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**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

**CLEARVALUE, INC.
AND RICHARD ALAN HAASE,**

Plaintiffs,

v.

**PEARL RIVER POLYMERS, INC.,
POLYCHEMIE INC., SNF INC.,
POLYDYNE, INC.
AND SNF HOLDING COMPANY,**

Defendants.

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BY _____

Civil Action No. 2-05 CV - 02

Jury Demanded

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ORIGINAL COMPLAINT

Plaintiffs ClearValue, Inc. ("ClearValue") and Richard Alan Haase ("Haase") file this Original Complaint against Defendants Pearl River Polymers, Inc ("Pearl River"), Polychemie, Inc. ("Polychemie"), Polydyne, Inc. ("Polydyne"), SNF Inc. ("SNF") and SNF Holding Company ("SNF Holding") (the defendants sometimes being collectively referred to as "SNF") for patent infringement, misappropriation of trade secrets and confidential information, breach of confidential relationship/agreement and unfair competition as set forth below:

I. PARTIES

1. ClearValue is a corporation organized under the laws of the State of Texas, with its principal place of business in Missouri City, Texas.
2. Richard Alan Haase is a U.S. Citizen residing in Missouri City, Texas.
3. Pearl River is a corporation organized, on information and belief, under the laws of the State of Delaware, and has a principal place of business at I-59 N. Exit 5A, Pearl

River, Louisiana. Pearl River may be served with a copy of this Original Complaint by serving its registered agent, CT Corporation System, 8550 United Plaza Boulevard, Baton Rouge, Louisiana, 70809. On information and belief, effective December 27, 2004, Pearl River merged with defendant Polychemie. As such, on information and belief, Pearl River may also be served with a copy of this Original Complaint by serving the registered agent for Polychemie noted below. On information and belief, Pearl River is a wholly owned subsidiary of SNF Inc. and/or SNF Holding Company. On information and belief, Pearl River is also known as SNF Holding Company.

4. Polychemie is a corporation organized, on information and belief, under the laws of the State of Delaware, and has principal places of business at I-59 N. Exit 5A, Pearl River, Louisiana; Pearlinton, Mississippi; Bay St Louis, Mississippi; and at 1 Chemical Plant Road, Riceboro, Georgia. Polychemie may be served with a copy of this Original Complaint by serving its registered agent, CT Corporation System, 8550 United Plaza Boulevard, Baton Rouge, Louisiana, 70809. Polychemie may also be served with a copy of this Original Complaint by serving its registered agent, CT Corporation System, 645 Lakeland East Drive, Suite 101, Flowood, Mississippi 39232. Polychemie may also be served with a copy of this Original Complaint by serving its registered agent, CT Corporation System, 1201 Peachtree Street, NE, Atlanta, Georgia, 30361. On information and belief, Polychemie is a wholly owned subsidiary of SNF Inc. and/or SNF Holding Company.

5 Polydyne is a corporation organized, on information and belief, under the laws of the State of Delaware, and has places of business at 1 Chemical Plant Road, Riceboro, Georgia. Polydyne may be served with a copy of this Original Complaint by serving its

registered agent, CT Corporation System, 1201 Peachtree Street, NE, Atlanta, Georgia, 30361. On information and belief, Polydyne is a wholly owned subsidiary of SNF Inc. and/or SNF Holding Company.

6. SNF Inc. is a corporation organized, on information and belief, under the laws of the State of Delaware, and has places of business at I-59 N. Exit 5A, Pearl River, Louisiana; Pearlington, Mississippi, and at 1 Chemical Plant Road, Riceboro, Georgia. SNF Inc. may be served with a copy of this Original Complaint by serving its registered agent, CT Corporation System, 1201 Peachtree Street, NE, Atlanta, Georgia, 30361. SNF Inc. is the U.S. subsidiary of the French company, SNF Floerger SA.

7. On information and belief, SNF Holding is a business unit of SNF Inc., and has places of business at 1 Chemical Plant Road, Riceboro, Georgia. SNF Holding may be served with a copy of this Original Complaint by serving SNF Inc.'s registered agent, CT Corporation System, 1201 Peachtree Street, NE, Atlanta, Georgia, 30361.

II. NATURE OF THIS ACTION

8. This is an action for patent infringement arising under the patent laws of the United States, particularly, 35 U.S.C §§ 271-287.

9. This is also an action under state law for misappropriation/theft of trade secrets, misappropriation/theft of confidential information, breach of and agreement and relationship of confidence and trust, and unfair competition.

III. JURISDICTION AND VENUE

10. This Court has exclusive subject matter jurisdiction over the patent infringement claims under 28 U.S.C. § 1338(a).

11. This Court has subject matter jurisdiction over the unfair competition claims under 28 U.S.C. § 1338(b).

12. This Court has subject matter jurisdiction over the pendent state law claims under 28 U.S.C. § 1332 diversity jurisdiction and under 28 U.S.C. § 1367.

13. Defendants are subject to personal jurisdiction by virtue of their contacts with the State of Texas, and with the Eastern District of Texas in particular.

14. Venue is proper in this district under 28 U.S.C. § 1400(b).

15. Venue is proper in this district under 28 U.S.C. § 1391.

IV. FACTS

16. ClearValue was formed by Haase in December 1994 to be a distributor and/or reseller of water treatment chemicals and water treatment bacteria. Haase serves as ClearValue's president. ClearValue's mission at that time was, and remains today, to improve the health and the well-being of all of Humanity by improving the environment. To that end, ClearValue and Haase have invested significant time and resources developing unique and novel technology directed to, *e.g.*, clarification of water and wastewater used for human consumption and industrial applications. Significantly, ClearValue and Haase have developed proprietary and commercially successful technologies for clarifying waters and wastewaters and removing organic and inorganic contaminants from these waters and wastewaters. These proprietary technologies are used in, *e.g.*, municipal, military and industrial water treatment facilities to provide clean, safe drinking water for human consumption and pure water for industrial applications demanding such.

17. In furtherance of ClearValue's overall mission, in late 1994, ClearValue established a business relationship with Chemtall, Inc., a subsidiary of SNF Inc., located at 1 Chemical Plant Road, Riceboro, Georgia. This relationship was premised on confidentiality and related to Chemtall's provision to ClearValue of polyacrylamides for use in dewatering biosolids.

18. In 1995 ClearValue established a business relationship with Pearl River regarding supply of low molecular weight polyamines for use in clarifying water. This relationship was also premised on an agreement of confidentiality and trust.

19. Beginning in early 1995, ClearValue and Haase initiated research and development ("R&D") efforts that would last for years to improve the existing water and wastewater clarification methodologies which had existed for thousands of years without significant improvement. These R&D efforts were extensive and involved bench testing of various chemical formulations and methodologies for water clarification in about 150 locations throughout the U.S. and abroad. These R&D efforts were conducted at considerable time, effort and expense to ClearValue and Haase. As such, ClearValue and Haase maintained these R&D efforts as trade secret and confidential information of ClearValue and Haase, and also sought protection of these intellectual property assets by filing patent applications with the U.S. Patent & Trademark Office ("USPTO"). The information maintained by ClearValue and Haase as trade secret and confidential was not readily available elsewhere. This trade secret and confidential information provided ClearValue and Haase with an advantage over its competition.

20. At all relevant times, ClearValue and Haase took adequate precautions to safeguard the secrecy of this trade secret and confidential information. For example,

employees at ClearValue signed Employment and Proprietary Information Agreements obligating employees to maintain the secrecy of such information and not to use same for any purpose other than for the benefit of ClearValue. ClearValue also requires confidentiality undertakings from its suppliers. ClearValue did not allow visitors to roam unescorted through its offices, and maintained its data under lock and key. Additionally, when ClearValue's offices were located in an office building, the office building had its own monitored security system.

21. Significantly, during the course of ClearValue's and Haase's R&D efforts, Haase discovered that high molecular weight ammonium moieties significantly improve coagulation with an aluminum polymer. This discovery was not known in the industry and was maintained as trade secret and confidential information by ClearValue and Haase.

22. To further protect these new discoveries and inventions, Haase prepared and filed a first application for U.S. patent with the USPTO on September 16, 1997. A continuation-in-part patent application was later filed on August 12, 1998. Pursuant to U.S. Patent laws, 35 U.S.C. § 122, this patent application was held in secrecy at the USPTO until it issued on September 19, 2000 as U.S. Patent No. 6,120,690. Thus, the information contained in the applications resulting as the '690 patent were maintained by ClearValue and Haase as trade secret and confidential information until September 19, 2000.

23. On September 19, 2000, U.S. Patent No. 6,120,690 ("the '690 patent") was duly and legally issued by the USPTO to Richard A. Haase for an invention relating to a process for clarifying waters and wastewaters by using aluminum polymers and newly

formulated high molecular weight polymers. The '690 patent is presumed valid pursuant to 35 U.S.C. § 282.

24. Haase remains the owner of the '690 patent and has provided a license under this patent to ClearValue.

25. No other company is licensed to, or has authority to, make, use, or sell the technology covered by the claims of the '690 patent.

26. ClearValue has enjoyed a great deal of success providing the patented technologies of the '690 patent and other trade secret technologies to end user water and wastewater treatment facilities. ClearValue has enjoyed a great deal of recognition in the market as a result of the novel water and wastewater treatment technologies offered under, *e.g.*, the '690 patent and other of its trade secrets. ClearValue has spent considerable time and effort marketing its patented technology to the industry, and has advised the industry of the existence of its '690 patent.

27. Without question, Pearl River, and on information and belief, the SNF family of companies, were made aware of the fact that Haase's technology was the subject of pending patent applications, and, was also treated as trade secret and confidential information of Haase and ClearValue prior to the start of defendants' unlawful activities complained of herein.

28. On information and belief, defendants were aware of the issuance of the '690 patent proximate to the time of its issuance in September 2000. Defendants' infringing activities have continued in plain view and willful disregard of the '690 patent

29. As explained below, ClearValue's and Haase's continued success with this patented technology (and other trade secret technology) was cut short due to the unlawful activities of defendants.

30. Additional continuation-in-part patent applications relating to the '690 patent were filed with the USPTO on June 30, 1999; September 29, 2000; and April 15, 2003 and remain pending in the USPTO ("the pending patent applications"). These applications are now pending as a single application serial no. 10/413,849 ("the '849 application"). As part of the operation of U.S. Patent law, the subject matter of the '849 application was published on November 13, 2003 as US20030209499. Thus, the information contained in the pending patent applications, including the '849 application, was maintained by ClearValue and Haase as trade secret and confidential information until November 13, 2003.

31. On information and belief, defendants were aware of the publication of the '849 patent application proximate to the time of its publication in November 2003.

32. Pursuant to the confidential relationship between ClearValue and Pearl River, ClearValue approached Pearl River in about December 1997 to manufacture and supply ClearValue with high molecular weight ammonium moieties which were discovered by Haase and ClearValue to significantly enhance the coagulation of aluminum polymers thereby enhancing the clarification of water and wastewater. ClearValue and Haase also desired that Pearl River blend these formulations as well. Some of these high molecular weight ammonium moieties include: di-allyl di-methyl ammonium chloride ("DADMAC"); and epichlorohydrin di-methyl amine ("Epi-DMA").

33. In furtherance of this confidential business relationship, ClearValue and Haase provided trade secret and confidential information to Pearl River and Pearl River accepted it as such. This trade secret and confidential information included, for example, subject matter made the subject of the Haase patent applications and subject matter set out in ClearValue's/Haase's letter of December 16, 1997 to Mr. Richard Roesenkoetter, the plant manager of Pearl River. This letter, sent by facsimile, expressly identified that it contained confidential information of ClearValue/Haase. Pearl River received this letter. This letter confirmed the existing oral understanding of confidentiality and trust discussed and acknowledged during, *e.g.*, a prior telephone conversation between Mr. Haase and Mr. Roesenkoetter.

34. Over the ensuing months, ClearValue and Haase spent considerable time dealing with Pearl River personnel to provide insight to them into the chemical formulation and blending requirements for Haase's and ClearValue innovations. ClearValue and Haase also taught Pearl River the importance of manufacturing high molecular weight ammonium moiety polymers that did not contain sulfate moieties thereby allowing for stable blending with an aluminum polymer. ClearValue and Haase also taught Pearl River to adjust the pH of the ammonium polymer to near 4.0 with Hydrochloric Acid prior to blending with an aluminum polymer to provide enhanced stability of the blend.

35. Even though ClearValue taught Pearl River how to properly blend these materials, ClearValue decided to use another blender for economic reasons. ClearValue did, however, request that Pearl River provide ClearValue with ClearValue's novel high molecular weight ammonium moiety polymers that did not contain sulfate moieties. Pearl River became ClearValue's manufacturer and supplier of these novel polymers.

36. State laws require that prior to any chemical formulation or blend being used to clarify drinking water, an NSF/ANSI Standard 60 listing must be obtained from either the National Sanitary Foundation International (“NSF”) or Underwriters’ Laboratories (“UL”). As part of ClearValue’s dealings with Pearl River, it was necessary for ClearValue to obtain NSF/ANSI Standard 60 listings for the chemical products it was having made by Pearl River for use in various blended formulations. As such, these NSF/ANSI Standard 60 listings are unique identifiers of the chemicals belonging to ClearValue. Although the agency issuing the NSF/ANSI Standard 60 listings required detailed (trade secret) information about the chemistry of the product or blend formulations, the resulting publicly available listing did not disclose such details or trade secrets, and were maintained by such agencies as confidential and not subject to a disclosure under the Freedom of Information Act.

37. Prior to ClearValue’s confidential relationship with Pearl River, Pearl River did not have any such NSF/Standard 60 listings for chemistries of the type developed by ClearValue for the proprietary applications offered by ClearValue.

38. ClearValue commercially offered and used the products identified by such NSF/ANSI Standard 60 listings in establishing a market for such products. It was not necessary for ClearValue to disclose its trade secrets or confidential information to its end user customers when using such products.

39. Pearl River also provided services to ClearValue by initially paying NSF annual certification fees. Payment of this fee by Pearl River on behalf of ClearValue allowed ClearValue to use the product in the water treatment processes for its clients. ClearValue subsequently took over all responsibility to obtaining its NSF/ANSI 60 product listings.

40. Additionally, pursuant to the confidential relationship between ClearValue and Pearl River, ClearValue shared confidential information with Pearl River concerning its 5-year business plan, including, for example: identification, and the extensive size, of a market for these new novel formulations; the economic value of the technology; the high profit margins available; the significant cost savings to customers using these novel technologies; and the improved water clarification performance and success of these novel formulations – such successes being “critical” to some water purification facilities previously unable to meet their EPA permit

41. Pearl River also learned, via its confidential relationship with ClearValue and Haase, the quantity and identification of the formulations ordered by ClearValue. Additionally, Pearl River learned, via its confidential relationship with ClearValue and Haase, the identity and quantity requirements of certain of ClearValue’s customers for these novel ClearValue / Haase formulations, as well as the specific formulations desired by such customers when Pearl River direct-shipped ClearValue’s product to these ClearValue customers.

42. There were three primary ClearValue ammonium polymer products that became commercially active, and were used in various blends, as a result of the ClearValue / Pearl River confidential relationship, namely:

PRP 4820, a high molecular weight DADMAC polymer never made by Pearl River prior to its relationship with ClearValue and Haase;

PRP 3249, a high molecular Epi-DMA polymer which had been sold previously by Pearl River, but was not previously blended with or blendable with aluminum polymers prior to the confidential relationship with ClearValue and Haase; and

PRP 2449, a low molecular weight Epi-DMA, while previously available by Pearl River, was not sold to be in blend combination with high molecular weight polyamines and aluminum polymers prior to the confidential relationship with ClearValue and Haase

43. Pearl River is in the business of manufacturing chemical compounds and products that are used in industrial applications. Pearl River particularly produced products on behalf of ClearValue intended for use in water treatment processes. Pearl River produced products from certain formulas at a Pearl River facility for use or sale by ClearValue. Those products were then shipped to ClearValue. ClearValue then marketed the product under its own trade name to its customers.

44. At all times, Pearl River delivered its products to ClearValue or a ClearValue customer at the instruction provided by ClearValue.

45. ClearValue's success in the marketplace, using Pearl River as its supplier, grew at a healthy pace up through the year 2000, at which time, due to the unlawful activities of defendants, ClearValue's business dropped precipitously. At present, ClearValue's market for these novel technologies is about 10% of the market it enjoyed in 2000. ClearValue's healthy growth rate was cut off by the unlawful acts of defendants

46. On information and belief, in December 1997, Pearl River was not owned by an SNF entity. However, at a time subsequent to Pearl River's receipt from ClearValue of ClearValue's and Haase's above confidential and trade secret information, and at a time when the above-referenced trade secrets and confidential information remained just that – trade secret and confidential – Pearl River was acquired by one of the SNF companies. On information and belief, Pearl River is now a wholly-owned subsidiary of SNF Inc., and was recently merged into SNF's Polychemie subsidiary.

47. On information and belief, Pearl River shared with other SNF entities the trade secrets and confidential information it obtained from ClearValue and Haase.

48. Subsequent to becoming an SNF company, Pearl River continued to provide ClearValue's and Haase's proprietary formulations to ClearValue. However, ClearValue discovered that, *e.g.*, during the time of secrecy, one of Pearl River's / SNF's customer's, Altivia, was obtaining PRP 4820 (one of ClearValue's proprietary raw materials having an NSF/ANSI Standard 60 designation) from Pearl River. Subsequently, ClearValue discovered further instances of Pearl River (or SNF entities) providing chemistries to others under NSF/ANSI Standard 60 designations indicating use of ClearValue's trade secrets and confidential information during the time of secrecy. Pearl River, Polydyne, Polychemie, SNF and SNF Holding now offer a number of chemical products bearing identical NSF/ANSI Standard 60 chemistry designations to those created by ClearValue for ClearValue's proprietary formulations and end user applications. Neither Pearl River, Polychemie, Polydyne, SNF Holding nor SNF had such NSF/ANSI Standard 60 listings of this chemistry prior to Pearl River's confidential relationship with ClearValue and Haase

49. Prior to ClearValue's and Haase's confidential disclosure to Pearl River, Pearl River did not have or provide either the raw materials for or the final blended products which are the basis of the confidential information shared by ClearValue with Pearl River. In December 1997, Pearl River was providing limited offerings of blended products based upon ferric sulfate and low molecular weight polyquaternary amine technology. Since that time, Pearl River and the other SNF entities have developed an extensive NSF/ANSI Standard 60 Listing of raw materials (aluminum chlorohydrate and

high molecular weight polyquaternary amines), along with product blends, all of which was shared by ClearValue with Pearl River after about December of 1997.

50. For Pearl River and other SNF entities to offer chemistries under the NSF/ANSI Standard 60 designations similar to those of ClearValue, expressly acknowledges that the chemistry, and application for the chemistry, is the same. For example, prior to ClearValue's provision of proprietary blending technology to Pearl River, Pearl River had no such NSF/ANSI Standard 60 listings for these types of chemical blends. ClearValue taught Pearl River the proprietary blending technology needed to make blends of the variety used by ClearValue. As such, for Pearl River and other SNF entities to subsequently offer product under NSF/ANSI Standard 60 designations for such chemical blend varieties, illustrates Pearl River's and the other SNF entities' direct use of ClearValue's proprietary technology. As a result of this breach of confidence and trust and misappropriation of trade secrets and confidential information, (and patent infringement) ClearValue has lost considerable business by way of Pearl River's and the other SNF entities' unauthorized use of ClearValue's and Haase's trade secret and confidential information and by way of defendants' infringement of the '690 patent. These SNF entities have breached the obligations of confidence and secrecy existing throughout the ClearValue / Pearl River relationship and are playing unfairly to drive ClearValue out of the market.

51. The damage to ClearValue and Haase by way of Pearl River's, Polychemie's Polydyne's, SNF Holding's and SNF's misappropriation of the trade secrets and confidential information identified above, as well as the breach of such confidential and trust relationship, during the operative time period identified above, and defendants' patent

infringement, has caused considerable financial damage to ClearValue and Haase. ClearValue has lost many ongoing and sought after customers due to the unlawful acts of Pearl River, Polydyne, SNF and/or their divisions or distributors. Over a 20 month period during 2000 and 2001, ClearValue lost over 80 percent of its ongoing and 100 percent of its sought after client base, with nearly all of said loss being to Pearl River, Polydyne, SNF (or one of their distributors).

52. Pearl River and its SNF family have unlawfully gained a head start in the development of this chemical technology and commercial marketplace to the detriment of its teacher and confidant, ClearValue and Haase. The ability of ClearValue to obtain market penetration has been significantly harmed, if not irreparably stopped, due to the trade secret and confidential information misappropriation, breach of confidence and trust and unfair competition of Pearl River and the SNF family and their willful infringement of the '690 patent.

53. Pearl River, after receiving ClearValue's and Haase's teachings in trust and confidence, has willfully and wantonly shared such proprietary, trade secret and confidential teachings with its SNF family and together have used such teachings to the financial enjoyment of the SNF family and to the financial detriment of ClearValue and Haase. Pearl River and its SNF family have brazenly betrayed their obligations of trust and confidence owed to ClearValue and Haase in greedy pursuit of the lucrative market identified by ClearValue and Haase for the proprietary and innovative technologies offered by ClearValue and Haase. Pearl River and the SNF family have willfully disregarded and infringed Haase's '690 patent.

54. Defendants cannot misappropriate trade secrets and confidential information, breach an obligation and agreement of confidence and trust, and then claim “no foul” because some of the trade secrets were subsequently published by Haase in his ‘690 patent and ‘849 patent application. The fruit picked by defendants from the poisonous tree remains poisoned. Defendants are not entitled to profit from their unlawful acts and must disgorge such profits and stop their unlawful activities.

V. PATENT INFRINGEMENT CLAIM

55. Paragraphs 1-54 are incorporated by reference.

56. Defendants are making, using, offering to sell, and/or selling products and processes with this district that infringe one or more valid claims of the ‘690 patent without authority or license from Haase. Defendants’ infringement includes, at a minimum, provision and use of high molecular weight DADMAC for clarification of water and wastewater.

57. Defendants are also contributing to the infringement of one or more valid claims of the ‘690 patent by others and are inducing others to infringe the ‘690 patent.

58. Defendants’ infringing activities have been willful and deliberate.

59. As a result of defendants’ infringing activities, ClearValue and Haase have suffered actual damages in an amount to be determined at trial. Additionally, as a result of the willful and deliberate nature of defendants’ infringing activities, Haase and ClearValue are entitled to a trebling of their actual damages and are entitled to recovery their attorney’s fees and costs incurred in prosecuting this action. 28 U.S.C. §§ 284-285.

60. Defendants’ acts of infringement have caused irreparable harm to Haase and ClearValue for which there is no adequate remedy at law, and will continue to cause

irreparable harm to Haase and ClearValue unless defendants are preliminarily and permanently enjoined by this Court.

VI. MISAPPROPRIATION OF TRADE SECRETS

61. Paragraphs 1-62 are incorporated by reference.

62. As set out above, ClearValue and Haase have, at all material times to this Complaint, maintained trade secret and confidential information regarding, e.g., their water clarification technologies. This information provides ClearValue and Haase with a competitive advantage over its competitors.

63. Pearl River, and on information and belief, the other SNF family of defendants, learned of these trade secrets and confidential information from ClearValue and Haase under obligations of confidentiality. On information and belief, Pearl River shared ClearValue's and Haase's trade secrets with other of the SNF family of defendants.

64. Pearl River and the other SNF family of defendants have used and disclosed these trade secrets without authorization by ClearValue or Haase.

65. Defendants' unlawful and unauthorized use and disclosure of ClearValue's and Haase's trade secrets has been willful and deliberate.

66. As a result of defendants' unlawful and unauthorized use and disclosure of ClearValue's and Haase's trade secrets, ClearValue and Haase have suffered actual damages in an amount to be determined at trial in excess of the minimum jurisdictional limits of this Court. Additionally, as a result of the willful and deliberate nature of defendants' unlawful activities, Haase and ClearValue are entitled to punitive and exemplary damages.

67. Defendants' unlawful theft and misappropriation of ClearValue's and Haase's trade secrets has caused irreparable harm to Haase and ClearValue for which there is no adequate remedy at law, and will continue to cause irreparable harm to Haase and ClearValue unless defendants are preliminarily and permanently enjoined by this Court.

VII. MISAPPROPRIATION OF CONFIDENTIAL INFORMATION

68. Paragraphs 1-67 are incorporated by reference.

69. As set out above, ClearValue and Haase have, at all material times to this Complaint, maintained trade secret and confidential information regarding, e.g., their water clarification technologies.

70. Pearl River, and on information and belief, the other SNF family of defendants, learned of this confidential information from ClearValue and Haase under obligations of confidentiality. On information and belief, Pearl River shared ClearValue's and Haase's confidential information with other of the SNF family of defendants.

71. Pearl River and the other SNF family of defendants have used and disclosed this confidential information without authorization by ClearValue or Haase.

72. Defendants' unlawful and unauthorized use and disclosure of ClearValue's and Haase's confidential information has been willful and deliberate.

73. As a result of defendants' unlawful and unauthorized use and disclosure of ClearValue's and Haase's confidential information, ClearValue and Haase have suffered actual damages in an amount to be determined at trial in excess of the minimum jurisdictional limits of this Court. Additionally, as a result of the willful and deliberate nature of defendants' unlawful activities, Haase and ClearValue are entitled to punitive and exemplary damages.

74. Defendants' unlawful use and disclosure of ClearValue's and Haase's confidential information has caused irreparable harm to Haase and ClearValue for which there is no adequate remedy at law, and will continue to cause irreparable harm to Haase and ClearValue unless defendants are preliminarily and permanently enjoined by this Court.

VIII. BREACH OF CONFIDENTIAL RELATIONSHIP AND TRUST

75. Paragraphs 1-74 are incorporated by reference.

76. As set out above, ClearValue and Haase entered into a business relationship with Pearl River premised on confidentiality and trust.

77. Pursuant to and in reliance on this relationship of confidence and trust, ClearValue and Haase provided information to Pearl River of a highly confidential and competitive nature. On information and belief, Pearl River shared ClearValue's and Haase's confidential information with other of the SNF family of defendants.

78. Pearl River and the other SNF family of defendants have breached this agreement of confidence and trust by using and disclosing such confidential information without the authorization of ClearValue and Haase.

79. As a result of defendants' unlawful and unauthorized use and disclosure of ClearValue's and Haase's confidential information, ClearValue and Haase have suffered actual damages in an amount to be determined at trial in excess of the minimum jurisdictional limits of this Court.

80. Additionally, as a result of Pearl River's and the other SNF defendants' breach of this agreement of trust and confidence, ClearValue and Haase are entitled to an award of attorneys' fees under Tex. Civ. Prac. & Rem. Code § 38.001.

IX. UNFAIR COMPETITION

81. Paragraphs 1-80 are incorporated by reference.

82. The actions of defendants complained of herein constitute unfair competition and have resulted in damages to ClearValue and Haase in an amount exceeding the minimum jurisdictional limits of this Court. Additionally, as a result of the willful and deliberate nature of defendants' unlawful activities, Haase and ClearValue are entitled to punitive and exemplary damages.

X. PRAYER

Wherefore, ClearValue and Haase respectfully request that this Honorable Court enter judgment against defendants, jointly and severally, granting ClearValue and Haase the following relief:

- A. a preliminary and permanent injunction enjoining defendants, their affiliates, subsidiaries, parent companies, officers, agents, servants, employees, trainees, and all persons in active concert or participation with any of defendants, from continuing to infringe United States Patent No. 6,120,690;
- B. a preliminary and permanent injunction enjoining defendants, their affiliates, subsidiaries, parent companies, officers, agents, servants, employees, trainees, and all persons in active concert or participation with any of defendants, from continuing to use or disclose ClearValue's and Haase's trade secrets and confidential information;
- C. an award of damages adequate to compensate ClearValue and Haase for defendants' infringement of United States Patent No. 6,120,690;

- D. an award of damages adequate to compensate ClearValue and Haase for defendants' misappropriation and theft of ClearValue's and Haase's trade secrets and confidential information;
- E. an award of damages adequate to compensate ClearValue and Haase for Pearl River's / SNF's breach of confidential relationship and agreement of confidentiality and trust;
- F. a determination that defendants' infringement of United States Patent No. 6,120,690 has been willful and deliberate;
- G. a determination that this case is "exceptional" under 35 U.S.C. § 285, thereby entitling ClearValue and Haase to an award of its reasonable attorneys' fees and costs incurred in prosecuting this action;
- H. an award of attorneys' fees for breach of contract under Tex. Civ. Prac. & Rem. Code § 38.001.
- I. an award of treble damages based on the willful and deliberate nature of defendants' infringement of United States Patent No. 6,120,690;
- J. an award of punitive, exemplary, and enhanced damages as a penalty or by way of punishment, in view of the defendants' wrongful conduct;
- K. an accounting of damages resulting from the defendants' wrongful acts;
- L. an award of pre-judgment and post-judgment interest on all damages computed; and
- M. such other relief as this Court deems fair and appropriate.

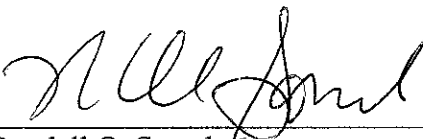
XI. JURY DEMAND

In accordance with Rule 38(b), Fed. R. Civ. P., ClearValue and Haase hereby demand a trial by jury for all issues so triable in this matter.

Dated: January 3, 2005

Respectfully submitted,

**ABRAHAM, WATKINS, NICHOLS,
SORRELS, MATTHEWS & FRIEND**

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