

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION

CORNERSTONE AUTOMATION  
SYSTEMS, LLC and ROBOTICA, INC.,

Plaintiffs,

v.

R.E.D. STAMP, INC.,  
ALAN R. MILLER, and  
STREAMTECH ENGINEERING, LLC,

Defendants.

Civil Action No. 2:12-cv-303

JURY TRIAL DEMANDED

**ORIGINAL COMPLAINT**

This is an action for patent infringement, violations of the Lanham Act, trade secret misappropriation, unfair competition, and unjust enrichment in which Plaintiffs, Cornerstone Automation Systems, LLC (“CASI”) and Robotica, Inc. (“Robotica”), make the following allegations against Defendants, R.E.D. Stamp, Inc. (“R.E.D. Stamp”), Alan R. Miller, and StreamTech Engineering, LLC (“StreamTech”).

**PARTIES**

1. Plaintiff Cornerstone Automation Systems, LLC is a Texas limited liability company with its principal place of business at 10351 Home Road, Frisco, Texas 75034.
2. Plaintiff Robotica, Inc. is a Texas corporation with its principal place of business at 7303 Dayhill Drive, Spring, Texas 77379.
3. On information and belief, Defendant R.E.D. Stamp, Inc. is a Michigan corporation with its corporate headquarters and principal place of business at 3800 Patterson Avenue, Grand Rapids, Michigan 49512. R.E.D. Stamp may be served via its registered agent

for service of process, National Registered Agents, Inc., 1021 Main Street, Suite 1150, Houston, Texas 77002.

4. Alan R. Miller is an individual and, on information and belief, is a citizen of the State of Missouri. Mr. Miller is the founder of Defendant StreamTech Engineering, LLC. Mr. Miller may be served at StreamTech, 353 Marshall Avenue, Suite M, Saint Louis, Missouri 63119.

5. On information and belief, Defendant StreamTech Engineering, LLC is a Missouri limited liability company with its company headquarters and principal place of business at 353 Marshall Avenue, Suite M, Saint Louis, Missouri 63119. Upon information and belief, StreamTech is an alter ego of Defendant Alan R. Miller, and an entity through which Mr. Miller conducts or transacts business. StreamTech may be served via its registered agent for service of process, Alan R. Miller, 353 Marshall Avenue, Suite M, Saint Louis, Missouri 63119.

#### **JURISDICTION AND VENUE**

6. This action arises under the patent and unfair competition laws of the United States, Titles 15 and 35 of the United States Code. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338.

7. Subject matter jurisdiction is also proper in this Court pursuant to 28 U.S.C. § 1332. There is diversity of citizenship between the parties, and the amount in controversy, excluding interests and costs, is in excess of the jurisdictional minimum of this Court.

8. This Court has personal jurisdiction over Defendant R.E.D. Stamp. R.E.D. Stamp has conducted and does conduct business within the State of Texas and within the Eastern District of Texas. R.E.D. Stamp, directly and/or through intermediaries (including distributors, sales agents, and others), ships, distributes, offers for sale, sells, and/or advertises its products (including, but not limited to, the products that are accused of patent infringement in this lawsuit)

in the United States, the State of Texas, and the Eastern District of Texas. R.E.D. Stamp has committed patent infringement within the State of Texas, and, more particularly, within the Eastern District of Texas as alleged in more detail below.

9. This Court has personal jurisdiction over Defendants Alan R. Miller and StreamTech. Mr. Miller and StreamTech have conducted and do conduct business within the State of Texas and within the Eastern District of Texas. The claims asserted against Mr. Miller and StreamTech in this Complaint arise from Mr. Miller and StreamTech transacting business with CASI and committing torts within the State of Texas, and, more particularly, within the Eastern District of Texas as alleged in more detail below.

10. Venue is proper in this district under 28 U.S.C. §§ 1391 and 1400(b).

11. Joinder of the Defendants in this action is proper pursuant to 35 U.S.C. § 299. As alleged in more detail below, all of the Defendants are offering to sell and/or selling the same infringing products, and questions of fact common to all Defendants will arise in this action.

### **FACTUAL BACKGROUND**

#### **Plaintiffs CASI and Robotica**

12. Cornerstone Automation Systems, LLC (“CASI”), based in Frisco, Texas, is a manufacturing company that designs, engineers, manufactures, markets, sells, and implements state of the art automation systems for material handling, packaging, and manufacturing operations. For example, CASI sells conveyors, checkweigher systems, cubing or dimensioning systems, automatic picking systems, product dispensers, product fulfillment software and systems, and sortation products for warehouses and distribution centers. CASI employs approximately sixty-five people, including highly talented design and field engineers, at its 86,000 square feet facility in Frisco.

13. Robotica Inc. (“Robotica”), based in Spring, Texas, provides innovative product conception and design, business development, marketing, and sales for manufacturing companies, including for CASI. Robotica has developed automated systems and robotic machines for use in some of the largest retailers and manufacturing companies in the world and for use in federal institutions. For example, Robotica develops palletizing equipment, automatic picking systems, and product dispensing systems for warehouses and distribution centers.

14. One of the most important and valuable automated systems that CASI and Robotica jointly developed and jointly sell is their patented and trademarked Automated Box Opening Technology (“ABOT”) system. The ABOT® – DUO is shown below.<sup>1</sup>



15. The ABOT system is a computerized, fully automated case cutter that automatically cuts open boxes and cases of different shapes and sizes. Using electronic sensors and CASI’s state of the art software, the ABOT system has the ability to modify its cut pattern in real time as boxes of different shapes and sizes enter the ABOT system through a conveyor. The ABOT system automatically aligns boxes into position, measures, and accurately controls the cut

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<sup>1</sup> Image available at: <http://www.cornerstoneautosys.com/abot-one.htm>.

location and depth of the cut to avoid damaging the contents inside the boxes. The ABOT's precision occurs three to eight times faster than even the most careful and experienced manual operators.

16. Robotica developed specialized ABOT "Super Blades" that meet the demands of the high ABOT throughput. ABOT Super Blades remain sharp many times longer than any other box cutting blades on the market. Replacement ABOT Super Blades are sold exclusively by Robotica.

17. ABOT systems are used in a variety of applications, including order picking, reverse logistics, automatic carton opening, and repackaging operations. For example, ABOT systems are used to precisely cut open cases of food products and other consumable products that are shipped to warehouses in bulk packaging prior to further distribution to retail stores.

18. On December 9, 2005, CASI and Robotica jointly applied for a patent directed to the ABOT system. In 2006, CASI and Robotica first began publicly marketing the ABOT system for sale. The ABOT system was the first fully automated and truly flexible box opening system on the market. On July 12, 2007, CASI and Robotica's patent application was published by the United States Patent and Trademark Office ("USPTO"). On May 18, 2010, the patent issued as United States Patent No. 7,720,567 ("the '567 Patent"). After the patent issued, CASI began marking ABOT systems sold and shipped to customers with the '567 Patent number. Since CASI first began marking ABOT systems with the '567 Patent number, CASI has consistently marked all of its ABOT systems sold and shipped to customers, and has not distributed unmarked ABOT systems.

19. The '567 Patent, titled "Automated Box Opening Apparatus," has 45 "apparatus" claims (3 independent claims and 42 dependent claims) directed to an entire automated box opening system. For example, Claim 1 of the '567 Patent is recited below:

1. A box processing apparatus, comprising:

a conveyor;

a programmable motion device adjacent the conveyor for moving a cutting element in at least three orthogonal axes;

at least one first sensor adjacent the conveyor for determining three orthogonal dimensions of a box;

a memory for storing a plurality of cut definitions, each cut definition defining one or more box cuts; and

a controller operably coupled to the conveyor, the programmable motion device, the at least one first sensor, and the memory, the controller being programmable to:

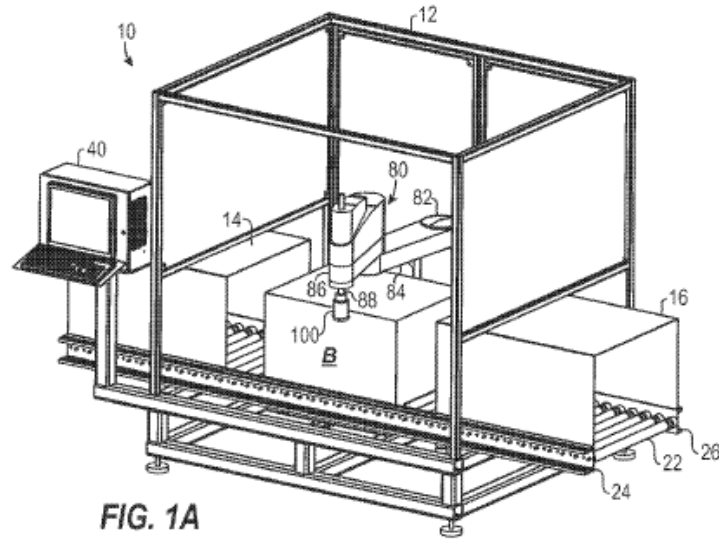
operate the conveyor to move a box to a position relative to the programmable motion device,

select one of the cut definitions in memory,

create a path for moving the cutting element relative to the box based on the determined dimensions of the box and the selected cut definition, and

operate the programmable motion device to move the cutting element relative to the box according to the path to produce the one or more box cuts of the selected cut definition in the box with the cutting element.

20. An embodiment of the claimed inventions described in the '567 Patent is shown in Figure 1A from the '567 Patent below:



**Defendant R.E.D. Stamp**

21. R.E.D. Stamp, Inc. (“R.E.D. Stamp”) directly competes with CASI and Robotica by selling infringing automatic case cutters that essentially copy the patented features of CASI’s ABOT system. On information and belief, in late 2006 or in 2007, a R.E.D. Stamp representative personally examined an ABOT system that CASI sold to Giant Eagle, Inc., a supermarket chain, at Giant Eagle’s facility in Pennsylvania. The R.E.D. Stamp representative inquired about the patent-pending design and operation of CASI’s ABOT system in use at Giant Eagle’s facility. On information and belief, in early 2008, after R.E.D. Stamp examined the ABOT system at Giant Eagle’s facility, R.E.D. Stamp began offering for sale and selling its infringing case cutters in the United States.

22. R.E.D. Stamp’s infringing case cutters are offered for sale and sold by R.E.D. Stamp, and by R.E.D. Stamp resellers and distributors, using various different names for the same infringing R.E.D. Stamp case cutter. For example, R.E.D. Stamp offers its infringing case cutters for sale on its own website as the “CCU-6-12 Case Cutter Unit” and the “CCU-6-12 Cigarette Case Cutter Unit.” R.E.D. Stamp also provides a link on its website to one of its

partner's (Efficient Logistics') website, where the same R.E.D. Stamp infringing case cutters are offered for sale as the "OptiCut" and the "opti cut." As alleged in more detail below, Defendant StreamTech also offers the same R.E.D. Stamp infringing case cutters for sale on its website as the "CCU Automatic Box Cutter," the "CCU automatic box cutter," and the "Automatic Box Cutter."

23. An infringing R.E.D. Stamp CCU-6-12 Case Cutter Unit is shown below.<sup>2</sup>



24. R.E.D. Stamp's infringing sales have undermined the market for CASI and Robotica's patented ABOT systems. R.E.D. Stamp's infringing case cutters are offered at a significantly lower price than CASI's patented ABOT systems. As a result, CASI and Robotica have lost ABOT sales and sales opportunities directly to R.E.D. Stamp. Further, R.E.D. Stamp's discount pricing is impeding CASI and Robotica's ability to maintain its desired price point and recover its research and development costs for the ABOT.

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<sup>2</sup> Image available at: [http://www.redstampinc.com/downloads/brochures/ccu\\_brochure.pdf](http://www.redstampinc.com/downloads/brochures/ccu_brochure.pdf).



**Defendant Alan R. Miller**

25. In 2007, Alan R. Miller began working for CASI as an independent contractor to sell CASI and Robotica's ABOT systems, replacement parts, and other CASI products and automation systems. Mr. Miller continued to work for CASI as a sales agent until July 2011, when he terminated the relationship. During the time that Mr. Miller worked for CASI, he had access to CASI and Robotica's confidential and proprietary sales methods, marketing materials, pricing data, customer information and lists, technology, product designs, manufacturing information, digital photos, and other technical and business information.

26. During the time that Mr. Miller worked for CASI, Mr. Miller also gained actual knowledge of CASI and Robotica's pending patent application for the '567 Patent, knew that the patent application covered CASI and Robotica's ABOT systems, and also knew that the USPTO issued the '567 Patent to CASI and Robotica.

**Defendant StreamTech**

27. StreamTech Engineering, LLC founded by Mr. Miller in 2007, is a reseller of R.E.D. Stamp's infringing case cutters, and is therefore a direct competitor to CASI and Robotica and to their patented ABOT systems. Despite having actual knowledge of CASI and Robotica's '567 Patent through Mr. Miller, StreamTech markets and sells infringing R.E.D. Stamp case cutters, identified as the "CCU Automatic Box Cutter" on its website.<sup>3</sup> StreamTech claims that the CCU Automatic Box Cutter "was developed to fill the void between inflexible, non-random auto box cutters and very high priced units with proprietary software . . . ."<sup>4</sup>

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<sup>3</sup> See StreamTech's "CCU Automatic Box Cutter" webpage, available at: <http://www.streamtecheng.com/content/automatic+box+cutter/19111>.

<sup>4</sup> *Id.*

28. In addition to selling the infringing R.E.D. Stamp case cutters, StreamTech and Mr. Miller sell other automation systems and services that directly compete with CASI and Robotica's unpatented products and services that are used in warehouses and distribution centers. For example, StreamTech sells conveyors, checkweigher systems, cubing or dimensioning systems, palletizing equipment, automatic picking systems, sortation products, and replacement parts.

29. In connection with the marketing and selling of these unpatented automation systems and services, StreamTech and Mr. Miller have used, without CASI and Robotica's permission, CASI and Robotica's trade secrets, including confidential and proprietary sales methods, marketing materials, pricing data, customer information and lists, technology, product designs, manufacturing information, digital photos, and other technical and business information. In addition, as alleged in more detail below, StreamTech and Mr. Miller literally copied CASI's digital photos depicting CASI and Robotica products, and StreamTech and Mr. Miller currently are using CASI's digital photos of CASI products to sell StreamTech products on StreamTech's website.

#### **Relationship Between Defendants**

30. On information and belief, in 2011, around the time that Mr. Miller terminated his sales agent relationship with CASI, Mr. Miller and/or StreamTech entered into a contractual relationship with R.E.D. Stamp to promote and sell R.E.D. Stamp's infringing case cutters that directly compete with CASI's ABOT system. On information and belief, Mr. Miller and StreamTech brought to R.E.D. Stamp, and R.E.D. Stamp received from Mr. Miller and StreamTech, CASI and Robotica's confidential and proprietary sales methods, marketing materials, pricing data, customer information and lists, technology, product designs, manufacturing information, digital photos, and other technical and business information. On

information and belief, R.E.D. Stamp is using CASI and Robotica's confidential and proprietary information gained from Mr. Miller and StreamTech to promote and sell R.E.D. Stamp's infringing cases cutters in direct competition with CASI and Robotica. Further, on information and belief, R.E.D. Stamp received actual knowledge of CASI's '567 Patent from Mr. Miller and StreamTech.

## COUNT I

### Infringement of U.S. Patent No. 7,720,567 – All Defendants

31. CASI and Robotica refer to and incorporate herein the allegations of paragraphs 1 through 28 and 30 above.

32. United States Patent No. 7,720,567 ("the '567 Patent"), entitled "Automated Box Opening Apparatus," was duly and legally issued by the USPTO on May 18, 2010 after a full and fair examination. CASI and Robotica are the owners of the entire right, title, and interest in and to the '567 Patent, including the right to sue, recover damages, and obtain injunctive relief for infringement of the '567 Patent. A true and correct copy of the '567 Patent is attached as Exhibit A.

33. R.E.D. Stamp has infringed and continues to infringe the '567 Patent by making, using, offering to sell, and/or selling (directly or through intermediaries or authorized agents under R.E.D. Stamp's control), in this judicial district and elsewhere in the United States, certain automated box opening systems that use and embody the patented inventions claimed in CASI and Robotica's '567 Patent. R.E.D. Stamp's infringing automated box opening systems include, without limitation, systems sold under the following names: CCU-6-12 Case Cutter Unit, CCU Automatic Box Cutter, and OptiCut. Upon information and belief, R.E.D. Stamp's infringing systems may be made, used, sold, offered for sale, and/or imported under other product names,

product family names, and/or model numbers. R.E.D. Stamp is thus liable for direct infringement of the '567 Patent pursuant to 35 U.S.C. § 271(a).

34. Mr. Miller and StreamTech have also infringed and continue to infringe the '567 Patent by offering to sell and/or selling, in this judicial district and elsewhere in the United States, the same automated box opening systems made by R.E.D. Stamp that use and embody the patented inventions claimed in the '567 Patent. Mr. Miller and StreamTech's infringing automated box opening systems include, without limitation, systems sold under the following names: CCU-6-12 Case Cutter Unit, CCU Automatic Box Cutter, and OptiCut. Upon information and belief, the infringing R.E.D. Stamp systems offered for sale and/or sold by Mr. Miller and StreamTech may be made, used, sold, offered for sale, and/or imported under other product names, product family names, and/or model numbers. Mr. Miller and StreamTech are thus liable for direct infringement of the '567 Patent pursuant to 35 U.S.C. § 271(a).

35. On information and belief, Defendants have infringed and are infringing the '567 Patent with knowledge of CASI and Robotica's patent rights, and with knowledge that Defendants' case cutters infringe CASI and Robotica's '567 Patent. Defendants' acts of infringement have been and continue to be willful, deliberate, and in reckless disregard of CASI and Robotica's patent rights.

36. In particular, Mr. Miller worked for CASI and Robotica as an independent contractor/sales agent from 2007 through July 2011. Mr. Miller's responsibilities included marketing and selling ABOT systems on CASI and Robotica's behalf. During the time that Mr. Miller worked for CASI, Mr. Miller gained actual knowledge of CASI and Robotica's pending patent application for the '567 Patent, knew that the patent application covered CASI and

Robotica's ABOT systems and the Defendants' competing case cutters, and also knew that the USPTO issued the '567 Patent to CASI and Robotica.

37. Moreover, R.E.D. Stamp's infringing case cutters essentially copy the patented features of CASI's ABOT system. On information and belief, in late 2006 or in 2007, a R.E.D. Stamp representative personally examined an ABOT system that CASI sold to Giant Eagle, Inc., a supermarket chain, at Giant Eagle's facility in Pennsylvania and inquired about the patent-pending design and operation of the ABOT system. On information and belief, in early 2008, after R.E.D. Stamp examined the ABOT system at Giant Eagle's facility, R.E.D. Stamp began offering its infringing case cutters for sale in the United States.

38. Furthermore, on information and belief, R.E.D. Stamp has gained actual knowledge of the '567 Patent through a contractual relationship with Mr. Miller and/or StreamTech, whereby Mr. Miller and StreamTech currently market and sell infringing R.E.D. Stamp case cutters on R.E.D. Stamp's behalf.

39. CASI and Robotica have suffered and continue to suffer damages as a result of Defendants' infringement of the '567 Patent. Pursuant to 35 U.S.C. § 284, CASI and Robotica are entitled to recover their lost profits and price erosion damages from the Defendants, or an amount that is no less than a reasonable royalty from the Defendants' for their infringing acts. CASI and Robotica also are entitled to recover pre-issuance damages pursuant to 35 U.S.C. § 154(d). CASI and Robotica further are entitled to increased damages for Defendants' acts of willful patent infringement pursuant to 35 U.S.C. § 284.

40. Defendants' infringement of the '567 Patent will continue to damage CASI and Robotica, causing irreparable harm for which there is no adequate remedy at law, unless Defendants are enjoined by this Court.

**COUNT II**

**Lanham Act False Representation – Mr. Miller and StreamTech**

41. CASI and Robotica refer to and incorporate herein the allegations of paragraphs 1, 2, 4 through 7, 9, 10, 12, 13, 25, 28, and 29 above.

42. Mr. Miller and StreamTech have, in commercial advertising and promotion, made false representations in interstate commerce regarding the nature, characteristics or qualities of their products, services and/or commercial activities, in violation of Section 43(a)(1)(B) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(B).

43. In particular, Mr. Miller and StreamTech have made literally false representations in commercial advertising by copying CASI's digital photos depicting CASI products and using those digital photos to promote and sell StreamTech products on StreamTech's website. Moreover, because the copied photos are being used on StreamTech's website to promote and sell StreamTech's products, it is reasonably likely that customers and prospective customers would believe that the products depicted in the photos are StreamTech's products.

44. For example, the screenshot below shows a photo on CASI's website of CASI's trademarked PickMaster<sup>TM</sup> 120 automatic picking system.

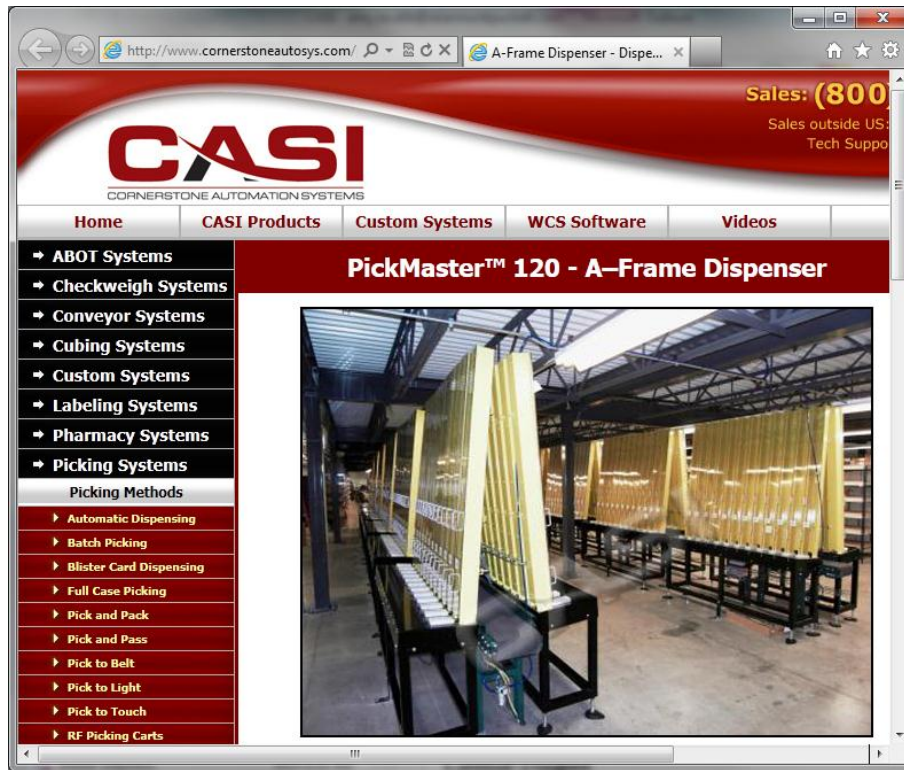


Photo of CASI's PickMaster™ 120 - A-Frame Dispenser, available at: <http://www.cornerstoneautosys.com/pickmaster-120.htm>.

45. Below is a screen shot of StreamTech's website, showing that StreamTech is using, without authorization, the very same digital photo of CASI's PickMaster™ 120 A-Frame Dispenser, except StreamTech deleted the trademarked CASI product name and replaced it with a StreamTech product name and description.

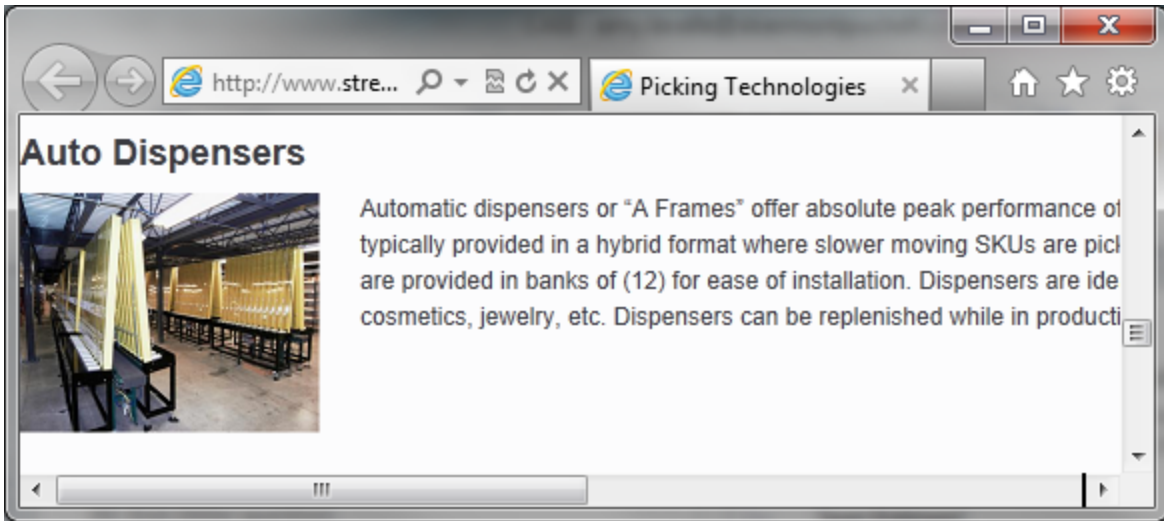


Photo of StreamTech’s Auto Dispensers or “A Frames,” available at: <http://www.streamtecheng.com/content/picking+technologies/14716>.

46. Below is a side-by-side comparison of the copied CASI photo, showing that the two photos are identical:



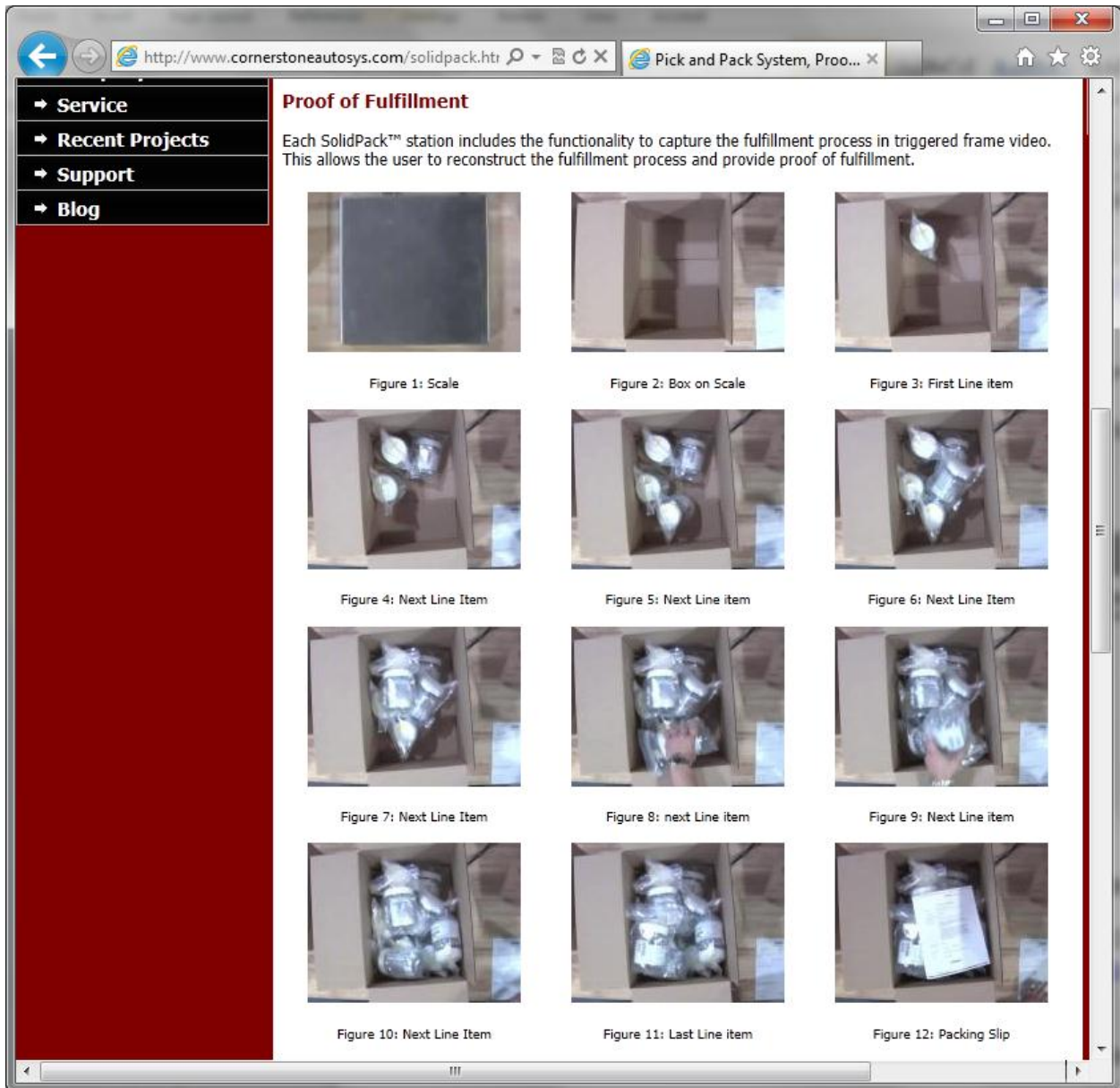
Photo from CASI’s website



Photo from StreamTech’s website

47. As another example, the screenshot below shows photos on CASI’s website used to promote CASI’s trademarked SolidPack™ Pick and Pack Software for product fulfillment applications.





Photos of product fulfillment process using CASI's SolidPack™ Pick and Pack Software, available at: <http://www.cornerstoneautosys.com/solidpack.htm>.

48. Below is a screen shot of StreamTech's website, showing that StreamTech is using, without authorization, one of the very same digital photos used to promote CASI's trademarked SolidPack™ Pick and Pack Software, except StreamTech deleted the trademarked CASI product name and replaced it with a StreamTech product description.

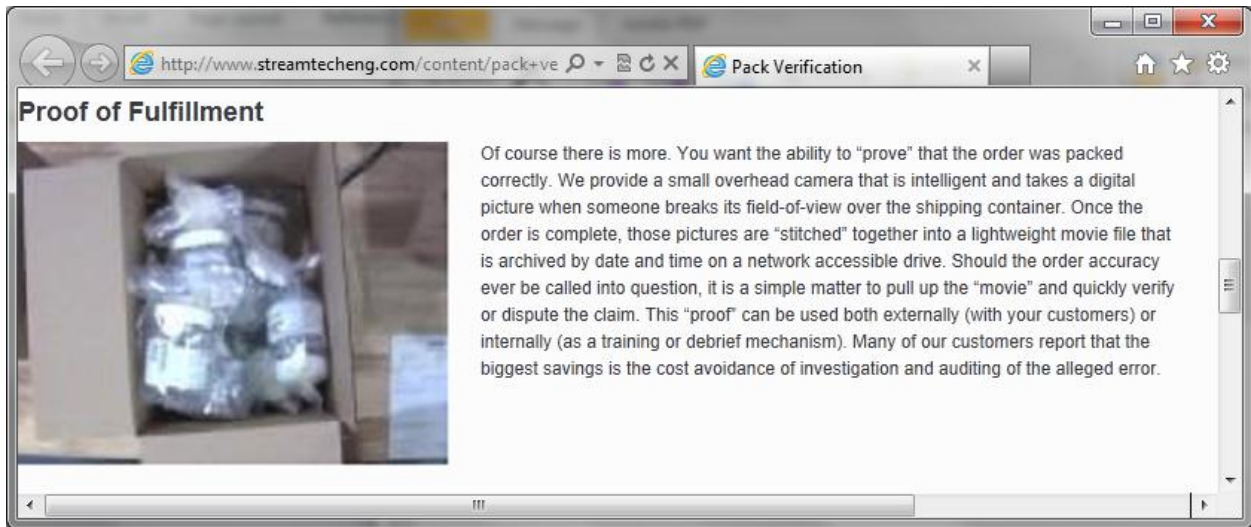


Photo of StreamTech’s Proof of Fulfillment technology, available at: <http://www.streamtecheng.com/content/pack+verification/14717>.

49. Below is a side-by-side comparison of the copied CASI photo, showing that the two photos are identical:



**Figure 11: Last Line item**

Photo from CASI’s website



Photo from StreamTech’s website

50. As yet another example, the screenshot below shows a photo on CASI’s website of a tightly packed box with zero product damage that was opened by the trademarked and patented ABOT system.

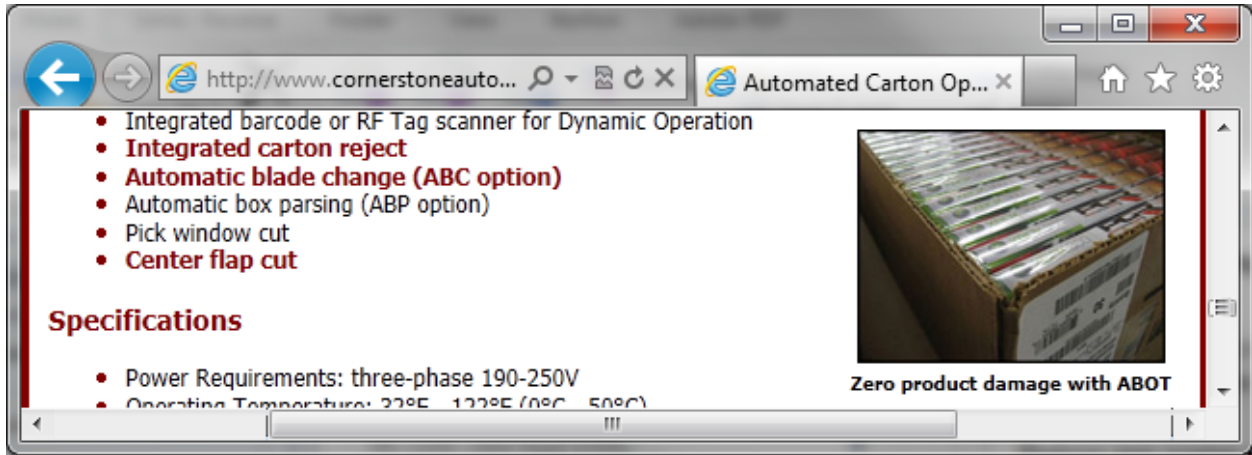


Photo of tightly packed box opened by the trademarked and patented ABOT system, available at: <http://www.cornerstoneautosys.com/abot-duo.htm>.

51. Below is a screen shot of StreamTech’s website, showing that StreamTech is using, without authorization, the very same digital photo of a tightly packed box with zero product damage that was opened by the trademarked and patented ABOT system, except StreamTech deleted the trademarked CASI and Robotica product name and replaced it with a StreamTech product description to promote the infringing R.E.D. Stamp case cutters.

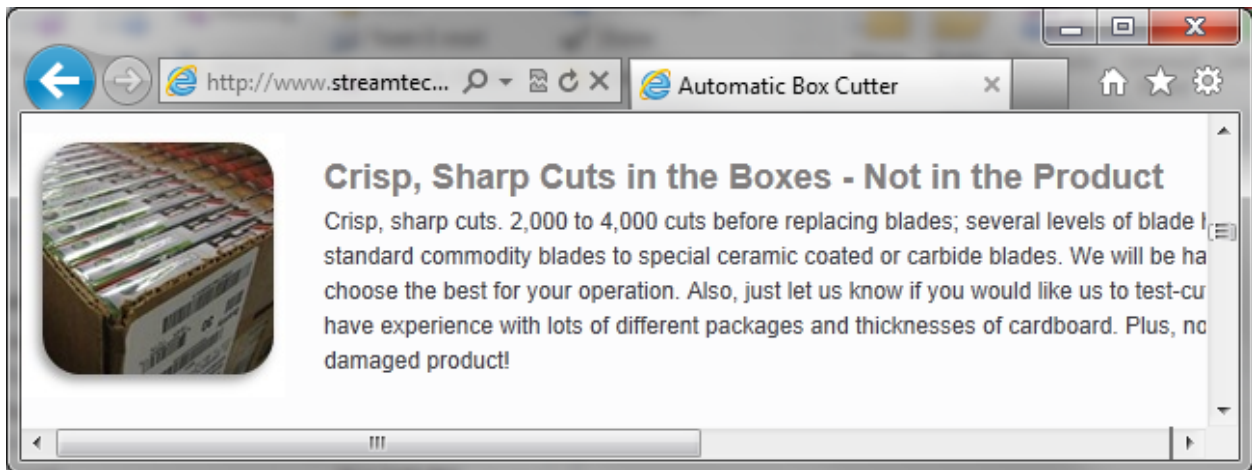


Photo of “Crisp, Sharp Cuts in the Boxes” made by StreamTech’s Automatic Box Cutters, available at: <http://www.streamtecheng.com/content/automatic+box+cutter/19111>.

52. Moreover, the copied digital photo of the tightly packed box that was opened by the trademarked and patented ABOT system was included in a confidential and proprietary sales proposal document described in more detail in paragraph 58 below. The cropped screenshot below, taken from the confidential and proprietary sales proposal document, shows the same photo of a tightly packed box opened by the trademarked and patented ABOT system.



Example of tightly packed box opened by ABOT with correct cut depth and cut line settings

Photo of taken from CASI and Robotica's confidential and proprietary sales proposal document.

53. Below is a side-by-side comparison of the copied CASI photo, showing that the two photos are identical:



**Zero product damage with ABOT**  
Photo from CASI's website



Photo from StreamTech's website

54. Mr. Miller and StreamTech's false representations in violation of 15 U.S.C. § 1125(a)(1)(B) are intentional and willful and entitle CASI and Robotica, pursuant to 15 U.S.C. § 1117(a), to recover from Mr. Miller and StreamTech CASI and Robotica's damages sustained or Mr. Miller and StreamTech's profits in an amount subject to proof at trial.

55. Mr. Miller and StreamTech's false representations in violation of 15 U.S.C. § 1125(a)(1)(B) will continue to damage CASI and Robotica, causing irreparable harm for which there is no adequate remedy at law, unless Mr. Miller and StreamTech are enjoined by this Court.

### **COUNT III**

#### **Trade Secret Misappropriation Under Texas Common Law – Defendants Alan R. Miller and StreamTech**

56. CASI and Robotica refer to and incorporate herein the allegations of paragraphs 1, 2, 4, 5, 7, 9, 10, 12, 13, 25, 28, and 29 above.

57. CASI and Robotica are in the business of designing and selling state of the art material handling, packaging, and manufacturing automation systems and related products. CASI and Robotica have a competitive advantage over others in the same business because CASI and Robotica have confidential and proprietary sales methods, marketing materials, pricing data, customer information and lists, technology, product designs, manufacturing information, and other technical and business information that is not generally known or readily available to the general public ("trade secrets").

58. In particular, in 2008, CASI and Robotica jointly created a confidential and proprietary sales proposal document, expressly subject to a Non-Disclosure Agreement ("NDA") and marked "CONFIDENTIAL" and "PROPRIETARY," for authorized sales representatives to



use in marketing and selling the patented ABOT systems. The sales proposal document contains trade secrets, including non-public technical descriptions, schematics, and drawings of the design and operation of the ABOT systems beyond the scope of the '567 Patent; technical descriptions of non-public, unpatented software features; digital photos; pricing data; descriptions of services to be offered with the sale of ABOT systems; customer payment options; and strategic sales and marketing methods. The sales proposal document further includes the following provision regarding confidentiality and intellectual property:

All intellectual properties, concepts, trademarks and designs relating to ABOT and provided by Cornerstone Automation System Inc. remain property of CASI. ABOT mechanisms are Patent Pending. The buyer will be required to agree to and sign a Non Disclosure Agreement before software and drawings are released. The buyer will be required to keep confidential and proprietary unpublished ABOT information . . . .

59. In addition, CASI and Robotica utilize a password-protected Salesforce customer relationship management (“CRM”) database that is accessible only by authorized users. The Salesforce CRM database contains trade secrets, including confidential and proprietary data about CASI and Robotica’s current customers and prospects. The Salesforce CRM database allows authorized users to record, track, and share information about sales opportunities, sales leads, sales forecasts, the sales process, and closed business.

60. Mr. Miller and StreamTech acquired knowledge of the aforementioned CASI and Robotica trade secrets through a relationship of trust that gave rise to a duty of confidentiality. In particular, Mr. Miller and StreamTech acquired knowledge of CASI and Robotica’s trade secrets through a relationship with CASI, whereby Mr. Miller and StreamTech represented CASI to promote the sales of certain CASI and Robotica products and services. For use only in the proper promotion and solicitation of CASI and Robotica products and services, CASI and Robotica furnished trade secrets to Mr. Miller and StreamTech that were subject to

confidentiality restrictions, which prohibited Mr. Miller and StreamTech from using or disclosing CASI and Robotica's trade secrets in an unauthorized manner.

61. Mr. Miller and StreamTech violated their duty of confidentiality by disclosing CASI and Robotica's trade secrets, without CASI and Robotica's permission, to third parties and by using the trade secrets to sell Mr. Miller and StreamTech's own products in direct competition with CASI and Robotica.

62. In particular, on information and belief, Mr. Miller and StreamTech have used CASI and Robotica's trade secrets, including the confidential and proprietary information from the sales proposal document and from the Salesforce CRM database, without CASI and Robotica's permission, to market and sell Mr. Miller and StreamTech's own products in direct, unauthorized competition with CASI and Robotica.

63. Mr. Miller and StreamTech's misappropriation of CASI and Robotica's trade secrets injured CASI and Robotica by, among other things, causing CASI and Robotica to lose sales and profits, and diluting the value of CASI and Robotica's products and services, which resulted in damages to CASI and Robotica in an amount subject to proof at trial. Mr. Miller and StreamTech's misappropriation of CASI and Robotica's trade secrets also benefited Mr. Miller and StreamTech by, among other things, increasing Mr. Miller and StreamTech's sales and profits, and enhancing the value of Mr. Miller and StreamTech's products and services, which resulted in damages to CASI and Robotica in an amount subject to proof at trial.

64. Mr. Miller and StreamTech's misappropriation of CASI and Robotica's trade secrets was an intentional act, which entitles CASI and Robotica to exemplary damages under Texas Civil Practice & Remedies Code § 41.003(a).

65. Mr. Miller and StreamTech's misappropriation of CASI and Robotica's trade secrets will continue to damage CASI and Robotica, causing irreparable harm for which there is no adequate remedy at law, unless Mr. Miller and StreamTech are enjoined by this Court.

**COUNT IV**

**Unfair Competition Under Texas Common Law –  
Defendants Alan R. Miller and StreamTech**

66. CASI and Robotica refer to and incorporate herein the allegations of paragraphs 1, 2, 4, 5, 7, 9, 10, 12, 13, 25, 28, 29, and 41 through 65 above.

67. CASI and Robotica are in the business of designing and selling state of the art material handling, packaging, and manufacturing automation systems, and related products and services for warehouses and distribution centers. CASI and Robotica created such designs, products, and services through the investment of extensive time, labor, skill and money.

68. Mr. Miller and StreamTech committed unfair competition through independent torts and unlawful acts to promote and sell their own products and services in direct competition with CASI and Robotica. In particular, Mr. Miller and StreamTech misappropriated CASI and Robotica's trade secrets as alleged in paragraphs 56 through 65 above.

69. In addition to their unfair competition from trade secret misappropriation, Mr. Miller and StreamTech, without CASI and Robotica's permission, have also committed unfair competition by misappropriating and using CASI and Robotica's non-secret designs, products, and services to sell Mr. Miller and StreamTech's own products in direct competition with CASI and Robotica. As alleged in more detail above in paragraphs 41 through 55, Mr. Miller and StreamTech have misrepresented CASI and Robotica's products and services as their own by literally copying CASI's digital photos depicting CASI products and using those digital photos to promote and sell StreamTech products on StreamTech's website. Because the copied photos are



being used on StreamTech's website to promote and sell StreamTech's products, it is reasonably likely that customers and prospective customers would believe that the products depicted in the photos are StreamTech's products.

70. By misappropriating CASI and Robotica's non-secret designs, products, and services, Mr. Miller and StreamTech unfairly competed with CASI and Robotica by gaining a special advantage in the marketplace (i.e., a "free ride") because Mr. Miller and StreamTech are burdened with little or none of the expenses that CASI and Robotica incurred by researching and developing, designing, making, photographing, and advertising the products and services described in paragraphs 44 to 53 above.

71. Mr. Miller and StreamTech's unlawful actions in promoting and selling their own products and services in direct competition with CASI and Robotica by: (1) misappropriating CASI and Robotica's trade secrets, and (2) misappropriating CASI and Robotica's non-secret designs, products, and services, interfered with CASI and Robotica's ability to conduct business and caused CASI and Robotica to suffer damages in an amount subject to proof at trial.

72. Mr. Miller and StreamTech's unlawful actions in promoting and selling their own products and services in direct competition with CASI and Robotica by: (1) misappropriating CASI and Robotica's trade secrets, and (2) misappropriating CASI and Robotica's non-secret designs, products, and services, were intentional, which entitles CASI and Robotica to exemplary damages under Texas Civil Practice & Remedies Code § 41.003(a).

73. Mr. Miller and StreamTech's unfair competition through: (1) misappropriation of CASI and Robotica's trade secrets, and (2) misappropriation of CASI and Robotica's non-secret designs, products, and services will continue to damage CASI and Robotica, causing irreparable

harm for which there is no adequate remedy at law, unless Mr. Miller and StreamTech are enjoined by this Court.

**COUNT V**

**Unjust Enrichment Under Texas Common Law –  
Defendants Alan R. Miller and StreamTech**

74. CASI and Robotica refer to and incorporate herein the allegations of paragraphs 1, 2, 4, 5, 7, 9, 10, 12, 13, 25, 28, 29, and 41 through 73 above.

75. As a result of Mr. Miller and StreamTech's independently tortious and unlawful activity, Mr. Miller and StreamTech have unjustly obtained a benefit from CASI and Robotica. Mr. Miller and StreamTech committed independent torts and unlawful acts to promote and sell their own products and services in direct competition with CASI and Robotica. In particular, Mr. Miller and StreamTech misappropriated CASI and Robotica's trade secrets as alleged in paragraphs 56 through 65 above. Mr. Miller and StreamTech further misappropriated CASI and Robotica's designs, products, and services, and falsely represented such products as their own in commercial advertising, as alleged in paragraphs 41 through 55 above.

76. By committing these tortious and unlawful acts, Mr. Miller and StreamTech wrongfully secured a benefit from CASI and Robotica. In particular, Mr. Miller and StreamTech have literally copied CASI's digital photos depicting CASI products, and Mr. Miller and StreamTech are currently using those digital photos to sell StreamTech products and to resell R.E.D. Stamp products on StreamTech's website, as alleged in more detail in paragraphs 41 through 55 above.

77. It would be unjust and inequitable for Mr. Miller and StreamTech to retain the benefit and continue to benefit from Mr. Miller and StreamTech's tortious and unlawful acts at

CASI and Robotica's expense. CASI and Robotica suffered and continue to suffer actual damages because of Mr. Miller and StreamTech's unjust enrichment.

78. Mr. Miller and StreamTech's unjust enrichment proximately caused injury to CASI and Robotica by, among other things, increasing Mr. Miller and StreamTech's sales and profits, and enhancing the value of Mr. Miller and StreamTech's products and services, which resulted in damages to CASI and Robotica in an amount subject to proof at trial.

79. Mr. Miller and StreamTech's unjust enrichment resulted from intentional acts, which entitles CASI and Robotica to exemplary damages under Texas Civil Practice & Remedies Code § 41.003(a).

## **COUNT VI**

### **Unjust Enrichment Under Texas Common Law – Defendant R.E.D. Stamp**

80. CASI and Robotica refer to and incorporate herein the allegations of paragraphs 1, 2, 4, 5, 7, 9, 10, 12, 13, 25, 28, 29, and 41 through 73 above.

81. As a result of Mr. Miller and StreamTech's independently tortious and unlawful activity, R.E.D. Stamp has unjustly obtained a benefit from CASI and Robotica. Mr. Miller and StreamTech committed independent torts and unlawful acts to promote and sell R.E.D. Stamp's infringing case cutters in direct competition with CASI and Robotica. In particular, Mr. Miller and StreamTech misappropriated CASI and Robotica's trade secrets as alleged in paragraphs 56 through 65 above to promote and sell R.E.D. Stamp's infringing case cutters. Mr. Miller and StreamTech further misappropriated CASI and Robotica's designs, products, and services, and made false representations in commercial advertising, as alleged in paragraphs 50 through 53 above, which unjustly enriched R.E.D. Stamp by promoting and selling R.E.D. Stamp's infringing case cutters.

82. By committing these tortious and unlawful acts, Mr. Miller and StreamTech wrongfully secured a benefit from CASI and Robotica that R.E.D. Stamp unjustly received, and which would be unconscionable for R.E.D. Stamp to retain. In particular, Mr. Miller and StreamTech have literally copied CASI's digital photos depicting CASI products, and Mr. Miller and StreamTech are currently using those digital photos to sell the infringing R.E.D. Stamp case cutters on StreamTech's website, as alleged in more detail in paragraphs 50 through 53 above.

83. It would be unjust and inequitable for R.E.D. Stamp to retain the benefit and continue to benefit from Mr. Miller and StreamTech's tortious and unlawful acts at CASI and Robotica's expense. CASI and Robotica suffered and continue to suffer actual damages because of R.E.D. Stamp's unjust enrichment.

84. R.E.D. Stamp's unjust enrichment proximately caused injury to CASI and Robotica by, among other things, increasing R.E.D. Stamp's sales and profits, and enhancing the value of R.E.D. Stamp's products and services, which resulted in damages to CASI and Robotica in an amount subject to proof at trial.

85. R.E.D. Stamp's unjust enrichment resulted from intentional acts, which entitles CASI and Robotica to exemplary damages under Texas Civil Practice & Remedies Code § 41.003(a).

#### **JURY DEMAND**

86. CASI and Robotica hereby request a trial by jury pursuant to Rule 38 of the Federal Rules of Civil Procedure.

#### **PRAYER FOR RELIEF**

87. Plaintiffs Cornerstone Automation Systems, LLC and Robotica, Inc. respectfully request this Court to enter judgment in their favor against Defendants R.E.D. Stamp, Inc., Alan R. Miller, and StreamTech, LLC granting the following relief:

- A. Judgment in Plaintiffs' favor on Counts I through V;
- B. An award to CASI and Robotica of damages adequate to compensate them for Defendants' acts of patent infringement, but in no event less than a reasonable royalty, together with interest and costs as fixed by the court pursuant to 35 U.S.C. § 284;
- C. An award to CASI and Robotica of pre-issuance damages pursuant to 35 U.S.C. § 154(d);
- D. An award of increased damages for Defendants' acts of willful patent infringement pursuant to 35 U.S.C. § 284;
- E. A grant of permanent injunction pursuant to 35 U.S.C. § 283 against Defendants, enjoining Defendants from further acts of patent infringement;
- F. An award of CASI and Robotica's costs of suit and reasonable attorneys' fees pursuant to 35 U.S.C. § 285 due to the exceptional nature of this case;
- G. An award to CASI and Robotica of compensatory and enhanced damages, pursuant to 15 U.S.C. § 1117(a), for Mr. Miller and StreamTech's violations of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(B);
- H. An award of CASI and Robotica's costs of suit and reasonable attorneys' fees pursuant to 15 U.S.C. § 1117(a) for Mr. Miller and StreamTech's violations of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(B);
- I. A grant of permanent injunction against Mr. Miller and StreamTech, prohibiting Mr. Miller and StreamTech from continuing to falsely represent their goods and services;

- J. An award to CASI and Robotica of actual damages for Mr. Miller and StreamTech's misappropriation of CASI and Robotica's trade secrets and exemplary damages pursuant to Texas Civil Practice & Remedies Code § 41.003(a);
- K. A grant of permanent injunction against Mr. Miller and StreamTech, prohibiting Mr. Miller and StreamTech from continuing to misappropriate CASI and Robotica's trade secrets;
- L. An award to CASI and Robotica of actual damages due to unfair competition from Mr. Miller and StreamTech's misappropriation of CASI and Robotica's trade secrets and misappropriation of CASI and Robotica's designs, products, and services, and exemplary damages pursuant to Texas Civil Practice & Remedies Code § 41.003(a);
- M. A grant of permanent injunction against Mr. Miller and StreamTech, prohibiting Mr. Miller and StreamTech from continuing to misappropriate CASI and Robotica's designs, products, and services;
- N. An award to CASI and Robotica of actual damages for Defendants' unjust enrichment and exemplary damages pursuant to Texas Civil Practice & Remedies Code § 41.003(a);
- O. An award of CASI and Robotica's prejudgment and postjudgment interest as otherwise permitted by law;
- P. An award of CASI and Robotica's costs of suit and reasonable attorneys' fees pursuant to Texas Civil Practice & Remedies Code § 38.001 or as otherwise permitted by law; and

Q. Any further relief that this Court deems just and proper.

Date: May 23, 2012

Respectfully Submitted:

/s/ Paul J. Skiermont

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