
AMERICAN ARBITRATION ASSOCIATION

S A INTERNATIONAL, INC., a
Utah Corporation, **and SAIEP, LLC**, a
Florida Limited Liability Company,

Claimants,

v.

ARTISTIC AUTOMATION, INC., a
Colorado corporation now doing
business as **SCALAR TOOLS INC.**
(dba IBEX), a Colorado corporation,
and **JEFFREY HARTMAN, KENT
HARTMAN**, and **JACOB
HARTMAN** individuals,

Respondents.

Verified Demand for Arbitration

AAA Case No.:

I. INTRODUCTION

1. Claimants SA International, Inc. (“SAi”) and SAIEP, LLC, (“SAIEP”) (“Claimants”) bring this action against Artistic Automation, Inc., a Colorado corporation, formerly Artistic Automation, LLC, a Colorado limited liability company (collectively, “Artistic Automation”), now doing business as Scalar Tools Inc., a Colorado corporation, under the dba “IBEX,” and their owners and principals Jeffrey Hartman, Kent Hartman, and Jacob Hartman (all collectively together, “Respondents”) to enjoin Respondents’ trademark infringement,

copyright infringement, misappropriation of trade secrets, breach of contract, breach of the covenant of good faith and fair dealing, fraud, fraud in the inducement, and tortious interference relating to Claimants' highly successful EnRoute® software platform. Claimants' EnRoute® software is a CAD/CAM software system that provides 2D and 3D design and toolpath capabilities for Computer Numerical Control ("CNC") routers, lasers, plasma and waterjet cutters. Respondents have recently introduced a knockoff version of the EnRoute® software named "IBEX CNC."

2. Respondents' unlawful conduct includes, but is not limited to: (i) infringing the well-known EnRoute® trademark by branding numerous screens, executables, and XML files of IBEX CNC with the EnRoute® trademark; (ii) infringing Claimant's copyright in the EnRoute® code; (iii) misappropriating Claimants' trade secrets by selling their software product with its "Ibex Helical" feature that duplicates and misappropriates the confidential "spiral-down" or "spiral-helix routing" feature request Claimants shared with Respondents on May 11, 2022 as a trade secret; (iv) breaching License and Source Code Purchase Agreements ("Agreements"); (v) engaging in tortious interference with clients and prospective clients; (vi) interfering with prospective economic advantage by hiring former employees of SAI subject to Non-Disclosure Agreements and inducing these former employees to disclose trade secrets including, but not limited to,

confidential customer lists and thus targeting SAi customers to divert sales to Respondents' competing product; and (vii) engaging in fraud and fraud in the inducement by representing to SAi that Respondents intended to retire and no longer be active in the business and market in which EnRoute® is engaged.

3. Claimants seek preliminary and permanent injunctive relief, an equitable accounting, an equitable disgorgement of all revenues and/or profits wrongfully obtained, damages, statutory damages, exemplary damages, punitive damages, rescission of the agreements and return of payments made by Claimants to Respondents, their attorneys' fees and costs, as well as other appropriate relief. Claimants also seek immediate production of Respondents' source code from their IBEX CNC software so that Claimants can further demonstrate Respondents' unlawful and egregious conduct.

II. PARTIES

4. Claimant SA International, Inc. ("SAi") is a Utah Corporation with its principal place of business at 1265 E. Fort Union Blvd., Suite #130, Midvale, UT 84047.

5. Claimant SAIEP, LLC ("SAIEP") is a Florida limited liability company with a place of business at 5531 Cannes Circle, Suite 703, Sarasota, Florida 34231.

6. Respondent Artistic Automation Inc. is a Colorado corporation doing business at 2231 Lake Avenue, Eastlake, CO 80614, formerly doing business as Artistic Automation, LLC.
7. Artistic Automation Inc. now does business as Scalar Tools Inc., a Colorado corporation, with its principal place of business at 2231 Lake Avenue, Eastlake, CO 80614. Scalar Tools Inc. does business under the brand name IBEX.
8. Respondents Jeffrey, Kent, and Jacob Hartman are principals of both Artistic Automation Inc. and Scalar Tools Inc. and are the moving, conscious, and active forces behind the unlawful acts, and actively participated in and approved the unlawful acts of Artistic Automation Inc. and Scalar Tools Inc.
9. Jeffrey and Kent Hartman are brothers. Jeffrey and Jacob Hartman are father and son.
10. Claimants are informed and believe, and therefore allege, that each Respondent was the agent, employee, partner, alter ego, and/or joint venturer of each of the other Respondents, and in committing the acts alleged herein, was acting within the course and scope of that relationship and with permission and consent of the other Respondents, and that they have acted in concert with each other in connection with the allegations herein.

III. JURISDICTION

11. The American Arbitration Association (“AAA”) has jurisdiction over this action pursuant to the “Source Code Purchase Agreement and Non-Exclusive License” dated April 17, 2023 (the “Purchase Agreement”). A copy of the Purchase Agreement is attached as Exhibit A.

12. Section 11 of the Purchase Agreement provides:

Any and all disputes arising out of, or in connection with this Agreement, transactions in any way related to this Agreement, and/or the relationship between the parties created under this Agreement will be settled by binding arbitration with the Salt Lake City, Utah, U.S.A. office of the American Arbitration Association (“AAA”). Arbitration proceedings will be conducted in Salt Lake City, Utah....

IV. FACTUAL ALLEGATIONS

13. **The 2005 License.** SAi entered into a License Agreement with Artistic Automation on April 2, 2005 (the “License Agreement”). A copy of the 2005 License Agreement is attached as Exhibit B. Under §§ 1.3, 8.1, and 8.6 of the License Agreement, SAi received an exclusive license to the EnRoute® software in the sign and wood markets (“EnRoute® Markets”), and Artistic Automation through the Respondents agreed not to market any competing software in the EnRoute® Markets.

14. **Trademark Ownership and Trademark Infringement.** SAi is the owner of U.S. Trademark Reg. No. 2,009,420 for the trademark EnRoute®. Section 2.3

of the License Agreement affirms SAi's ownership of the EnRoute® trademark. Moreover, Section 1(e) of the Purchase Agreement acknowledges that the "Retained Rights" of the Seller, Artistic Automation, **"shall not include the right to sell, offer to sell, or distribute the Software using the 'EnRoute' trademark."** (emphasis added.) "Software" is defined in the Purchase Agreement as the **"software sold under the EnRoute trademark."** (emphasis added.) As set forth herein, Respondents are infringing the EnRoute® trademark. Consequently, they are also breaching the Purchase Agreement.

15. **Source-Code Purchase Agreement.** On April 17, 2023, the parties executed the Purchase Agreement. A copy is attached hereto as Exhibit A. While the Purchase Agreement included "Retained Rights" under Section 1(e) that granted some non-exclusive rights to use certain code, it did not transfer trademark rights, copyright, trade secret information, or customer lists, and it expressly preserved SAi's ownership of those assets. Nonetheless, Respondents have repeatedly breached the Purchase Agreement.

16. **Respondents received over \$15 million in payments.** Over the course of a business relationship that spanned more than 25 years, during which time Artistic Automation developed the software marketed by SAi under the EnRoute® trademark, SAi estimates that it paid Artistic Automation and Respondents over \$15 million dollars. Based on SAi's accounting system records, Artistic

Automation received payments of \$9,207,190.53 from October 31, 2011 through April 18, 2023. SAI also has physical accounting records in its warehouse for payments prior to October 31, 2011 going back many years, possibly to the late 1990s when SAI and Artistic Automation first entered into a marketing arrangement. SAI believes these physical records amount to at least \$6 million in payments over 13 years or more to Artistic Automation. In total, payments of over \$15 million were paid to Artistic Automation and Respondents.

17. **Purchase price rescission.** SAI paid Artistic Automation \$953,150 on April 17, 2023 pursuant to the Purchase Agreement. However, Artistic Automation and other Respondents have breached the Purchase Agreement by selling, offering for sale and distributing the Ibex software using the EnRoute® name. SAI hereby demands rescission of the \$953,150 payment to Artistic Automation because their bad faith dealings and breach of contract provides a right of rescission as a remedy.

18. **Fraud and Fraud in the Inducement.** In April 2023, Respondents Jeffrey, Kent, and Jacob Hartman fraudulently represented that they were retiring and would not engage in further development, marketing or use of any software relating to the CNC market. In reasonable reliance upon Respondents' fraudulent misrepresentation, Claimants entered into the Purchase Agreement and paid them \$953,150. Claimants would not have entered into the Purchase Agreement and would not have paid Respondents nearly \$1 million, if Respondents had not made

these fraudulent misrepresentations. Claimants were shocked to learn that Jeffrey, Kent, and Jacob Hartman then developed a knockoff software product that competes directly with the EnRoute® software. **Jacob Hartman incorporated Scalar Tools Inc. to compete with SAI barely three weeks after payment of the \$953,150 was made to Respondents.** (A copy of the summary of corporate formation of Scalar Tools, Inc. on May 9, 2023 from the Colorado Secretary of State website is attached as Exhibit F.)

19. **Copyright Registration and Infringement.** SAI has obtained a copyright registration for its EnRoute® software. A copy of the registration is attached hereto as Exhibit C. Claimants are informed and believe that Respondents' IBEX CNC software infringes Claimants' EnRoute® software and hereby demand that Respondents immediately produce for inspection a copy of their source code for the IBEX CNC software.

20. **Confidential Trade Secret Features and Misappropriation of Trade Secrets.** During the EnRoute® license period, SAI logged confidential, future feature concepts (including "spiral-down" or "spiral-helix routing") in a secure ticketing system. SAI shared this confidential and proprietary information in furtherance of the development obligations set forth in Section 5.2 of the License Agreement. Exhibit D includes a screenshot of the "spiral-down" or "spiral-helix" feature submitted by SAI on May 11, 2022. Artistic Automation never

implemented the spiral-down trade secret/feature for SAi in the EnRoute® source code. Accordingly, the “Existing Enroute Software,” as defined in the Purchase Agreement, did not include the spiral-down feature. Contrary to their obligations to Claimants, Respondents have misappropriated the spiral-down trade secret and incorporated it in Respondents’ knockoff IBEX CNC software. Such misappropriation irreparably harms Claimants. Claimants are informed and believe that Respondents’ IBEX CNC software misappropriates trade secrets incorporated in Claimants’ EnRoute® software, and hereby demand that Respondents immediately produce for inspection a copy of their source code from the IBEX CNC software.

21. **Ibex Infringing and Competing Software.** Respondents and Artistic Automation, now doing business as Scalar Tools, Inc., launched its IBEX CNC Software on or about July 23, 2025 (the “Ibex Platform”). The Ibex Platform directly competes with Claimants’ EnRoute® software.

22. **Ibex Trademark Infringements.** Despite the U.S. Trademark Registration for EnRoute® and the trademark provisions of the License Agreement and Purchase Agreement, the Ibex Platform misappropriates and infringes the EnRoute® trademark, including in product names such as “EnRoute Label Designer,” “EnRoute Label Maker,” “EnRoute Boxter,” and in the XML of the Ibex installation files. Exhibit E includes screenshots of examples of the Ibex

Platform using the EnRoute® trademark. Such infringement irreparably harms Claimants.

23. **Tortious Interference and Interference with Prospective Economic Advantage by the Targeting of Claimants' Customers.** Respondents have hired former SAi employees and/or consultants who are subject to Non-Disclosure and Confidentiality provisions. Respondents have tortiously interfered with the obligations these former employees have under their Non-Disclosure and Confidentiality Agreements by leveraging the customer lists, reseller contacts, and former-employee knowledge they received while acting as SAi's licensor and otherwise, and Respondents have further solicited multiple SAi customers and former SAi employees to migrate to the Ibex Platform.

24. **Resulting Damages and Irreparable Harm.** Claimants have already lost subscription renewals and upgrade revenue, suffered irreparable harm and confusion resulting from the misappropriation and infringement of their EnRoute® trademark and brand and misappropriation of trade secrets, and have incurred internal remediation expenses. Without immediate arbitral relief, those damages and irreparable harms will compound and continue.

25. **Alter ego.** Claimants are informed and believe that Artistic Automation and Scalar Tools Inc. are the alter egos of the Jeffrey, Kent and Jacob Hartman.

Consequently, the actions of each and every Respondent has bearing and liability on all Respondents.

CLAIMS FOR RELIEF

- 1. Breach of Contract:** Respondents have breached the Agreements between the Claimants and Respondents by, among other things,
 - a. Respondents have used confidential product roadmap information to develop the “helical” feature of the Ibex Platform.
 - b. Respondents have used confidential customer lists and contact information to sell and advertise its competing Ibex Platform.
 - c. Respondents have continued to misappropriate the EnRoute® trademark.
 - d. Respondents have continued to infringe on Claimants’ trademark of EnRoute® and thereby have breached the Purchase Agreement.
 - e. Respondents are entitled to damages resulting from these breaches as well as the remedy of rescission and return of the nearly \$1 million Claimants paid as part of the Purchase Agreement.
- 2. Trademark Infringement and Unfair Competition:** Respondents have engaged in Trademark Infringement, False Designation of Origin, and Unfair Competition in violation of Sections 32(1) and 43(a) of the United States Trademark Act of 1946, as amended by the Trademark

Counterfeiting Act of 1984 (15 U.S.C. §§ 1114(1), and 1125(a)) (the “Lanham Act”) by among other things:

- a. Continued misappropriation of the EnRoute® trademark in product graphic user interfaces (“GUIs”), installer files, XML manifests, and Information Pages which is likely to cause confusion and is actionable under the Lanham Act.

3. Copyright Infringement (17 U.S.C. §§ 101 et seq.) Respondents have infringed Claimants’ copyrights by among other things using Claimants’ copyrighted material and code in Respondents’ products.

4. Misappropriation of Trade Secrets (Federal Defend Trade Secrets Act (“DTSA”) (18 U.S.C § 1836) and Colorado Trade Secret Act Colo. Rev. Stat. §7-74-101 et seq.) Respondents misappropriated Claimants’ trade secrets by, among other things, misappropriating:

- a. Claimants’ product roadmap tickets and the “spiral-down” or “spiral-helix routing” trade secrets, and
- b. Claimants’ customer lists.

5. Breach of the Implied Covenant of Good Faith & Fair Dealing, and Fraud. Respondents breached the covenant of Good Faith & Fair Dealing by, among other things:

- a. Depriving Claimants of the benefit of its bargain by exploiting SAi's confidential information and misappropriating Claimants' trade secrets, and
- b. By fraudulently misrepresenting that they would retire after selling the EnRoute® source code to Claimants and not compete directly with Claimants.

6. Fraud and Fraud in the Inducement. Respondents engaged in fraud and fraud in the inducement by, among other things:

- a. Falsely misrepresenting that Respondents were retiring when the parties were entering into the Purchase Agreement which caused Claimants to reasonably rely upon these fraudulent misrepresentations and enter into the Purchase Agreement.

7. Tortious Interference with Contract and Prospective Economic Advantage. Respondents tortiously interfered with Contract and Prospective Economic Advantage by among other things:

- a. Knowingly inducing SAi's former employees to breach confidentiality and Non-Disclosure provisions in the SAi Employee Handbook, and
- b. Using that confidential and propriety information to compete with and interfere with Claimants' business.

PRAYER FOR RELIEF

WHEREFORE, Claimants pray for judgment as follows:

1. Issue preliminary injunctive relief, and ultimately permanent

injunctive relief, prohibiting Respondents from (i) using the EnRoute® trademark, (ii) marketing the helical or spiral down functionality derived from SAI's confidential and proprietary information, (iii) soliciting SAI's ex-employees for confidential information and trade secrets, and (iv) selling the IBEX Platform and IBEX CNC software to SAI's customers.

2. Enter an award of rescission for the payment of \$953,100 made pursuant to the Purchase Agreement, which was breached by Respondents.

3. Enter an award of damages in an amount to be proven at hearing, including an equitable accounting, an equitable disgorgement of all revenues and/or profits wrongfully obtained, damages, statutory damages, exemplary damages, punitive damages, and pre-judgment interest.

4. Order specific performance compelling Respondents to return or destroy all Claimants' confidential and proprietary materials and trade secrets, and to certify compliance.

- 5. Award SAI its reasonable attorneys' fees, arbitration costs, and expenses under AAA Rule 47(d), under Section 18 of the Purchase Agreement, various Agreements between the parties, the Lanham Act, the DTSA, and any other applicable statutes.**
- 6. Order immediate production of Respondents' source code from the IBEX CNC software.**
- 7. Enter a judgment that each of the Respondents is the agent, employee, partner, alter ego, and/or joint venturer of each of the other Respondents, and thus each Respondent is jointly and severally liable for the damages requested herein.**
- 8. Grant such other and further relief as the Arbitrator deems just and proper.**

Dated: August 14, 2025

PCFB LAW

By: /s/ Gregory D. Phillips
Attorney for Plaintiffs

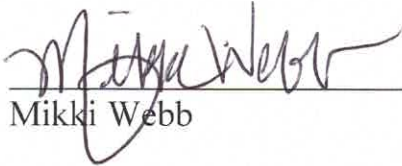
VERIFICATION

I, Mikki Web, declare:

That I am employed by SA International, Inc. as the President and CEO; that I have read, am familiar with, and have personal knowledge of the contents of the foregoing Verified Complaint; and that the allegations thereof are true and correct, or, to the extent that matters are not within my personal knowledge, that the facts stated therein have been assembled by authorized personnel, including counsel, and that I am informed that the facts stated therein are true and correct.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 14th day of August 2025 in Salt Lake City, Utah.


Mikki Webb