of the '264 patent would have been obvious to one of ordinary skill in the art, and the claims are therefore invalid under 35 U.S.C. § 103 at the time of the invention.

COUNT V
DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF THE '758 PATENT

36. Plaintiffs reallege and incorporate by reference the foregoing paragraphs of this Complaint as though fully set forth herein.

37. The UCI Flex product has not been and is not now infringing any claim of the '758 patent, either directly or indirectly, literally or under the doctrine of equivalents.

38. The Extang Solid Fold product has not been and is not now infringing any claim of the '758 patent, either directly or indirectly, literally or under the doctrine of equivalents.

39. The Extang Encore product has not been and is not now infringing any claim of the '758 patent, either directly or indirectly, literally or under the doctrine of equivalents.

COUNT VI
DECLARATORY JUDGMENT OF INVALIDITY OF THE '758 PATENT

40. Plaintiffs reallege and incorporate by reference the foregoing paragraphs of this Complaint as though fully set forth herein.

41. The '758 patent is invalid for failure to comply with the conditions of patentability, including but not limited to 35 U.S.C. §§ 101 *et seq.*, including but not limited to §§ 101, 102, 103, and/or 112. For example, if the claims are read broadly enough to cover all of the Extang and UCI products in question then all of the claims of the '758 patent are invalid under 35 U.S.C. §§ 102 and 103 because the prior art discloses all of the elements of those claims. The relevant prior art includes but is not limited to U.S. Patent Nos. 6,527,330 and 4,747,441, which are both within the scope of the prior art relevant to the claims of the '758 patent. Any differences between this prior art and the claims of the '758 patent would have been obvious to one of ordinary skill in the art, and the claims are therefore invalid under 35 U.S.C. § 103 at the time of the invention.

COUNT VII
DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF THE '021 PATENT

42. Plaintiffs reallege and incorporate by reference the foregoing paragraphs of this Complaint as though fully set forth herein.

43. The UCI Flex product has not been and is not now infringing any claim of the '021 patent, either directly or indirectly, literally or under the doctrine of equivalents.

44. The Extang Solid Fold product has not been and is not now infringing any claim of the '021 patent, either directly or indirectly, literally or under the doctrine of equivalents.

45. The Extang Encore product has not been and is not now infringing any claim of the '021 patent, either directly or indirectly, literally or under the doctrine of equivalents.

COUNT VIII
DECLARATORY JUDGMENT OF INVALIDITY OF THE '021 PATENT

46. Plaintiffs reallege and incorporate by reference the foregoing paragraphs of this Complaint as though fully set forth herein.

47. The '021 patent is invalid for failure to comply with the conditions of patentability, including but not limited to 35 U.S.C. §§ 101 *et seq.*, including but not limited to §§ 101, 102, 103, and/or 112. For example, if the claims are read broadly enough to cover all of the Extang and UCI products in question all of the claims of the '021 patent are invalid under 35 U.S.C. §§ 102 and 103 because the prior art discloses all of the elements of those claims. The relevant prior art includes but is not limited to Laurmark's and BAK's own prior art, including the BAK RollBak Tonneau Cover ("RollBAK") product and U.S. Patent No. 5,564,773, which are both within the scope of the prior art relevant to the claims of the '021 patent. The RollBAK product renders several of the claims of the '021 patent invalid under 35 U.S.C. § 102 because all of the elements of those claims are present in the prior art RollBAK product. In addition, any differences between the RollBAK product and U.S. Patent No. 5,564,773 and the claims of the '021 patent would have been obvious to one of ordinary skill in the art, and the claims are therefore invalid under 35 U.S.C. § 103 at the time of invention.

JURY DEMAND

Plaintiffs demand a trial by jury on all matters and issues triable by a jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray that this Court enter judgment in their favor on each and every claim for relief set forth above and an award for relief including, but not limited to, the following:

- A. An order permanently enjoining Laurmark and BAK and their officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with it from manufacturing, importing, using, offering to sell and selling the BAKFlip and Roll-X products, or any other product that infringes '449 patent or the '221 patent;
- B. A judgment that Laurmark and BAK have willfully and deliberately committed acts of patent infringement;
- C. An order declaring that the UCI Flex product and the Extang Solid Fold and Encore products have not been and are not now infringing the '264 patent, either directly or indirectly, literally or under the doctrine of equivalents, willfully or otherwise;
- D. An order declaring that every claim of the '264 patent is invalid;
- E. An order declaring that the UCI Flex product and the Extang Solid Fold and Encore products have not been and are not now infringing the '758 patent, either directly or indirectly, literally or under the doctrine of equivalents, willfully or otherwise;
- F. An order declaring that every claim of the '758 patent is invalid;
- G. An order declaring that the UCI Flex product and the Extang Solid Fold and Encore products have not been and are not now infringing the '021 patent, either

directly or indirectly, literally or under the doctrine of equivalents, willfully or otherwise;

- H. An order declaring that every claim of the '021 patent is invalid;
- I. An award of actual monetary damages that Extang has incurred as a result of Laurmark's and BAK's infringement of the '449 and '221 patents, in an amount to be determined at trial;
- J. An award of Plaintiffs' attorneys' fees, costs, and disbursements incurred in prosecuting this action; and
- K. An award to Plaintiffs of such other further relief as the Court deems just and equitable.

Dated this 7th day of December, 2012.

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