

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

TRAVEL TAGS, INC.,)	
)	
)	Court File No.: 02-4726 MJD/JGL
Plaintiff,)	
)	
v.)	
)	<u>THIRD AMENDED COMPLAINT</u>
DIGITAL REPLAY, INC.,)	
)	
)	(Jury Trial Demanded)
Defendant.)	
)	

Plaintiff Travel Tags, Inc. ("Travel Tags") for its Second Amended Complaint against defendant Digital Replay, Inc. ("Digital Replay") states and alleges as follows:

INTRODUCTION

1. This is an action for a declaratory judgment that Travel Tags is the rightful owner of a patent and certain intellectual property that Digital Replay now asserts is being infringed by Travel Tags, and related claims. Travel Tags is the owner of certain intellectual property previously owned by Raymond Enterprises, LLC ("REL"), which Travel Tags purchased from a bank foreclosure sale. The intellectual property includes a pending non-provisional United States patent application of Mark A. Raymond and Bruce N. Thornbloom and certain know-how related primarily to lenticular printing. Raymond and Thornbloom made their invention before Richard Guest was hired as Vice President of Sales of REL.

2. The patent prosecution counsel who represented Raymond and Thornbloom in filing the Raymond/Thornbloom non-provisional patent application (the "Raymond Application") was Kent A. Lembke, then of the firm of Chrisman, Bynum & Johnson PC, out of Boulder, Colorado. The Raymond Application claims priority to a provisional patent application

("the Raymond Provisional Application"), also filed by Lembke. Both the Raymond Application and the Raymond Provisional Application, when referenced collectively, will be referred to as "the Raymond Applications."

3. After the Raymond Provisional Application was filed at the United States Patent and Trademark Office ("the PTO"), the technology described in that application was communicated to Guest. Guest saw the Raymond Applications and worked together with Raymond in a business seeking to develop the technology described in the Raymond Applications.

4. For a time, Guest and Raymond cooperated in their business dealings. After Raymond's business declared bankruptcy, Raymond began working for Guest in a separate company. Guest's company began paying Raymond for his assistance and consulting.

5. However, in the fall of 2000, Guest stopped paying Raymond. Guest demanded that Raymond assign the Raymond Application to a company Guest worked for, even though the Raymond Application was clearly developed long before and that asset was clearly part of REL, which was insolvent and subject to bank foreclosure, and both Raymond and REL owed a duty to the creditors to preserve that asset for the benefit of REL's creditors.

6. When Raymond refused to assign the Raymond Application as Guest demanded, Guest immediately thereafter copied substantial and important sections of the Raymond Application into a separate application, and filed that application improperly listing himself as sole inventor. Guest improperly assigned that application to Digital Replay.

7. That copied and improperly assigned application eventually issued as U.S. Patent No. 6,490,093 ("the '093 patent"), listing Guest as its sole inventor. Guest is not the sole inventor of the '093 patent, because he copied substantial and important parts of that patent from

the Raymond Application and used REL's know-how in drafting the application giving rise to the '093 patent.

8. Lembke, the very same lawyer who represented Raymond and Thornbloom in filing the Raymond Application, also represented Guest in filing the application.

9. Guest and Lembke knowingly and deliberately concealed from the PTO that the Guest patent application was based on a copy of the Raymond Application and that the subject matter of the Guest application and claims was invented by Raymond and Thornbloom. By doing so, Guest and Lembke failed to disclose material information to the PTO relating to the patentability, or lack thereof, of Guest's claimed invention, with the intent to deceive the PTO in granting the patent. Guest also deliberately submitted false oaths and declarations to the PTO in which he declared himself to be the sole inventor of the claims of the patent for which he applied, again with the intent to deceive the PTO in granting the patent.

10. It is Raymond and Thornbloom who are inventors of the subject matter claimed in the '093 patent, and Travel Tags therefore is the rightful owner of the '093 patent and all foreign patent applications claiming priority to the '093 patent. To the extent Digital Replay claims that the '093 patent is in part or in whole patentably distinct from the Raymond Application and the REL know-how, then Guest made such patentably distinct contribution while employed by REL, and Travel Tags is, therefore, the rightful owner of the '093 patent and all foreign patent applications claiming priority to the '093 patent as the successor-in-interest to the Raymond Application and know-how.

11. Travel Tags, through this action, seeks, among other relief as set forth more fully below:

a. (i) a judgment pursuant to 35 U.S.C. § 256 that Guest is neither the sole or co-inventor of the '093 patent, and that Raymond and Thornbloom are the true inventors of the '093 patent; and (ii) a judgment that Travel Tags is the owner of the '093 patent as a result of the invention by Raymond and Thornbloom, whose intellectual property rights were assigned to REL and purchased by Travel Tags;

b. alternatively, (i) a judgment pursuant to 35 U.S.C. § 256 that Raymond and Thornbloom are co-inventors of the '093 patent with Guest; and (ii) a judgment that Travel Tags is the owner or co-owner of the '093 patent as a result of either or both of the invention by Raymond and Thornbloom (whose intellectual property rights were assigned to REL and purchased by Travel Tags) and Guest, who, while employed by REL, was and under a duty to assign said invention to REL and thereby Travel Tags as the successor in interest to REL; and

c. a judgment that Travel Tags is the owner of the foreign patent applications claiming priority to the '093 patent, including but not limited to European Patent Application EP 1345745; or alternatively, that Travel Tags is at least a co-owner of the foreign patent applications.

THE PARTIES

12. Travel Tags is a Minnesota corporation with its principal place of business at 5842 Carmen Avenue, Inver Grove Heights, Minnesota. Travel Tags manufactures and sells throughout the world plastic products incorporating lenticular inserts, including plastic lenticular cups. Lenticular inserts use interlaced segments of images combined with lenticular lenses that produce a variety of visual effects such as movement and three-dimensional effects. A lenticular cup is a type of branded, novelty or promotional cup, including certain "stadium cups" sold at sporting events, movie theaters and franchised restaurants. In a lenticular cup, the outer, curved

surface of the cup incorporates a lenticular lens material or sheet, and movement, such as rotation, of the cup creates an image effect.

13. Digital Replay is a Colorado corporation having its principal place of business at 6547 South Racine Circle, Suite 100, Englewood, Colorado. Digital Replay offers to sell and sells products incorporating lenticular inserts, including cups.

JURISDICTION AND VENUE

14. This is an action for declaratory judgment and related claims, including claims of trade secret misappropriation, tortious interference with contractual relations, tortious interference with prospective contractual relations, Lanham Act violation, deceptive trade practices and unfair competition.

15. There is an actual controversy between the parties with regard to the issues of inventorship, ownership, infringement, validity and enforceability regarding the '093 patent, a true and correct copy of which is attached hereto as Exhibit A. A reasonable apprehension of a suit for infringement of the '093 patent by Digital Replay against Travel Tags has been created by Digital Replay's threats to sue Travel Tags and its customers for infringement of the '093 patent and its assertion of patent infringement in counterclaims in this case.

16. The Court has subject matter jurisdiction over the patent-related claims under 28 U.S.C. §§ 2201, 2202, 1331 and 1338(a).

17. The Court has subject matter jurisdiction over the Lanham Act claim under 15 U.S.C. § 1121 and 28 U.S.C. § 1331.

18. This is also an action for misappropriation of trade secrets under the Minnesota Uniform Trade Secrets Act, Minn. Stat. §§ 325C.01 *et seq.* and for violation of the Minnesota Unfair Trade Practices Act, Minn. Stat. §§ 3250.43-3250.48, and common law unfair

competition. The Court has supplemental subject matter jurisdiction over the state law claims under 28 U.S.C. § 1367.

19. The Court also has subject matter jurisdiction under 28 U.S.C. § 1332, by virtue of the diversity of citizenship of the parties.

20. The amount in controversy exceeds \$75,000.

21. Digital Replay does business in this judicial district.

FACTUAL BACKGROUND

Travel Tags' Purchase of REL's Intellectual Property from the Creditors' Sale

22. Travel Tags is the owner of certain intellectual property purchased at a creditors' sale as a result of the insolvency of REL and related to REL's filing for bankruptcy in July 2000.

23. In particular, on October 18, 2001, Travel Tags purchased the Raymond Application, a non-provisional patent application of which Raymond and Thornbloom were the inventors, bearing U.S. Patent Application Serial No. 09/566,063, entitled "Method For Bonding A Lenticular Image To Plastic," and filed in the PTO on May 5, 2000.

24. The Raymond Application claims priority to the Raymond Provisional Application, U.S. Patent Application Serial No. 60/182,490, and filed in the PTO on February 15, 2000, which application was also acquired by Travel Tags.

25. Travel Tags also purchased all of the intellectual property associated with the development of the manufacture of products with lenticular images, to wit:

processes, methods, know-how, trade secrets, intellectual property and confidential information that relate, involve, refer or are derivative to the design, development, manufacturing, licensing or marketing of printed designs or images regardless of the nature of the material or substance utilized in connection therewith, including, without limitation, all lenticular printed designs or images.

The Raymond Applications, Filed by Lembke, now Owned by Travel Tags

26. REL became a limited liability company in about July 1999, after being Raymond Enterprises, Inc. since about March 1987. REL, as was its predecessor, was formed and principally managed by Raymond.

27. Raymond, through REL, developed proprietary processes for using ultraviolet lithography for printing on plastic substrates. In the late 1990's, Raymond and Bruce N. Thornbloom invented a method for manufacturing a plastic injection molded object by inserting a pre-extruded and printed lenticular insert inside the injection mold and using certain substrates to protect the lenticular insert during the molding process and/or bond the lenticular insert to the molded items.

28. Roger Sunday was a manager for REL during this time period. In his capacity as manager of REL, Sunday was privy to the technology developed by REL and the inventions of Raymond and Thornbloom.

29. Before REL filed bankruptcy, Raymond claimed that REL's patented technology was the only commercially viable technology then existing that would produce a dishwasher and microwave oven safe lenticular plastic cup.

30. On February 15, 2000, Raymond and Thornbloom, through patent counsel Kent A. Lembke, then of the law firm of Chrisman, Bynum & Johnson PC, 1900 Fifteenth Street, Boulder, Colorado, filed the Raymond Provisional Application in the PTO, Patent Application Serial No. 60/182,490. Lembke now practices out of the Boulder, Colorado, office of the law firm of Hogan & Hartsen.

31. On May 5, 2000, Raymond and Thornbloom, through Lembke, filed the Raymond Application in the PTO, assigned Patent Application Serial No. 09/566,063, which claimed priority based on the earlier filed Raymond Provisional Application.

32. About this time, REL hired Guest as Vice President of Sales of REL. In his sales and marketing capacity for REL, Guest had access to the patented technology, trade secrets and know-how of REL and was told that such intellectual property constituted trade secrets of REL.

REL's Financial Troubles, Bankruptcy Filing, and Duty to Maintain and Protect Assets of REL

33. In August 1999, REL borrowed \$1 million from venture capitalists The Catalyst Fund, Ltd. and Southwest/Catalyst Capital, Ltd (collectively "Catalyst"), secured by the assets including intellectual property assets of REL, which security interest was subordinated to other creditors, including Wells Fargo Bank, N.A. ("Wells Fargo").

34. Guest, in connection with his employment by REL, was touting the benefits of REL's intellectual property, including the patented technology and know-how, to would-be investors or purchasers of the company in an effort to raise money for the company and to make sales on behalf of the company.

35. As a vice president of REL, Guest owed duties to the company, including fiduciary duties.

36. The duties Guest owed to REL included the duties to assign any inventions he might make to the company, to refrain from usurping corporate opportunities for the company, to ensure assets of the company were properly protected for the benefit of the company and its creditors, and to maintain the company's trade secrets in confidence.

37. The Raymond Applications and the know-how used to make plastic objects with lenticular inserts were know-how and/or trade secrets of REL to which Guest had access.

38. Guest was aware and had seen the Raymond Applications and was also aware of REL's other intellectual property.

Raymond's Collaboration with Others to Avoid the Creditors

39. When other efforts to raise money failed, Raymond conspired with others, including Guest, to form other companies as a means to move assets out of REL, as Catalyst and Wells Fargo later claimed in litigation against and involving REL and Raymond.

40. On about May 8, 2000, around the time Guest began working with Raymond, Digital Replay, LLC, a Colorado limited liability company, was formed, by agent David Summers, and with managers Raymond and Bruce Speegle.

41. On July 17, 2000, Catalyst and Wells Fargo sued REL and Raymond for having defaulted on the loans made by them to REL, in state district court in Denver Colorado. Catalyst and Wells Fargo claimed that REL and Raymond were disposing of REL's assets and collateral to the loans to the detriment of the creditors.

42. That very day, the Denver court entered an Order to Show Cause and Temporary Order to Preserve Property prohibiting REL and Raymond from disposing of collateral identified in the loan documents, including REL's intellectual property.

43. Also on that same day, Raymond was working with others to remove himself as a principal of Digital Replay, LLC, upon information and belief, in an effort to transfer assets out of REL and hide them from REL's creditors. In particular, Digital Replay, LLC, of which Raymond was a manager, was dissolved, and Digital Replay, Inc., a Colorado corporation, was formed, with agent Bruce Speegle and incorporator David Summers. Guest also became associated with Digital Replay, Inc. Raymond was not identified in corporate papers as associated with Digital Replay, Inc.

44. Eight days later, on July 25, 2000, REL filed for bankruptcy protection.

45. On September 21, 2000, Motion Works, LLC, ("Motion Works") was formed by Roger Sunday, while Sunday was a managing member of REL. Sunday was also well aware of the technology being developed at REL while he was involved with REL.

46. In the fall of 2000, Raymond became a consultant for Motion Works.

47. Upon information and belief, in early October 2000, Raymond informed potential purchasers of REL's intellectual property that he intended to undermine the Raymond Applications.

48. On October 6, 2000, the Denver court enjoined REL, Raymond, Sunday and the other managers, agents and employees of REL from taking any action to interfere with the creditors' collateral, including REL's intellectual property.

49. On November 3, 2000, the Denver court enjoined REL, Raymond, Sunday and the other managers, agents and employees of REL from taking any action to interfere with any of the creditors' collateral, including REL's intellectual property, not already subject to the October 6, 2000, court order.

50. On or about November 20, 2000, Dickensheet and Associates, an agent for Catalyst and Wells Fargo, entered the premises of REL to recover collateral subject to the October 6 and November 3, 2000, court orders, only to find that much of the collateral had been removed from the premises in violation of the court orders.

51. On December 8, 2000, Motion Works purportedly assigned rights to certain technology through a technology transfer agreement to Digital Replay, Inc. Richard Guest signed on behalf of Motion Works and Bruce Speegle signed on behalf of Digital Replay, Inc.

52. During Raymond's tenure as consultant to Motion Works, and after Motion Works transferred its supposed technology to Digital Replay through the technology transfer agreement, Digital Replay demanded that Raymond and Motion Works assign to Digital Replay the Raymond Application.

53. Raymond refused.

Guest's Patent Application Filing through Lembke, a Copy of the Raymond Application

54. As a result, on December 22, 2000, Guest, through attorney Lembke, filed a provisional patent application on behalf of Guest in the PTO, much of which is a verbatim copy of the text and figures of the Raymond Application. In that application, Guest claimed to be the sole inventor of that technology. Guest assigned the application to Digital Replay.

55. Neither the creditors nor the public to whom REL's assets were made available for sale knew that Guest had filed the patent application, because applications filed with the PTO at that time were kept confidential by the PTO until the grant of a patent.

56. On February 22, 2001, Guest, through attorney Lembke, filed a non-provisional patent application with the PTO, claiming priority to the earlier-filed provisional patent application.

57. Again, this application was in large part a verbatim copy of the Raymond Application.

58. Again, this application was kept in confidence by the PTO.

The Catalyst/Wells Fargo Combined Litigation Against REL, Raymond, and Motion Works

59. In the meantime, the creditors of REL continued to try to recover their collateral, including REL's intellectual property, through litigation.

60. Having sued REL and Raymond, but not Motion Works, on March 22, 2001, Catalyst and Wells Fargo sued Motion Works, claiming that REL had transferred assets of REL, including REL's intellectual property, to Motion Works to avoid being secured and sold by the creditors to satisfy REL's obligations to the creditors, and seeking an injunction to prevent Motion Works using REL's intellectual property.

61. The earlier filed litigation against REL and Raymond was combined with the suit against Motion Works in Denver district court.

62. Upon information and belief, and as alleged in that action by Catalyst and Wells Fargo, Motion Works was essentially a continuation of and the alter ego of REL, substantiated by the facts that Motion Works operated out of the same premises previously used by REL, utilized much of the same equipment of REL, employed the same personnel of REL, used the same vendors as did REL, and sold the same products, including lenticular cups, to the same customers of REL.

63. Upon information and belief, and as alleged by Catalyst and Wells Fargo, Raymond, Sunday and Motion Works acquired certain assets of REL in violation of the court orders and converted those assets, including REL's intellectual property to themselves and Motion Works.

64. Upon information and belief, Raymond, Roger Sunday and Motion Works acquired REL's intellectual property in an effort to hide from the creditors the collateral that rightfully belonged to them, including REL's intellectual property.

65. Upon information and belief, the assets of REL diverted to Motion Works by Raymond, and possibly other former employees of REL, included documentation related to the

development of the technology that was the subject of the Raymond Applications, as well as documents that related to the applications themselves.

66. Upon information and belief, individuals employed by REL, before REL filed for bankruptcy protection, went to Motion Works shortly thereafter and took with them files describing or related to the technology from the premises of REL before they could be recovered by Dickensheet as collateral on behalf of Catalyst and Wells Fargo.

67. These individuals, including one or more of Gus Nietes, Gary Hall, Charlie Benoy and Terri Roberts, performed extensive work in connection with the design, development and testing of REL's proprietary processes for which Raymond and Thornbloom had applied for a patent.

68. None of these individuals had any experience in the subject technology before working for REL.

69. Catalyst and Wells Fargo eventually reached a settlement of their litigation against REL, Raymond, and Guest, the terms of which are confidential.

70. As claimed by Catalyst and Wells Fargo in their litigation against REL, Raymond, and Motion Works, any technology Motion Works claimed to have transferred to Digital Replay, particularly by Guest, was technology Guest acquired from REL while employed at REL.

The Pending Foreign Patent Applications Claiming Priority to the '093 Patent

71. After filing the patent application that ultimately led to the grant of the '093 patent, Guest, through Lembke, filed a foreign patent application with the European Patent Office ("the EPO application"), which bears application number EP 1345745 and claims priority to the '093 patent application.

72. The EPO application is still pending in the European Patent Office.

73. Digital Replay is the record assignee of the EPO application, and is conducting its prosecution. Guest is improperly listed as the sole inventor. However, even if Guest is the sole inventor, he had a duty to assign the patent application to REL because it is part of the assets acquired by Travel Tags, and wrongfully assigned the patent application to Digital Replay, Inc.

74. In fact, Raymond and Thronbloom are the inventors. Travel Tags, not Digital Replay, is the owner, through the rights acquired from the sale of REL assets to Travel Tags, including the patent rights Raymond and Thornbloom had a duty to assign to REL.

75. To date, Digital Replay has opted to enter into independent prosecution in Japan and Canada, and is prosecuting patent applications bearing JP 2002552734 and CA 2430913, respectively.

76. The subject matter of the EPO application, and corresponding Japanese and Canadian applications, is the same as that described in the '093 patent.

Digital Replay's Issuance of a Threat of Infringement of the '093 Patent to Travel Tags

77. On September 7, 2001, Kent Lembke notified Travel Tags that Digital Replay had filed patents to protect "their methods of molding plastic cups with lenticular inserts." A true and correct copy of the letter is attached hereto as Exhibit B.

78. On December 3, 2002, the '093 patent issued to Digital Replay.

79. Digital Replay has threatened to commence litigation against Travel Tags alleging infringement of the '093 patent.

80. On information and belief, Digital Replay has threatened to commence litigation against Travel Tags' customers alleging infringement of the '093 patent.

81. Digital Replay has threatened to commence litigation against Travel Tags and its customers alleging infringement of the '093 patent, representing that Digital Replay's products

are patented under the '093 patent, marking Digital Replay's products with the '093 patent number, and representing to Travel Tags' customers and the trade that Travel Tags' product infringes the '093 patent.

82. Digital Replay has made these threats and allegations with the knowledge that Guest did not invent the subject matter of the '093 patent, that Raymond and Thornbloom are the true inventors, and that Travel Tags either owned the rights in the '093 patent, or was a co-owner of that patent, and thus could not be an infringer. Digital Replay made the threats knowing that it had no reasonable basis to claim that it owned a valid and enforceable patent that could support an infringement claim against Travel Tags.

83. Digital Replay has made these threats and allegations with the knowledge that Travel Tags has contractual or prospective contractual relations with its customers and potential customers, respectively.

84. Digital Replay has made these threats and allegations in bad faith, using a patent it knew it could not enforce against Travel Tags, with the intent to harm Travel Tags and procure a breach of Travel Tags' contractual relations with its customers and intending to interfere with Travel Tags' prospective contractual relations with potential customers. Digital Replay sought to damage Travel Tags business in an effort to (1) take business from Travel Tags and wrongfully profit thereby, and (2) enhance its bargaining position with Travel Tags as part of a scheme to force Travel Tags to make substantial payments to Digital Replay to acquire either or both of the '093 patent and Digital Replay as a company.

85. Digital Replay's threats and allegations have misled customers and misrepresented the nature, characteristics, and quality of its goods, as well as those of Travel Tags.

86. As a result of Digital Replay's threats and allegations to Travel Tags' customers and the industry, Travel Tags has been damaged.

Guest and/or Lembke's Inequitable Conduct before the PTO

87. Both Guest patent applications, the provisional and non-provisional, and the resulting '093 patent, are in large part a verbatim copy of the Raymond Applications.

88. Indeed, virtually all of the specification of the Raymond Applications are found within the '093 patent, including all of the figures of the Raymond Application. One of the figures in the Raymond Application contained the misspelling of lenticular as "lenticular," and the copied misspelled word appears in the '093 patent Figure 4 in the box labeled with reference number 46.

89. In addition, the '093 patent repeatedly refers to the inventive entity of that patent as "inventors." The Raymond Applications refer to the inventive entity in their disclosures as "inventors," further indicating that Guest, through Lembke, copied the Raymond Applications and knew the "inventors" included persons other than Guest alone.

90. Both Guest and Lembke deliberately concealed from the PTO the fact that the Guest patent application was in large part derived from the Raymond Applications, which information was material to the examination and patentability, or lack thereof, of the Guest patent applications, with the intent to deceive the PTO into granting the patent for which Guest had applied.

91. Both Guest and Lembke deliberately concealed from the PTO the fact that Guest's putative invention was that of, or at the very least the result of substantial contributions from, Raymond and Thornbloom, with the intent to deceive the PTO into granting the patent for which Guest and Guest alone had applied.

92. In February 2001, Guest filed an oath and declaration during the prosecution of the application that ultimately issued as the '093 patent, in which Guest falsely declared under oath that he was the true and sole inventor of the subject matter for which he applied for a patent, with the intent to deceive the PTO into granting the patent for which he had applied.

93. Upon information and belief, Guest previously, in conjunction with the filing of his provisional application, filed an oath and declaration in which he falsely declared under oath that he was the true and sole inventor of the subject matter described in that provisional application.

94. Guest deliberately lied to the PTO by claiming to be the true and only inventor of the subject matter for which he sought a patent, when Raymond and Thornbloom are the true inventors of the resulting '093 patent.

95. On information and belief, Lembke and/or Guest drafted the Guest patent applications by copying the disclosures of the Raymond Applications.

96. The Raymond Applications were the property and trade secrets of REL when copied.

97. Guest and Lembke's acts of deliberately withholding material information about the patentability of Guest's patent applications, as described above, with the intent to deceive the PTO in granting the '093 patent, constitute a violation of their duty of candor to the PTO under 37 C.F.R. § 1.56 and constitute inequitable conduct.

COUNT I

DETERMINATION OF THE INVENTORSHIP OF U.S. PATENT NO. 6,490,093

98. The preceding paragraphs are incorporated herein by reference.

99. Raymond and Thornbloom are the true and only inventors of the claims of the '093 patent, and Guest is not either the sole or co-inventor of any claim of the '093 patent.

100. Alternatively, Raymond and Thornbloom are co-inventors of one or more claims of the '093 patent with Guest.

101. Pursuant to 35 U.S.C. § 256, this Court should declare Raymond and Thornbloom the true and only inventors of the claims of the '093 patent, or, alternatively, that Raymond and Thornbloom are co-inventors of one or more claims of the '093 patent with Guest.

COUNT II

DETERMINATION OF THE OWNERSHIP OF U.S. PATENT NO. 6,490,093

102. The preceding paragraphs are incorporated herein by reference.

103. Raymond and Thornbloom invented, or, alternatively, co-invented the claims of the '093 patent while working for or on behalf of REL, while Raymond and Thornbloom had a common duty to assign their invention(s) to REL.

104. Travel Tags acquired patent and intellectual property assets of REL by purchase in October 2001. Thus, Travel Tags is either a co-owner or the complete and sole owner of all rights in the '093 patent.

105. To the extent that Guest is an inventor of one or more claims of the '093 patent, Guest made his invention(s) while working at REL and had a duty to assign his invention(s) to REL.

106. Therefore, by virtue of Travel Tags' purchase of any intellectual property of REL developed by Guest, Travel Tags is the sole owner of the '093 patent.

COUNT III

DETERMINATION OF THE OWNERSHIP OF PENDING FOREIGN PATENT APPLICATIONS CLAIMING PRIORITY TO U.S. PATENT NO. 6,490,093

107. The preceding paragraphs are incorporated herein by reference.

108. The pending foreign patent applications claiming priority to the '093 patent, including EP 1345745, CA 2430913, and JP 2002552734, are also rightfully the property of and owned by Travel Tags.

COUNT IV

DECLARATION OF UNENFORCEABILITY OF U.S. PATENT NO. 6,490,093

109. The preceding paragraphs are incorporated herein by reference.

110. Should Raymond and Thornbloom not be adjudicated to be the only inventors of the '093 patent or co-inventors of the '093 patent with Guest, then the '093 patent is unenforceable as a result of Guest's and/or Lembke's inequitable conduct before the PTO in prosecuting the patent and the provisional patent application to which it claims priority.

111. Should Raymond and Thornbloom not be adjudicated to be the only inventors of the '093 patent or co-inventors of the '093 patent with Guest, Guest's material misrepresentations and omissions to the PTO constitute patent misuse.

COUNT V

DECLARATION OF INVALIDITY OF U.S. PATENT NO. 6,490,093

112. The preceding paragraphs are incorporated herein by reference.

113. To the extent Guest is deemed the sole inventor of the '093 patent, the '093 patent is invalid under 35 U.S.C. § 102(a) because the claimed inventions therein were known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the purported invention thereof by Guest.

114. To the extent Guest is deemed the sole inventor of the '093 patent, the '093 patent is invalid under 35 U.S.C. § 102(b) because the claimed inventions were described in a printed publication in this or a foreign country or in public use or on sale in this country more than one year prior to the date of the application for patent in the United States.

115. To the extent Guest is deemed the sole inventor of the '093 patent, the '093 patent is invalid under 35 U.S.C. § 102(f) because Guest did not invent the subject matter sought to be patented.

116. To the extent Guest is deemed the sole inventor of the '093 patent, the '093 patent is invalid under 102(g)(2) because before Guest's putative invention thereof, the invention was made in this country by another, namely Raymond and Thornbloom, and Raymond and Thornbloom did not abandon, suppress or conceal their invention, and Raymond and Thornbloom were diligent in reducing their invention to practice from prior to the date of Guest's conception of his invention.

117. To the extent Guest is deemed the sole inventor of the '093 patent, the '093 patent is invalid under 35 U.S.C. § 102 in combination with 35 U.S.C. § 103, at least because, to the extent Guest, Raymond, and Thornbloom do not have a common duty to assign the patent rights to REL and its successor in interest Travel Tags, the subject matter Guest sought to be patented was over and above the prior work derived from Raymond and Thornbloom and described in their patent applications, the differences as a whole between such subject matter and the prior art, including Raymond and Thornbloom's prior work and patent applications, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

COUNT VI

DECLARATION OF NON-INFRINGEMENT OF U.S. PATENT NO. 6,490,093 BY TRAVEL TAGS

118. The preceding paragraphs are incorporated herein by reference.

119. Travel Tags does not infringe any valid claim of the '093 patent.

COUNT VII

INFRINGEMENT OF U.S. PATENT NO. 6,490,093 BY DIGITAL REPLAY

120. The preceding paragraphs are incorporated herein by reference.

121. Should Travel Tags be adjudicated to be the sole owner of the '093 patent, then Digital Replay has infringed and is infringing one or more claims of the '093 patent by, without license or authority from Travel Tags, using the method claimed in one or more claims of the patent, or by inducing others to use such method, or by making, using, selling or offering to sell the apparatus claimed in one or more claims of the patent.

122. Any infringement of the '093 patent by Digital Replay has been willful, as Digital Replay at all relevant times was well aware that it did not have rights under the '093 patent, and that Travel Tags was the rightful owner of the '093 patent.

COUNT VIII

**VIOLATION OF THE MINNESOTA UNIFORM TRADE SECRETS ACT,
MINN. STAT. §§ 325C.01 *et seq***

123. The preceding paragraphs are incorporated herein by reference.

124. Digital Replay has misappropriated REL's trade secrets, now owned by Travel Tags, in violation of the Minnesota Uniform Trade Secrets Act.

125. Digital Replay's misappropriation of REL's trade secrets has been willful.

126. As a result, Travel Tags is entitled to preliminary and permanent injunctive relief against Digital Replay, enjoining Digital Replay from further use and dissemination of the trade secrets.

127. Travel Tags is also entitled to its attorney's fees as provided for by Minn. Stat. § 325C.04.

COUNT IX

TORTIOUS INTERFERENCE WITH CONTRACTUAL AND BUSINESS RELATIONS

128. The preceding paragraphs are incorporated herein by reference.

129. Digital Replay's bad faith threats and allegations to Travel Tags' customers have interfered with Travel Tags' contractual and business relations with its customers, and Travel Tags has been damaged thereby. Digital Replay has no justification or excuse for its acts of interference.

COUNT X

TORTIOUS INTERFERENCE WITH PROSPECTIVE CONTRACTUAL RELATIONS

130. The preceding paragraphs are incorporated herein by reference.

131. Digital Replay's bad faith threats and allegations to Travel Tags' potential customers have interfered with Travel Tags' prospective contractual relations with potential customers, and Travel Tags has been damaged thereby. Digital Replay has no justification or excuse for its acts of interference.

COUNT XI

VIOLATION OF LANHAM ACT, 35 U.S.C. § 1125

132. The preceding paragraphs are incorporated herein by reference.

133. Digital Replay's bad faith marking of the '093 patent number on its goods, and its bad faith threats and allegations to Travel Tags' customers and to the trade constitute misrepresentations of the nature, characteristics, and qualities of its goods and the good of Travel Tags in violation of the Lanham Act. Digital Replay was unjustly enriched and Travel Tags has been damaged by such actions.

COUNT XII

**VIOLATION OF MINNESOTA UNIFORM DECEPTIVE TRADE PRACTICES ACT,
Minn. Stat. §§ 325D.43 – 325D.48**

134. The preceding paragraphs are incorporated herein by reference.

135. Digital Replay's actions, threats and allegations herein, including marking of the '093 patent number on its goods and alleging that its goods are patented and that Travel Tags' goods infringe the '093 patent, with the knowledge that Digital Replay owns no valid and enforceable rights in the '093 patent, misrepresent the particular standard, quality and grade of Digital Replay's goods, in violation of the Minnesota Uniform Deceptive Trade Practices Act.

136. Digital Replay's actions, threats and allegations herein have disparaged Travel Tags' goods by false and misleading representations of fact in violation of the Minnesota Uniform Deceptive Trade Practices Act.

137. Digital Replay's actions, threats and allegations herein have created a likelihood of confusion in the consuming public of Digital Replay and Travel Tags' goods in violation of the Minnesota Uniform Deceptive Trade Practices Act.

138. Digital Replay's ongoing and threatened violations of the Minnesota Uniform Deceptive Trade Practices Act have been willful.

139. Travel Tags' business reputation is likely to be damaged by Digital Replay's acts in violation of the Minnesota Uniform Deceptive Trade Practices Act.

140. As a result, Digital Replay is liable to Travel Tags for its attorney's fees, as provided for by the Minnesota Uniform Deceptive Trade Practices Act, Minn. Stat. § 325D.45.

COUNT XIII

UNFAIR COMPETITION

141. The preceding paragraphs are incorporated herein by reference.

142. Digital Replay's actions, threats, and allegations constitute unfair competition. Digital Replay has been unjustly enriched, and Travel Tags damaged, by such activity.

COUNT XIV

UNJUST ENRICHMENT

143. The preceding paragraphs are incorporated herein by reference.

144. Digital Replay has been unfairly benefited by its actions and has been unjustly enriched. Travel Tags has been damaged by such activity and requests accounting therefore.

PRAYER FOR RELIEF

WHEREFORE, Travel Tags prays for the following relief:

A. a judgment under 35 U.S.C. § 256 that Guest is not the sole or a co-inventor of the '093 patent, that Raymond and Thornbloom are the true inventors of the '093 patent, and that Travel Tags is the owner of the '093 patent, as well as an order requiring Digital Replay to assign the '093 patent to Travel Tags;

B. alternatively, a judgment under 35 U.S.C. § 256 that Raymond and Thornbloom are co-inventors with Guest on the '093 patent, and that Travel Tags is an owner or, alternatively, at least a co-owner of the '093 patent;

C. a judgment that Travel Tags is the owner of the foreign applications that claim priority to the application that resulted in the grant of the '093 patent, including EP

1345745, CA 2430913, and JP 2002552734, as well as an order requiring Digital Replay to assign these applications to Travel Tags;

D. alternatively, should Travel Tags not be adjudged to be the sole or co-owner of the '093 patent,

- (i) a judgment that the '093 patent is unenforceable; and/or
- (ii) a judgment that the '093 patent is invalid under 35 U.S.C. §§ 102

and/or 103;

- (iii). a judgment of non-infringement of the '093 patent by Travel Tags;

E. should Travel Tags be adjudged to be the sole owner of the '093 patent,

- (i) a judgment that Digital Replay is infringing the '093 patent;
- (ii) injunctive relief enjoining further infringement of the same; and
- (iii) damages in the form of a reasonable royalty and/or lost profits as a

result of the same, with increased damages up to treble damages for willful infringement;

F. pursuant to the Minnesota Uniform Trade Secrets Act, Minn. Stat. § 325C.01 *et. seq.*,

- (i) a judgment that Digital Replay has willfully misappropriated REL's trade secrets, now owned by Travel Tags;
- (ii) an award of damages and/or an award based on unjust enrichment for the misappropriation, wrongful dissemination, and use of the trade secrets;
- (iii) preliminary and permanent injunctive relief, enjoining Digital Replay, and its officers, directors, agents, servants, employees, attorneys, and all

others acting under or through it, from using or disseminating REL's trade secrets, now owned by Travel Tags;

(iv) exemplary damages for the willful misappropriation of Travel Tags' trade secrets under § 325C.03(b); and

(v) Travel Tags' attorney's fees as provided by Minn. Stat. § 325C.04.

G. a judgment pursuant to the Lanham Act, 15 U.S.C. § 1125, that Digital Replay has violated that Act, and damages as a result of the same;

H. a judgment that Digital Replay has committed tortious interference with contractual relations, damages as a result of the same;

I. a judgment that Digital Replay has committed tortious interference with prospective contractual relations, and damages as a result of the same;

J. a judgment that Digital Replay has engaged in unfair competition, and damages as a result of the same;

K. a judgment that Digital Replay has been unjustly enriched, and damages as a result of the same, including an accounting;

L. for a declaration that this is an exceptional case under 35 U.S.C. § 285 and an award of Travel Tags' attorney's fees as a result;

M. for an award of taxable cost and pre-judgment and post-judgment interest; and

N. all other relief as the Court finds just and equitable.

DEMAND FOR JURY TRIAL

Travel Tags hereby demands a jury on all issues so triable.

Dated: June 28, 2004

Respectfully submitted,

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