THE HONORABLE MARSHA J. PECHMAN

UNITED STATES DISTRICT COURT WESTERN DISTRICT OF WASHINGTON AT SEATTLE

MODUMETAL, INC.,

Plaintiff,

v.

INTEGRAN TECHNOLOGIES, INC.,

Defendant.

No. 2:10-CV-01592

PLAINTIFF MODUMETAL, INC.'S SECOND AMENDED COMPLAINT FOR DECLARATORY JUDGMENT OF NON-INFRINGEMENT AND INVALIDITY

Plaintiff Modumetal, Inc. ("Modumetal") alleges by and through its attorneys as follows:

I. PARTIES

1. Modumetal is a Delaware corporation, and has a principal place of business at

1443 N. Northlake Way, Seattle, Washington 98103.

2. On information and belief, Integran Technologies, Inc. ("Integran") is a Canadian corporation, with a principal place of business at 1 Meridian Road, Toronto, ON, M9W 4Z6, Canada.

II. JURISDICTION

3. This is an action seeking a declaratory judgment that Modumetal has not infringed and is not infringing (directly, contributorily, or by inducement), literally or pursuant to the doctrine of equivalents, any valid and enforceable claim of the U.S. Patent No. 5,433,797 (the

SECOND AMENDED COMPLAINT FOR DECLARATORY JUDGMENT – 1 Perkins Coie LLP 1201 Third Avenue, Suite 4800 Seattle, WA 98101-3099 Phone: 206.359.8000 Fax: 206.359.9000

'797 patent); U.S. Patent No. 7,553,553 (the '553 patent); U.S. Patent No. 7,320,832 (the '832 patent); U.S. Patent No. 5,352,266 (the '266 patent); and U.S. Patent No. 7,824,774 (the '774 patent), and that the claims of those patents that Integran has asserted against Modumetal (hereinafter the "Asserted Claims") are invalid. The Court has jurisdiction pursuant to 28 U.S.C. §§ 2201 and 2202 (declaratory judgment actions), and 28 U.S.C. § 1331 (federal question).

4. The Court may exercise personal jurisdiction over Integran because Integran's contacts with the State of Washington satisfy due process. Integran has conducted business within the State of Washington by participating in exhibitions and/or conferences in Seattle in which it promoted its products and/or services. See, e.g., Exhibit A (2010 exhibition/conference in which Integran participated). Integran also maintains an interactive website that provides information about Integran's products and technology. That website allows potential customers in the State of Washington to request information via a link provided in the website and also provides contact telephone numbers for such potential customers. Integran 's website further implies that it has a relationship with Boeing, a corporation that maintains offices in Seattle, Washington. In fact, Integran uses images of Boeing's aircraft on its published materials (see Exhibit B). Upon information and belief, sporting good products such as golf club shafts and tennis, squash and racquetball rackets, which have been made under license from Integran, have been sold into the United States stream of commerce with potential for sale and use in the State of Washington. (See Exhibits C and D.)

5. Furthermore, the claims herein arise from Integran's intentional sending of correspondence to Modumetal in this district (see Exhibit E). Integran also has intentionally attempted to interfere with the business of Modumetal, a forum resident, by corresponding with Modumetal's customer and production partner, Steel Dynamics, Inc. about Integran's patents which it believes are implicated by Modumetal's products and processes (see Exhibit F). Most recently, Integran sent correspondence to another of Modumetal's business partners, Happy Plating GmbH, a business located in Austria.

SECOND AMENDED COMPLAINT FOR DECLARATORY JUDGMENT – 2

6. Because Integran has availed itself of the privileges of conducting activities in this forum, it is now subject to personal jurisdiction in this district. Given that Modumetal is headquartered in Seattle, the State of Washington clearly has a sufficient interest in resolving this dispute.

III. VENUE

7. Venue is proper in this judicial district under 28 U.S.C. § 1391(b), (c) and/or (d) because Integran is subject to personal jurisdiction in this district and thus resides in this district, and a substantial part of the alleged events or omissions giving rise to the claim occurred in this district, and/or because Integran is an alien corporation.

IV. FACTUAL ALLEGATIONS AND BACKGROUND

8. Modumetal engages in the design, development and manufacture of nanotech materials and technology, and particularly nanolaminate materials and technology. For several years, Modumetal has invested significant time, financial resources, and efforts in the research and development of its technology. As a result of its innovations, Modumetal has made multiple applications for patent rights relating to its technology.

9. Modumetal is partnering with corporations and other entities that seek to use its technology, including Steel Dynamics, Inc. Modumetal's success in partnering and moving its technology toward the market has been the subject of both press releases and other media coverage.

10. On August 24, 2010, Integran sent a letter to the President and CEO of Modumetal indicating that Integran believes that Modumetal may be infringing valid patent rights owned by Integran. In particular, Integran claimed in the letter to own at least four issued United States patents and four pending and published applications (Exhibit E, mentioned above). That letter expressed Integran's "concern that Modumetal's production and use of nanolaminated materials in the United States may fall within the scope of one or more claims of Integran's patents."

SECOND AMENDED COMPLAINT FOR DECLARATORY JUDGMENT – 3

11. On August 27, 2010, three days after sending its letter to Modumetal, Integran sent a similar letter to Modumetal 's customer and production partner, Steel Dynamics, Inc., of Fort Wayne, IN (Exhibit F, mentioned above). In its letter to Steel Dynamics, Inc., Integran implied that Modumetal's ModuGalv[™] product and/or the related coating technology may infringe one or more of Integran's patents. That letter again mentioned the same four issued United States patents and four published United States applications recited in the August 24th letter to Modumetal.

12. On September 28, 2010, Integran specifically referred Modumetal to claim 6 of the '797 patent; claim 1 of the '553 patent; and claim 1 of the '832 patent as claims that are relevant to Modumetal's technology. And most recently, Integran sent a letter to another of Modumetal's known business partners, Happy Plating GmbH.

13. On March 15, 2011, Integran filed Amended Counterclaims for Infringement in this action asserting that Modumetal infringes certain claims of the '797, '832, '553, '266 and '774 patents.

14. As a result, an actual and justiciable controversy exists between Modumetal and Integran with respect to the non-infringement and invalidity of the asserted claims of the '797, '832, '553, '266 and '774 patents.

V. MODUMETAL'S CLAIMS FOR DECLARATORY JUDGMENT

Declaratory Judgment of Non-Infringement of U.S. Patent No. 5,433,797

15. Modumetal incorporates by reference all allegations in Paragraphs 1-14 above.

16. Modumetal has not infringed and is not infringing (directly, contributorily, or by inducement), literally or pursuant to the doctrine of equivalents, any valid and enforceable claim of the '797 patent.

17. Modumetal seeks a declaration that it has not infringed and is not infringing (directly, contributorily, or by inducement), literally or pursuant to the doctrine of equivalents, any valid and enforceable claim of the '797 patent.

SECOND AMENDED COMPLAINT FOR DECLARATORY JUDGMENT – 4

A.

B. Declaratory Judgment of Non-Infringement of U.S. Patent No. 7,320,832

18. Modumetal incorporates by reference all allegations in Paragraphs 1-17 above.

19. Modumetal has not infringed and is not infringing (directly, contributorily, or by inducement), literally or pursuant to the doctrine of equivalents, any valid and enforceable claim of the '832 patent.

20. Modumetal seeks a declaration that it has not infringed and is not infringing (directly, contributorily, or by inducement), literally or pursuant to the doctrine of equivalents, any valid and enforceable claim of the '832 patent.

C. Declaratory Judgment of Non-Infringement of U.S. Patent No. 7,553,553

21. Modumetal incorporates by reference all allegations in Paragraphs 1-20 above.

22. Modumetal has not infringed and is not infringing (directly, contributorily, or by inducement), literally or pursuant to the doctrine of equivalents, any valid and enforceable claim of the '553 patent.

23. Modumetal seeks a declaration that it has not infringed and is not infringing (directly, contributorily, or by inducement), literally or pursuant to the doctrine of equivalents, any valid and enforceable claim of the '553 patent.

D. Declaratory Judgment of Non-Infringement of U.S. Patent No. 5,352,266

24. Modumetal incorporates by reference all allegations in Paragraphs 1-23 above.

25. Modumetal has not infringed and is not infringing (directly, contributorily, or by inducement), literally or pursuant to the doctrine of equivalents, any valid and enforceable claim of the '266 patent.

26. Modumetal seeks a declaration that it has not infringed and is not infringing (directly, contributorily, or by inducement), literally or pursuant to the doctrine of equivalents, any valid and enforceable claim of the '266 patent.

E. Declaratory Judgment of Non-Infringement of U.S. Patent No. 7,824,774

27. Modumetal incorporates by reference all allegations in Paragraphs 1-26 above.

SECOND AMENDED COMPLAINT FOR DECLARATORY JUDGMENT – 5

28. Modumetal has not infringed and is not infringing (directly, contributorily, or by inducement), literally or pursuant to the doctrine of equivalents, any valid and enforceable claim of the '266 patent.

29. Modumetal seeks a declaration that it has not infringed and is not infringing (directly, contributorily, or by inducement), literally or pursuant to the doctrine of equivalents, any valid and enforceable claim of the '266 patent.

F. Declaratory Judgment of Invalidity of U.S. Patent No. 5,433,797

30. Modumetal incorporates by reference all allegations in Paragraphs 1-29 above.

31. The Asserted Claims of the '797 patent are is invalid under one or more sections of 35 U.S.C. § 1 *et seq.*, including without limitation §§ 102, 103 and/or 112.

32. Modumetal seeks a declaration that the Asserted Claims of the '797 patent are invalid under one or more sections of 35 U.S.C. § 1 *et seq.*, including without limitation §§ 102, 103 and/or 112.

G. Declaratory Judgment of Invalidity of U.S. Patent No. 7,320,832

33. Modumetal incorporates by reference all allegations in Paragraphs 1-32 above.

34. The Asserted Claims of the '832 patent are invalid under one or more sections of

35 U.S.C. § 1 et seq., including without limitation §§ 102, 103 and/or 112.

35. Modumetal seeks a declaration that the Asserted Claims of the '832 patent are invalid under one or more sections of 35 U.S.C. § 1 *et seq.*, including without limitation §§ 102, 103 and/or 112.

H. Declaratory Judgment of Invalidity of U.S. Patent No. 7,553,553

36. Modumetal incorporates by reference all allegations in Paragraphs 1-35 above.

37. The Asserted Claims of the '553 patent are invalid under one or more sections of

35 U.S.C. § 1 et seq., including without limitation §§ 102, 103 and/or 112.

SECOND AMENDED COMPLAINT FOR DECLARATORY JUDGMENT – 6

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01633-0006/LEGAL20591518.1

38. Modumetal seeks a declaration that the Asserted Claims of the '553 patent are invalid under one or more sections of 35 U.S.C. § 1 *et seq.*, including without limitation §§ 102, 103 and/or 112.

I.

Declaratory Judgment of Invalidity of U.S. Patent No. 5,352,266

39. Modumetal incorporates by reference all allegations in Paragraphs 1-38 above.

40. The Asserted Claims of the '266 patent are invalid under one or more sections of 35 U.S.C. § 1 *et seq.*, including without limitation §§ 102, 103 and/or 112.

41. Modumetal seeks a declaration that the Asserted Claims of the '266 patent are invalid under one or more sections of 35 U.S.C. § 1 *et seq.*, including without limitation §§ 102, 103 and/or 112.

J. Declaratory Judgment of Invalidity of U.S. Patent No. 7,824,774

42. Modumetal incorporates by reference all allegations in Paragraphs 1-41 above.

43. The Asserted Claims of the '774 patent are invalid under one or more sections of35 U.S.C. § 1 *et seq.*, including without limitation §§ 102, 103 and/or 112.

44. Modumetal seeks a declaration that the Asserted Claims of the '774 patent are invalid under one or more sections of 35 U.S.C. § 1 *et seq.*, including without limitation §§ 102, 103 and/or 112.

VI. JURY DEMAND

Pursuant to Federal Rule of Civil Procedure 38(b), Modumetal demands a trial by jury as to all issues so triable in this action.

VII. PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests entry of judgment in its favor against Integran as follows:

A. Declare that Modumetal has not infringed and is not infringing any valid and enforceable claim of the '797, '832, '553, '266 and '774 patents;

SECOND AMENDED COMPLAINT FOR DECLARATORY JUDGMENT – 7

B. Declare that the Asserted Claims of the '797, '832, '553, '266 and '774 patents are invalid.

C. Permanently enjoin Integran and its officers, agents, servants, employees, attorneys, and any other person acting in concert or participation with such persons, who receive actual notice of the order, from representing that the asserted claims of the '797, '832, '553, '266 and '774 patents are valid;

D. Declare this to be an exceptional case under 35. U.S.C. § 285 and award Modumetal its attorney's fees;

E. Award Modumetal its costs of this action; and

F. Award Modumetal such other and further relief as the Court deems just and

proper.

DATED: April 6, 2011 /s/ *Ramsey M. Al-Salam* (with permission) Ramsey M. Al-Salam, WSBA No. 18822 RAlsalam@perkinscoie.com Tyler C. Peterson, WSBA No. 39816 TylerPeterson@perkinscoie.com PERKINS COIE LLP 1201 Third Avenue, Suite 4800 Seattle, WA 98101-3099 Te: 206.359.8000/ Fax: 206.359.9000 Colin G. Sandercock (*Pro Hac Vice*) Joseph W. Ricigliano (Pro Hac Vice) Todd R. Samelman (*Pro Hac Vice*) PERKINS COIE LLP 607 Fourteenth Street N.W. Washington, D.C. 20005-2003 Tel: 202.434.1663/Fax: 202.654.9676 Attorneys for Plaintiff Modumetal, Inc.

SECOND AMENDED COMPLAINT FOR DECLARATORY JUDGMENT – 8

1

CERTIFICATE OF SERVICE

On April 6, 2011, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all attorneys of record for the parties.

I certify under penalty of perjury that the foregoing is true and correct.

DATED this 6th day of April, 2011:

<u>/s/Tyler C. Peterson</u> Tyler C. Peterson, WSBA No. 39816 **Perkins Coie LLP** 1201 Third Avenue, Suite 4800 Seattle, WA 98101-3099 Telephone: 206.359.8000 Facsimile: 206.359.9000 TylerPeterson@perkinscoie.com

Attorney for Plaintiff Modumetal, Inc.

SECOND AMENDED COMPLAINT FOR DECLARATORY JUDGMENT – 9