

**UNITED STATES DISTRICT COURT  
DISTRICT OF MAINE**

<b>IDEXX DISTRIBUTION, INC.,</b>	)	
	)	
<b>Plaintiff,</b>	)	
<b>v.</b>	)	
	)	
<b>CHATSWORTH VETERINARY CENTER, INC.</b>	)	<b>Docket No:</b>
	)	
	)	
<b>Defendant.</b>	)	

**COMPLAINT**

NOW COMES Plaintiff IDEXX Distribution, Inc. (“IDEXX Distribution”) for its complaint against Defendant Chatsworth Veterinary Center. Inc. (“Chatsworth”) and states as follows:

**PARTIES**

1. Plaintiff IDEXX Distribution, Inc. is a Massachusetts corporation registered to do business in the State of Maine with a principal place of business at One IDEXX Dr., Westbrook, Maine 04092. IDEXX Distribution operates some of its laboratory business under the name IDEXX Reference Laboratories. IDEXX Distribution is an affiliate of IDEXX Laboratories, Inc., a leader in diagnostics and information technology solutions for animal health and water and milk quality.

2. Defendant Chatsworth Veterinary Center, Inc. (“Chatsworth”) is a California corporation with a principal place of business at 21418 Devonshire Street, Chatsworth, California 91311.

**JURISDICTION AND VENUE**

3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332(a)(1) based on diversity of citizenship between Plaintiff and Defendant. The amount in controversy, exclusive of interest and costs, exceeds \$75,000, as specified by 28 U.S.C. § 1332(a).

4. The Court has personal jurisdiction over Defendant and venue is proper in this District pursuant to 28 U.S.C. § 1391(b) because Plaintiff has a principal place of business in this District and a substantial part of the events giving rise to the claims set forth occurred within this District.

**FACTUAL BACKGROUND**

5. On April 1, 2016, IDEXX Distribution and Chatsworth entered into the “IDEXX Reference Laboratory Services Agreement” (the “Agreement”), an agreement for veterinary reference laboratory services.

6. Reference laboratory services are those in which a specimen is sent, or “referred,” to an outside laboratory for analysis.

7. The Agreement provides that from April 1, 2016, through the Agreement’s end date of March 31, 2022, in exchange for a volume rebate and a substantial discount off of list price, Chatsworth will use IDEXX for at least 90% of its annual reference laboratory services and will purchase at least \$57,133 annually, \$4,761 monthly, (the “Annual Minimum Purchase Amount”) of reference laboratory services.

8. The Agreement provides that the Annual Minimum Purchase Amount “is calculated net of taxes, shipping, allowances, credits and discounts.”

9. Dr. Susan Milder executed the Agreement on behalf of Chatsworth and had a full opportunity to review the Agreement prior to signing.

10. Before she executed the Agreement on behalf of Chatsworth, Dr. Milder said she would be reviewing it with her attorney. On information and belief, she did so.

11. As of on or around March 3, 2017, contrary to the Agreement, Chatsworth has substantially stopped using IDEXX's reference laboratory services and has failed to meet the purchase levels for reference laboratory services.

12. Based on the Annual Minimum Purchase Amount over the remaining term of the Agreement, IDEXX's lost profits as a result of Chatsworth's breach are at least \$203,295. Based on Chatsworth's actual historic purchasing levels and the exclusivity provision of the Agreement, however, IDEXX estimates that its lost profits are actually at least \$220,973.

#### **COUNT I – BREACH OF CONTRACT**

13. Plaintiff repeats and restates the allegations contained in paragraphs 1 through 12 of this Complaint as if set forth in full.

14. IDEXX and Chatsworth entered into a binding, enforceable Reference Laboratory Services Agreement by which IDEXX agreed to provide Chatsworth with substantial discounts and rebates in exchange for Chatsworth's agreement to exclusively use IDEXX laboratories (at a level of 90%) for its reference laboratory services and to purchase reference laboratory services at agreed-to levels for a period of six years.

15. Chatsworth breached the Agreement by transferring its reference laboratory business from IDEXX, thereby failing to exclusively use IDEXX reference laboratory services and failing to meet its minimum purchasing requirements.

16. As a result of Chatsworth's breach, IDEXX has suffered and continues to suffer substantial harm.

17. All conditions precedent to the maintenance of this action have been met.

WHEREFORE, Plaintiff IDEXX Distribution, Inc. requests entry of judgment against Defendant Chatsworth Veterinary Center, Inc., for all damages, costs, and attorneys fees, and such other and further relief this Court deems just and reasonable.

Dated: March 6, 2019

/s/ Adrienne E. Fouts  
Adrienne E. Fouts

Attorney for Plaintiff

Drummond Woodsum & MacMahon  
84 Marginal Way, Suite 600  
Portland, Maine 04101  
Tel: (207) 772-1941  
Fax: (207) 772-3627  
afouts@dwmlaw.com