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UNITED STATES DISTRICT COURT
DISTRICT OF OREGON
DIVISION OF PORTLAND

PPM TECHNOLOGIES, LLC,
PLAINTIFF,

v.

**LAYTON MANUFACTURING CO.; JERRY
N. RICH; GARY GRETZINGER; KHANH
NGUYEN,**
DEFENDANTS.

Case No. _____

COMPLAINT FOR PATENT
INFRINGEMENT; COPYRIGHT
INFRINGEMENT; FALSE
COPYRIGHT MANAGEMENT
INFORMATION; TRADEMARK
INFRINGEMENT; FALSE
DESCRIPTION, FALSE
REPRESENTATION, FALSE
DESIGNATION OF ORIGIN;
AND RELATED STATE LAW
CLAIMS

DEMAND FOR JURY TRIAL

In support of its Complaint, Plaintiff PPM Technologies, LLC alleges the following:

NATURE OF THIS ACTION

1. This is an action by Plaintiff PPM Technologies, LLC against a would-be competitor and former employees who schemed to misappropriate Plaintiff's intellectual property and begin selling Plaintiff's custom-designed products as their own. In carrying out this scheme, Defendants (a) took copies of Plaintiff's technical drawings, design information, supplier

information, customer information, and other company property, (b) copied Plaintiff's product designs, in violation of Plaintiff's copyrights and other intellectual property rights, (c) used Plaintiff's own confidential technical drawings and proprietary designs to bid for business in competition with Plaintiff, (d) offered knock-off products that infringe Plaintiff's patents; (e) offered a product called "Magna-Tran" which infringes Plaintiff's virtually identical registered MAGNATRON® trademark, (f) placed their name on images of Plaintiff's product in order to sell it as their own product, and (g) otherwise used Plaintiff's intellectual property without authorization. Plaintiff now brings this suit to address these and related wrongs.

THE PARTIES, JURISDICTION, AND VENUE

2. Plaintiff PPM Technologies, LLC (hereinafter "PPM Technologies" or "Plaintiff") is an Oregon limited liability company having its principal place of business in Newberg, Oregon.

3. Defendant Layton Manufacturing Co. ("Layton") is an Oregon corporation having its principal place of business in Salem, Oregon.

4. Defendant Jerry N. Rich, also known as Jerry Allen-Rich, resides in Lake Oswego, Oregon. Defendant Rich is a former employee of Plaintiff's predecessor, and is currently an employee of Layton.

5. Defendant Gary Gretzinger resides in Salem, Oregon. Defendant Gretzinger is a former employee of Plaintiff's predecessor, and is currently an employee of Layton.

6. Defendant Khanh Nguyen resides in West Linn, Oregon. Defendant Nguyen is a former employee of Plaintiff's predecessor, and is currently an employee of Layton.

7. This action arises under the patent laws of the United States, 35 U.S.C. § 1, *et seq.*, the copyright laws of the United States, 17 U.S.C. § 101, *et seq.*, the federal Lanham Act, 15 U.S.C. § 1051, *et seq.*, and Oregon statutory and common law. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1338, and 1367.

8. All Defendants maintain continuous and systematic contacts within this judicial district. Each Defendant has committed acts within this judicial district that constitute

infringement or otherwise give rise to Plaintiff's claims asserted herein. Property constituting infringing articles is situated in this judicial district. Defendants are therefore subject to personal jurisdiction within this judicial district, and venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391 and 1400.

PLAINTIFF'S BUSINESS

9. PPM Technologies and its predecessors have been in the food processing business for over 100 years. PPM Technologies designs, develops, manufactures, and sells food processing equipment, and is a global supplier to the food processing industry. PPM Technologies employs over 70 people, with operations in the Americas, Europe and Asia.

10. Among other types of food processing equipment, PPM Technologies designs, manufactures, markets, and sells food processing conveyors. Over many years, PPM Technologies and its predecessors have invested considerable time, effort, and resources in designing and developing innovative conveyor technology to serve customers in the food processing industry. The innovative conveyor products developed by PPM Technologies and its predecessors include the "VF Advance" conveyor, the "VF Premier" conveyor, the "Ultra" conveyor, the "Special Delivery" conveyor, the "MAGNATRON®" conveyor, and the "Storeveyor" conveyor.

11. The VF Advance, VF Premier, Ultra, Special Delivery, MAGNATRON®, and Storeveyor are all vibratory conveyors, which effectively convey food products while minimizing the need for moving parts that, for example, a conventional belt-type conveyor system might require.

PLAINTIFF'S PATENT RIGHTS

12. Plaintiff owns all right, title and interest in and to United States Patent No. 5,938,001 ("the '001 Patent"), which was issued on August 17, 1999, and is entitled "Vibratory Conveyor Apparatus with Phase-Optimized Conveyor Drive." A true and correct copy of the '001 Patent is attached hereto as Exhibit A.

13. Plaintiff owns all right, title and interest in and to United States Patent No. 6,415,913 ("the '913 Patent"), which was issued on July 9, 2002, and is entitled "Excited Base Conveyor System." A true and correct copy of the '913 Patent is attached hereto as Exhibit B.

14. The '001 and '913 Patents include claims generally directed to vibratory conveyors and/or components thereof.

PLAINTIFF'S TRADEMARK RIGHTS

15. Plaintiff and its predecessors have used the MAGNATRON® mark in commerce in connection with vibratory conveyors and structural parts thereof since at least 1988. During that time, PPM Technologies and its predecessors have expended a significant amount of resources in developing goodwill and brand recognition in and for the MAGNATRON® mark.

16. Plaintiff owns U.S. Trademark Registration No. 2,759,266, applied for on January 27, 2000, and registered on September 2, 2003, for the MAGNATRON® mark used in connection with vibratory conveyors and structural parts thereof (the "MAGNATRON® Registration"). A true and correct copy of the MAGNATRON® Registration is attached hereto as Exhibit C.

17. The MAGNATRON® Registration is incontestable pursuant to 15 U.S.C. § 1065 and constitutes conclusive evidence of the validity of the MAGNATRON® mark, of the registration of said mark, of Plaintiff's ownership of said mark, and of Plaintiff's exclusive right to use the mark in commerce.

FORMER EMPLOYEE DEFENDANTS

18. Until leaving to join Defendant Layton, Defendants Rich, Gretzinger, and Nguyen (collectively, the "Former Employee Defendants") were long-time employees of PPM Technologies, Inc. and its predecessors. PPM Technologies, Inc. and its predecessors are all predecessors of Plaintiff.

19. Through their long association with Plaintiff's predecessors, each Former Employee Defendant had access to and gained extensive knowledge concerning virtually all of

Plaintiff's intellectual property and confidential and proprietary information, including price, pricing and cost information, customer names and contact information, designs, design history, technical drawings, product specifications, source names and contact information, testing protocols, and materials characteristics and specifications.

20. Defendant Rich was employed as a sales manager for the Western Region for PPM Technologies, Inc., having previously served as President of a predecessor entity. He began his association with PPM Technologies, Inc.'s predecessor entities at least as early as 1978. As of the date he left PPM Technologies, Inc., Defendant Rich was responsible for sales of all of PPM Technologies, Inc.'s product lines, including vibratory conveyors. Defendant Rich had access to and familiarity with PPM Technologies, Inc.'s customer information database, including contact names and contact information. He also had access to and was familiar with PPM Technologies, Inc.'s cost and pricing information, including the custom cost and pricing estimation spreadsheet tool developed in-house by PPM Technologies, Inc. and its predecessors, among other information confidential to the company.

21. Defendant Gretzinger was employed as a Project Manager and Engineer for PPM Technologies, Inc., having joined a predecessor entity as early as 1987. In such capacities, Gretzinger worked with all or substantially all of PPM Technologies, Inc.'s product lines, including vibratory conveyors. Defendant Gretzinger had access to and familiarity with PPM Technologies, Inc.'s customer, supplier, cost, and pricing databases, as well as technical information, designs, design history, technical drawings, and product and materials specifications, among other information confidential to the company.

22. Defendant Nguyen was employed as a Design Engineer for PPM Technologies, Inc., having worked for a predecessor entity as early as the year 2000. In such capacity, Defendant Nguyen worked with all or substantially all of PPM Technologies, Inc.'s product lines, including vibratory conveyors. Defendant Nguyen had access to and familiarity with PPM Technologies, Inc.'s designs, design history, technical drawings, and product and materials specifications, among other information confidential to the company.

23. Each Former Employee Defendant entered into a Confidential Information and Inventions Agreement with PPM Technologies, Inc., which agreements have been assigned to Plaintiff.

24. A copy of the Confidential Information and Inventions Agreement signed by Defendant Rich is attached as Exhibit D.

25. A copy of the Confidential Information and Inventions Agreement signed by Defendant Gretzinger is attached as Exhibit E.

26. A copy of the Confidential Information and Inventions Agreement signed by Defendant Nguyen is attached as Exhibit F.

27. Paragraph 4 of the Confidential Information and Invention Agreement signed by each Former Employee Defendant states:

I understand that my employment creates a relationship of trust and confidence between myself and the Company. I agree to maintain in confidence all information pertaining to the Company's business to which I have access including, but not limited to, information relating to the Company's products, inventions, trade secrets, know-how, systems, models, data processing and computer software techniques, programs and systems, customer information and lists, costs, sales volume or strategy, pricing, profitability, plans, marketing strategy, number or location of salesmen, plant layout, backlog, orders, inventory, expansion or acquisition or divestiture plans or strategy, and information of similar nature received from [sic] others with whom [sic] the Company does business, and I agree not to use, communicate or disclose or authorize any other person to use, communicate or disclose such information orally, in writing or by publication, either during my employment by the Company, unless and until such information becomes generally known [sic] in the relevant trade or industry to which it relates without fault on my part. [sic] I agree to return to the Company all writings, documents, files, records, drawings, models, tools and other property of

the Company within my custody and control upon termination of my employment by the Company.

DEFENDANTS' ACTIVITIES

28. Defendant Layton has recently begun advertising, marketing and selling vibratory conveyors in direct competition with PPM Technologies.

29. On information and belief, Layton had not advertised, designed, manufactured, distributed, offered, or sold a vibratory conveyor for food processing prior to 2010.

30. In about 2009, Defendant Layton formed a plan to hire away key employees of PPM Technologies, Inc. and to use the confidential knowledge of such employees to launch a vibratory conveyor product line that would compete with that of PPM Technologies. Layton has admitted its belief that it could undertake such an operation with impunity because PPM Technologies, Inc. was undergoing corporate and financial difficulties, and would not be able to do anything about it. In fact, in 2010, PPM Technologies, Inc.'s difficulties led to its filing for bankruptcy.

31. In 2009 and 2010, Layton began to carry out its plan. Between August 2009 and July 2010, Layton hired each of the Former Employee Defendants away from PPM Technologies, Inc. Defendant Gretzinger was the first to leave, in August 2009. On information and belief, after he joined Layton, he and Layton's President John Layton then discussed other employees at PPM Technologies, Inc. to target, and what information would be needed from PPM Technologies, Inc. in order to carry out the plan to develop the vibratory conveyor business.

32. Layton then initiated discussions with Rich, who was still employed by PPM Technologies, Inc. While Rich was still so employed, Rich, Layton's President John Layton, and Gretzinger engaged in a remarkable series of email communications regarding Layton's intent to produce and sell vibratory conveyors.

33. Layton's President wrote to Defendant Rich that when Gretzinger joined Layton they "started charting a course," and that having Rich join Layton would be a "key hire."

34. In a separate email to Rich, Defendant Gretzinger stated: "I plan on copying [sic] the PPM VFX and hope to come up with something similar to the VF drive." The VFX and VF Drive were products of PPM Technologies, Inc. Gretzinger also indicated an intent to hire PPM Technologies, Inc.'s engineers.

35. Defendant Rich, though still employed by PPM Technologies, did not inform PPM Technologies, Inc. that Gretzinger and Layton intended to copy PPM Technologies, Inc.'s products or designs, or to hire its engineers.

36. As part of these communications, Defendant Rich went so far as to provide to John Layton a "Business Sales Plan" for developing a business in vibratory conveyors. Rich described the document as "a bullet point sales plan on my approach to working with you and your staff to establish a company sales agenda."

37. Rich also bragged that he could bring "customer contacts" with him to Layton.

38. Layton then hired Rich to head up Layton's efforts to develop and sell vibratory conveyors. Defendant Nguyen, an engineer with access to all of Plaintiff's designs, was then hired by Layton shortly afterwards.

39. Layton hired the Former Employee Defendants for the express purpose of using their knowledge regarding PPM Technologies, Inc.'s designs, systems, models, documents, and other confidential information they had obtained as PPM Technologies, Inc. employees, to aid Layton in designing, manufacturing, distributing, offering, and selling conveyor equipment and components identical or nearly identical to PPM Technologies' successful products, including the VF Advance, VF Premier, the Ultra, the Special Delivery, the MAGNATRON®, and the Storeveyor.

40. After Layton hired the Former Employee Defendants, Layton and the Former Employee Defendants began to design vibratory conveyor equipment and components, including the Rapid Return, Magna-Tran and Super Flow, which are identical or nearly identical to PPM Technologies' successful vibratory conveyor products and components thereof. Defendants also began to market, offer, and sell one or more such products in competition with Plaintiff.

41. After Layton hired the Former Employee Defendants, Layton began to ask Plaintiff's third-party suppliers to provide Layton with components that were identical or nearly identical to the components such suppliers provide to PPM Technologies. Layton could not have known who PPM Technologies' suppliers were, or which suppliers supplied which type of components, without use and/or disclosure of PPM Technologies' confidential information.

42. After Layton hired the Former Employee Defendants, Layton began to contact customers of PPM Technologies to solicit business for Layton's vibratory conveyors. On information and belief, Layton would not have known who PPM Technologies' customers were, or their contact information, without use and/or disclosure of PPM Technologies' confidential information. At a minimum, it would have taken Layton many years to develop such information independently.

43. After Layton hired the Former Employee Defendants, Layton knowingly and intentionally submitted one or more bids or offers for the sale of vibratory conveyors, including a bid in direct competition with PPM Technologies for a contract with Blue Diamond Growers. Blue Diamond Growers, based in California, is a long-time customer of Plaintiff and its predecessors, a fact that was known to the Former Employee Defendants. In their bid, Defendants submitted drawings that are identical or nearly identical to drawings originally created by PPM Technologies or its predecessors.

44. After Blue Diamond Growers selected Layton as the winning bidder, the agent handling the bidding process for Blue Diamond Growers remarked upon the striking similarity between the designs submitted by PPM Technologies and those submitted by Layton, and further commented that the only difference between the bids was the price.

45. Defendants Gretzinger, Nguyen, and Allen took copies or electronic versions of confidential documents, including design documents, with them when they left PPM Technologies, Inc. On information and belief, they continue to maintain possession of such documents, and have failed and refused to return such documents and other materials and/or data belonging to PPM Technologies.

46. Layton and one or more of the Former Employee Defendants have copied PPM Technologies' technical drawings without authorization to aid in designing Layton's competing equipment.

47. Without authorization from PPM Technologies, Layton and Nguyen (1) copied a PPM Technologies technical drawing entitled "Drum Band," (2) removed language identifying the author of the drawing, the owner of rights to the drawing, and terms and conditions for use of the drawing, (3) replaced such language with a claim that Layton owned rights in the drawing, and (4) distributed the modified drawing to a customer of PPM Technologies.

48. PPM Technologies owns all right, title, and interest in and to the copyright in the Drum Band drawing, and filed an application to register the copyright in the Drum Band drawing with the Copyright Office on June 14, 2012.

49. Without authorization from PPM Technologies, Layton, Rich, and/or other Former Employee Defendants made one or more copies of a PPM Technologies technical drawing entitled "Storage Belt System." Layton submitted a copy of the Storage Belt System drawing to the agent of Blue Diamond Growers during the bid process for a contract in direct competition with PPM Technologies.

50. PPM Technologies owns all right, title, and interest in and to the copyright in the Storage Belt System drawing, and filed an application to register the copyright in the Storage Belt System drawing with the Copyright Office on June 14, 2012.

51. PPM Technologies and its predecessors have taken reasonable steps to maintain the secrecy and confidentiality of its confidential information, including price lists, customer names and contact information, non-patented aspects of designs, design history, technical drawings, product specifications, source names and contact information, cost information, testing protocols, and materials characteristics and specifications.

52. Such confidential information derives independent economic value from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use.

53. The steps PPM Technologies and its predecessors have taken to maintain the secrecy and confidentiality of such confidential information include requiring employees to enter into confidentiality agreements, such as the Confidential Information and Invention Agreements entered into by the Former Employee Defendants, refraining from sending manufacturing drawings to potential customers, labeling technical drawings with language indicating confidentiality and/or restrictions on use, using password protection for databases, documents, and software systems containing confidential information, and entering into agreements requiring confidentiality from customers and suppliers.

54. The Former Employee Defendants have disclosed confidential information regarding PPM Technologies' products, inventions, trade secrets, know-how, systems, models, costs, suppliers, and/or pricing to Layton, and have used such confidential information to aid Layton in designing, manufacturing, marketing, and selling vibratory conveyor equipment in competition with PPM Technologies, including the Rapid Return, Magna-Tran, and Super Flow equipment.

55. Layton has used and is using the MAGNA-TRAN mark in commerce in connection with a vibratory conveyor that is identical or nearly identical to the conveyor that PPM Technologies and its predecessors have sold under the MAGNATRON® mark.

56. Layton is marketing conveyors under the MAGNA-TRAN mark to the same type of customers to which PPM Technologies and its predecessors have marketed and sold conveyors and parts under the MAGNATRON® mark.

57. The MAGNA-TRAN mark used by Layton is nearly identical, and is confusingly similar, to the MAGNATRON® mark used by PPM Technologies.

58. Potential customers exposed to Layton's use of the MAGNA-TRAN mark are likely to be confused as to source or affiliation with PPM Technologies and its MAGNATRON® mark.

59. On information and belief, Layton had actual notice of PPM Technologies' rights in and use of the MAGNATRON® mark prior to beginning use of the MAGNA-TRAN mark.

60. On information and belief, Layton selected the MAGNA-TRAN mark because of its similarity to the MAGNATRON® mark.

61. Layton has distributed offers to sell its Super Flow conveyor equipment that include a photograph of a PPM Technologies Ultra conveyor altered to bear the "LAYTON" name. Such offers do not identify the conveyor depicted as a PPM Technologies device. A copy of one such offer is attached hereto as Exhibit G.

62. On information and belief, Layton to date has not designed or manufactured the conveyor depicted in the offer attached as Exhibit G.

63. Potential customers receiving a copy of the offer depicted in Exhibit G are likely to believe mistakenly that the conveyor depicted in such offer is a conveyor designed, manufactured, distributed and/or sold by Layton.

FIRST CAUSE OF ACTION
(Infringement of U.S. Patent No. 5,938,001)

64. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1-63 with the same force and effect as if set forth fully herein.

65. Layton has directly infringed, is still infringing, and unless enjoined will continue to infringe the '001 Patent, including at least claim 1 thereof, by making, selling, using, and/or offering to sell vibratory conveyors that embody the claimed invention.

66. Layton and the Former Employee Defendants have actively induced others to infringe and have contributed to infringement of the '001 Patent, in violation of 35 U.S.C. § 271(b) and (c), through sales of the infringing vibratory conveyors to their customers, and by inducing such customers to use the infringing devices. The names of such customers are presently unknown to plaintiff, but are known to Defendants, who have acknowledged in meetings with Plaintiff that sales to third parties have occurred. The Former Employee Defendants, by virtue of their positions at Layton, on information and belief were involved in the efforts to induce the third parties to purchase and to use the infringing products.

67. On information and belief, Defendants knew that such induced acts infringe the '001 Patent, or (a) believed that there was a high probability that such induced acts infringe the '001 Patent and (b) took deliberate actions to avoid learning that such induced acts infringe the '001 Patent.

68. Plaintiff and its predecessors have marked their products covered by the '001 Patent with the patent number.

69. On information and belief, Defendants have been aware of the '001 Patent since prior to the filing of the complaint in this action. Defendants' infringement of the '001 Patent has been and continues to be knowing and willful, so as to justify an award of treble damages pursuant to 35 U.S.C. § 284.

70. Defendants' infringement of the '001 Patent has caused PPM Technologies to suffer monetary damage, loss, and injury to an extent not yet ascertained and in an amount to be proven at trial, for which Plaintiff is entitled to be compensated pursuant to 35 U.S.C. § 284.

71. Defendant Layton and the other Defendants have engaged in knowing and willful infringement and/or inducement of infringement of the '001 Patent in a manner constituting an exceptional case, so as to support an award of Plaintiff's attorneys' fees pursuant to 35 U.S.C. § 285.

72. Plaintiff has suffered and continues to suffer irreparable injury resulting from Defendants' infringement of the '001 Patent, for which Plaintiff has no adequate remedy at law.

SECOND CAUSE OF ACTION **(Infringement of U.S. Patent No. 6,415,913)**

73. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1-72 with the same force and effect as if set forth fully herein.

74. Layton has infringed, is still infringing, and unless enjoined will continue to infringe the '913 Patent by making, selling, using, and/or offering to sell vibratory conveyors that embody the claimed invention, including at least claim 1 thereof.

75. Layton has been aware of the '913 Patent since prior to the filing of the complaint in this action. Layton's infringement of the '913 Patent has been and continues to be knowing and willful, so as to support an award of treble damages pursuant to 35 U.S.C. § 284.

76. Layton's infringement of the '913 Patent has caused PPM Technologies to suffer monetary damage, loss, and injury to an extent not yet ascertained and in an amount to be proven at trial, for which Plaintiff is entitled to be compensated pursuant to 35 U.S.C. § 284.

77. Defendant Layton has engaged in knowing and willful infringement of the '913 Patent in a manner constituting an exceptional case, so as to justify an award of Plaintiff's attorneys' fees pursuant to 35 U.S.C. § 285.

78. Plaintiff has suffered and continues to suffer irreparable injury resulting from Layton's infringement of the '913 Patent, for which Plaintiff has no adequate remedy at law.

THIRD CAUSE OF ACTION
(Copyright Infringement)

79. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1-78 with the same force and effect as if set forth fully herein.

80. Layton's, Rich's, and Nguyen's actions described herein violate one or more of the exclusive rights of PPM Technologies in the Drum Band and Storage Belt System drawings under 17 U.S.C. § 106, including at least the exclusive right of reproduction, and constitute infringement of the copyrights in the Drum Band and Storage Belt System works under 17 U.S.C. § 501.

81. On information and belief, Layton's, Rich's, and Nguyen's acts of copyright infringement have been and continue to be knowing and willful.

82. Layton's, Rich's, and Nguyen's copyright infringement has caused Plaintiff to suffer monetary damage, loss, and injury to an extent not yet ascertained and in an amount to be proven at trial, for which Plaintiff is entitled to be compensated pursuant to 17 U.S.C. § 504.

83. Layton's, Rich's, and Nguyen's copyright infringement has resulted in profits to Layton, Rich, and Nguyen, which Plaintiff is entitled to recover pursuant to 17 U.S.C. § 504.

84. Plaintiff has suffered and continues to suffer irreparable injury resulting from Layton's, Rich's, and Nguyen's acts of copyright infringement, for which Plaintiff has no adequate remedy at law.

85. On information and belief, Layton's and Nguyen's acts of copyright infringement will continue, and Plaintiff will continue to suffer the resulting irreparable injury, unless and until such acts are restrained and enjoined by this Court.

FOURTH CAUSE OF ACTION
(Removal of Copyright Management Information)

86. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1-85 with the same force and effect as if set forth fully herein.

87. Layton and Nguyen have provided and distributed false copyright management information related to the Drum Band drawing with the intent to induce, enable, facilitate, or conceal infringement, in violation of 17 U.S.C. § 1202(a).

88. Layton and Nguyen have knowingly and intentionally removed and altered copyright management information related to the Drum Band drawing without authorization, distributed copyright management information related to the Drum Band drawing that has been removed or altered without authorization, and distributed copies of the Drum Band drawing with copyright management information that has been removed or altered without authorization, in violation of 17 U.S.C. § 1202(b).

89. Layton's and Nguyen's removal and alteration of copyright management information, provision of false copyright management information, distribution of removed, altered, and false copyright management information, and distribution of copies of the Drum Band drawing with removed, altered, and false copyright management information have caused Plaintiff to suffer monetary damage, loss, and injury to an extent not yet ascertained and in an amount to be proven at trial, for which Plaintiff is entitled to be compensated pursuant to 17 U.S.C. § 1203(c)(2).

90. Layton's and Nguyen's removal and alteration of copyright management information, provision of false copyright management information, distribution of removed, altered, and false copyright management information, and distribution of copies of the Drum Band drawing with removed, altered, and false copyright management information have resulted in profits to Layton and Nguyen, which Plaintiff is entitled to recover pursuant to 17 U.S.C. § 1203(c)(2).

91. Layton and Nguyen have engaged in multiple instances of removal and alteration of copyright management information, provision of false copyright management information, distribution of removed, altered, and false copyright management information, and distribution of copies of the Drum Band drawing with removed, altered, and false copyright management information, such that Plaintiff is entitled to at least \$2,500, and up to \$25,000, for each such instance, pursuant to 17 U.S.C. § 1203(c)(3)(B).

92. Plaintiff has suffered and continues to suffer irreparable injury resulting from Layton's and Nguyen's acts of removal and alteration of copyright management information, provision of false copyright management information, distribution of removed, altered, and false copyright management information, and distribution of copies of the Drum Band drawing with removed, altered, and false copyright management information, for which Plaintiff has no adequate remedy at law.

93. On information and belief, Layton's and Nguyen's removal and alteration of copyright management information, provision of false copyright management information, distribution of removed, altered, and false copyright management information, and distribution of copies of the Drum Band drawing with removed, altered, and false copyright management information will continue, and Plaintiff will continue to suffer the resulting irreparable injury, unless and until such acts are restrained and enjoined by this Court.

FIFTH CAUSE OF ACTION
(Federal Trademark Infringement)

94. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1-93 with the same force and effect as if set forth fully herein.

95. This cause of action arises under § 32(1) of the federal Lanham Act, 15 U.S.C. § 1114(1), for infringement of a registered trademark.

96. Without the consent of PPM Technologies, Layton has used in commerce a reproduction, counterfeit, copy, or colorable imitation of the registered MAGNATRON® mark in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, constituting trademark infringement in violation of 15 U.S.C. § 1114(1)(a).

97. Without the consent of PPM Technologies, Layton has reproduced, counterfeited, copied, or colorably imitated the registered MAGNATRON® mark and applied such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, constituting trademark infringement in violation of 15 U.S.C. § 1114(1)(b).

98. Layton's aforesaid acts of trademark infringement have caused Plaintiff to sustain monetary damage, loss, and injury, to an extent not yet ascertained and in an amount to be proven at trial, for which Plaintiff is entitled to be compensated pursuant to 15 U.S.C. § 1117(a)(2).

99. On information and belief, Layton's aforesaid acts of trademark infringement have resulted in profits to Layton, which Plaintiff is entitled to recover pursuant to 15 U.S.C. § 1117(a)(1).

100. Defendant Layton has engaged and continues to engage in acts of trademark infringement knowingly and with willful disregard for Plaintiffs' rights and resulting deception of

the public, in a manner constituting an exceptional case, so as to justify the award of Plaintiff's costs and attorneys' fees, as well as treble damages, pursuant to 15 U.S.C. § 1117(a)(3).

101. On information and belief, Layton's acts of trademark infringement have caused and, unless enjoined by this Court, will continue to cause Plaintiff to sustain irreparable damage, loss, and injury, for which Plaintiff has no adequate remedy at law, unless and until restrained and enjoined by this Court

SIXTH CAUSE OF ACTION

(Federal False Representation, False Description, and False Designation of Origin)

102. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1-101 with the same force and effect as if set forth fully herein.

103. This cause of action arises under § 43(a) of the federal Lanham Act, 15 U.S.C. § 1125(a), for false representation, false designation of origin, and false description.

104. Layton's use of one or more images depicting PPM Technologies' conveyor equipment in an offer to sell Layton's conveyor equipment constitutes use in commerce of a false representation, false description, and false designation of origin that is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of Layton with Plaintiff, or as to the origin, sponsorship, or approval of Layton's goods, services, or commercial activities by Plaintiff, or of Plaintiff's goods, services, or commercial activities by Layton, in violation of 25 U.S.C. § 1125(a)(1)(A).

105. Layton's use of one or more images depicting PPM Technologies' conveyor equipment in an offer to sell Layton's conveyor equipment constitutes use in commerce of a false representation, false description, and false designation of origin in commercial advertising or promotion, that misrepresents the nature, characteristics, qualities, or geographic origin of Layton's and Plaintiff's goods, services, or commercial activities, in violation of 15 U.S.C. § 1125(a)(1)(B).

106. Layton's aforesaid acts of federal false designation of origin, false representation, and false description have caused Plaintiff to sustain monetary damage, loss, and injury, to an

extent not yet ascertained and in an amount to be proven at trial, for which Plaintiff is entitled to be compensated pursuant to 15 U.S.C. § 1117(a)(2).

107. On information and belief, Layton's aforesaid acts of federal false designation of origin, false representation, and false description have resulted in profits to Layton, which Plaintiff is entitled to recover pursuant to 15 U.S.C. § 1117(a)(1).

108. Defendant Layton has engaged and continues to engage in acts of false designation of origin, false description, and false representation knowingly and with willful disregard for Plaintiffs' rights and resulting deception of the public, in a manner constituting an exceptional case, so as to justify the award of Plaintiff's costs and attorneys' fees, as well as treble damages, pursuant to 15 U.S.C. § 1117(a)(3).

109. On information and belief, Layton's acts of federal false designation of origin, false description, and false representation, have caused, and unless enjoined by this Court, will continue to cause Plaintiff to sustain irreparable damage, loss, and injury, for which Plaintiff has no adequate remedy at law, unless and until restrained and enjoined by this Court.

SEVENTH CAUSE OF ACTION
(Violation of Oregon Uniform Trade Secrets Act)

110. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1-109 with the same force and effect as if set forth fully herein.

111. This cause of action arises under ORS 646.461, *et. seq.*, for misappropriation of trade secrets.

112. This cause of action arises out of Defendants' misuse of information relating to the business and technology of PPM Technologies and its predecessors that derives independent economic value from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use, and that has been the subject of reasonable efforts to maintain its secrecy, including but not limited to price lists and pricing information and tools, customer names and contact information, designs, design history, technical drawings, product

specifications, source names and contact information, cost information, testing protocols, and materials characteristics and specifications ("PPM Trade Secrets").

113. Defendant Nguyen has acquired PPM Trade Secrets with knowledge and/or reason to know that they were acquired by theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy or espionage through electronic or other means.

114. Defendant Nguyen has, without consent of PPM Technologies, disclosed, used, and threatened to disclose and use PPM Trade Secrets that Defendant Nguyen (a) acquired by theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy or espionage through electronic or other means, (b) knew or had reason to know were acquired under circumstances giving rise to a duty to maintain their secrecy or limit their use, and/or (c) knew or had reason to know were derived from or through a person who owed a duty to PPM Technologies to maintain their secrecy or limit their use.

115. Defendant Gretzinger has acquired PPM Trade Secrets, with knowledge and/or reason to know that they were acquired by theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy or espionage through electronic or other means.

116. Defendant Gretzinger has, without consent of PPM Technologies, disclosed, used, and threatened to disclose and use PPM Trade Secrets that Defendant Gretzinger (a) acquired by theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage through electronic or other means, (b) knew or had reason to know were acquired under circumstances giving rise to a duty to maintain their secrecy or limit their use, and/or (c) knew or had reason to know were derived from or through a person who owed a duty to PPM Technologies to maintain their secrecy or limit their use.

117. Defendant Rich has acquired PPM Trade Secrets, with knowledge and/or reason to know that they were acquired by theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy or espionage through electronic or other means.

118. Defendant Rich has, without consent of PPM Technologies, disclosed, used, and threatened to disclose and use PPM Trade Secrets that Defendant Rich (a) acquired by theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy or espionage through electronic or other means, (b) knew or had reason to know were acquired under circumstances giving rise to a duty to maintain their secrecy or limit their use, and/or (c) knew or had reason to know were derived from or through a person who owed a duty to PPM Technologies to maintain their secrecy or limit their use.

119. Defendant Layton has acquired and threatened to acquire PPM Trade Secrets with knowledge and/or reason to know that they were acquired by theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy or espionage through electronic or other means.

120. Defendant Layton has, without consent of PPM Technologies, disclosed, used, and threatened to disclose and use PPM Trade Secrets that Layton (a) acquired by theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy or espionage through electronic or other means, (b) knew or had reason to know were acquired under circumstances giving rise to a duty to maintain their secrecy or limit their use, and/or (c) knew or had reason to know were derived from or through a person who owed a duty to PPM Technologies to maintain their secrecy or limit their use.

121. Defendants' actions described herein constitute actual and threatened trade secret misappropriation as set forth in ORS 646.461.

122. Defendants' acts of trade secret misappropriation have caused Plaintiff to sustain monetary damage, loss, and injury, to an extent not yet ascertained and in an amount to be proven at trial, for which Plaintiff is entitled to be compensated pursuant to ORS 646.465(1).

123. Defendants' acts of trade secret misappropriation have unjustly enriched Defendants to an extent not yet ascertained and in an amount to be proven at trial, for which Plaintiff is entitled to be compensated pursuant to ORS 646.465(2).

124. Defendants' acts of trade secret misappropriation have been undertaken willfully and maliciously, so as to justify an award of punitive damages in an amount up to two times Plaintiff's actual damages and Defendants' unjust enrichment, pursuant to ORS 646.465(3), as well as Plaintiff's attorneys' fees pursuant to ORS 646.467(3).

125. On information and belief, Defendants' acts of trade secret misappropriation, have caused and, unless enjoined by the Court, will continue to cause Plaintiff to sustain irreparable damage, loss, and injury, for which Plaintiff has no adequate remedy at law.

EIGHTH CAUSE OF ACTION
(Breach of Contract)

126. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1-125 with the same force and effect as if set forth fully herein.

127. This cause of action arises under the common law.

128. Each Former Employee Defendant entered into a valid contract with PPM Technologies, Inc., as reflected in the Confidential Information and Inventions Agreement signed by each Former Employee Defendant.

129. The Confidential Information and Inventions Agreements entered into by the Former Employee Defendants were duly assigned to PPM Technologies by PPM Technologies, Inc.

130. Each Former Employee Defendant has failed to maintain in confidence all information pertaining to PPM Technologies' business to which such Former Employee Defendant had access, thereby breaching the Confidential Information and Inventions Agreement.

131. Each Former Employee Defendant has used, communicated, or disclosed or authorized another person to use, communicate or disclose information pertaining to PPM Technologies' business to which such Former Employee Defendant had access, without authorization from PPM Technologies, although such information had not become generally known in the relevant trade or industry to which it relates, thereby breaching the Confidential Information and Inventions Agreement.

132. The Former Employee Defendants have failed to return to PPM Technologies all writings, documents, files, records, drawings, models, tools and other property of PPM Technologies within their custody and control upon their termination of employment with PPM Technologies, thereby breaching the Confidential Information and Inventions Agreement.

133. On information and belief, within one year of each Former Employee Defendant's termination of employment with PPM Technologies, one or more Former Employee Defendants has made, conceived, discovered, developed, or reduced to practice, either solely or jointly with others, one or more inventions, discoveries, improvements, ideas, conceptions, developments, and designs that relate to, result from, are suggested by or based on (a) PPM Technologies' confidential information to which such Former Employee Defendant had access during employment by PPM Technologies or (b) activities of PPM Technologies to which the Former Employee Defendant was exposed while working for PPM Technologies.

134. Said Former Employee Defendants have failed to disclose and offer to PPM Technologies all such inventions, discoveries, improvements, ideas, conceptions, developments, and designs described in the immediately preceding paragraph, thereby breaching the Confidential Information and Inventions Agreement.

135. The Former Employee Defendants' actions in breach of their contracts with PPM Technologies have caused Plaintiff to sustain monetary damage, loss, and injury, to an extent not yet ascertained and in an amount to be proven at trial.

136. The Former Employee Defendants' actions in breach of their contracts with PPM Technologies have unjustly enriched Defendants to an extent not yet ascertained and in an amount to be proven at trial.

NINTH CAUSE OF ACTION **(Unjust Enrichment)**

137. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1-136 with the same force and effect as if set forth fully herein.

138. This cause of action arises under the common law.

139. Defendant Layton and the other three Defendants have been unjustly enriched by their receipt and use of Plaintiff's confidential information brought to Layton by the Former Employee Defendants. Neither Layton nor the other Defendants paid Plaintiff or its predecessor for such information, or obtained authorization to receive or use such information. Defendants continue to retain and to use the information without just compensation.

140. All Defendants have received benefits, including financial benefits, from the confidential information brought by the Former Employee Defendants to Layton, including at least the PPM Trade Secrets and copies of PPM Technologies, Inc.'s documents. Defendants are aware that they have received such information and benefits. The circumstances under which Defendants have received such benefits make it inequitable and unjust to allow Defendants to retain such benefits without adequate compensation to PPM Technologies.

141. Defendants obtained the property of PPM Technologies, including at least the PPM Trade Secrets, and copies of PPM Technologies documents, in a wrongful and inequitable manner. Defendants are not bona fide purchasers for value of such property. Defendants have possession of such property, the products of such property, and/or a substitute for that property.

142. It would be inequitable to allow the Defendants to retain the information they gained improperly from PPM Technologies, such that an injunction ordering return of the information should be entered, along with compensation for the use of and the benefits gained by Defendants from the use of the information.

TENTH CAUSE OF ACTION
(Intentional Interference With Economic Relationship)

143. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1-142 with the same force and effect as if set forth fully herein.

144. This cause of action arises under the common law.

145. Defendants, with knowledge of PPM Technologies' prior existing business relationship, and the likelihood of PPM Technologies continuing to have a business relationship and a prospective economic advantage with Blue Diamond Growers, knowingly and

intentionally interfered with such existing business relationship and prospective economic advantage, by submitting a bid in competition with Plaintiff for the contract with Blue Diamond Growers using improper means.

146. Such improper means included at least the acts of patent infringement, copyright infringement, and trade secret misappropriation described herein, thereby causing Plaintiff to sustain monetary damage, loss, and injury, to an extent not yet ascertained and in an amount to be proven at trial.

147. Layton, with knowledge of PPM Technologies' existing business relationship with the Former Employee Defendants, including the individual Defendants' obligations as set forth in the Confidential Information and Invention Agreements signed by the Former Employee Defendants, knowingly and intentionally interfered with such existing business relationships, for an improper purpose, including to engage in the acts of patent infringement, copyright infringement, and trade secret misappropriation described herein.

148. Layton's actions in interfering with the Former Employee Defendants' contracts have caused Plaintiff to sustain monetary damage, loss, and injury, to an extent not yet ascertained and in an amount to be proven at trial.

149. Layton's and the Former Employee Defendants' interference with Plaintiff's economic relations as described herein has been willful, wanton, and malicious, justifying an award of punitive damages.

ELEVENTH CAUSE OF ACTION **(Breach of Confidential Relationship)**

150. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1-149 with the same force and effect as if set forth fully herein.

151. This cause of action arises under the common law.

152. The Former Employee Defendants entered into a confidential relationship with PPM Technologies, Inc. giving rise to an obligation not to use or disclose confidential information obtained from PPM Technologies, Inc. or developed for PPM Technologies, Inc.

during the course of the relationship, including PPM Trade Secrets, without the consent of, in competition with, or otherwise to the detriment of PPM Technologies.

153. The Former Employee Defendants have used and/or disclosed confidential information obtained from PPM Technologies, Inc. or developed for PPM Technologies, Inc. during the course of such relationship, including PPM Trade Secrets, without the consent of, in competition with, or otherwise to the detriment of PPM Technologies.

154. The Former Employee Defendants' acts in breach of their confidential relationship with PPM Technologies have caused Plaintiff to sustain monetary damage, loss, and injury, to an extent not yet ascertained and in an amount to be proven at trial.

155. The Former Employee Defendants' acts in breach of their confidential relationship with PPM Technologies, Inc. have caused and will continue to cause Plaintiff to sustain irreparable injury for which Plaintiff has no adequate remedy at law, and on information and belief will continue to cause such irreparable injury unless enjoined by this Court.

PRAYER FOR RELIEF

WHEREFORE, PPM Technologies respectfully prays for the following relief:

1. For a judgment and declaration:
 - a. That the '001 and '913 Patents are valid and enforceable;
 - b. That Layton, Rich, and the other Former Employee Defendants are liable for infringement of the '001 Patent;
 - c. That Layton is liable for infringement of the '913 Patent;
 - d. That the copyright registrations in the Drum Band and Storage Belt System drawings for which Plaintiff has applied are valid and enforceable;
 - e. That Layton, Nguyen, and Rich are liable for copyright infringement in violation of 17 U.S.C. §§ 106, 501;

- f. That Layton and Nguyen are liable for false copyright management information in violation of 17 U.S.C. § 1202(a);
- g. That Layton and Nguyen are liable for removal and alteration of copyright management information in violation of 17 U.S.C. § 1202(b);
- h. That U.S. Registration No. 2,759,266 for the MAGNATRON® trademark is valid, incontestable, and enforceable;
- i. That Layton is liable for infringement of the federally registered MAGNATRON® trademark in violation of 15 U.S.C. § 1114(1);
- j. That Layton is liable for false representation, false description, and false designation of origin in violation of 15 U.S.C. § 1125(a);
- k. That each Defendant is liable for trade secret misappropriation in violation of ORS 646.461, *et. seq.*;
- l. That each Former Employee Defendant is liable for breach of contract;
- m. That each Defendant is liable for unjust enrichment;
- n. That each Defendant is liable for intentional interference with economic relationship;
- o. That each Former Employee Defendant is liable for breach of confidential relationship;
- p. That PPM Technologies be awarded all damages caused by and other monetary relief arising out of each Defendant's unlawful acts that form the basis of this Complaint, in an amount to be determined at trial, pursuant to 35 U.S.C. § 284, 17 U.S.C. §§ 504 and 1203(c)(2), 15 U.S.C. § 1117(a)(2), ORS 646.465(1), and other applicable law;

- q. That each Defendant be required to immediately account to PPM Technologies for all gains, profits, and advantages derived from its unlawful acts;
- r. That PPM Technologies be awarded monetary relief in the amount that each Defendant has been unjustly enriched, pursuant to ORS 646.465(2) and other applicable law;
- s. That, due to the willful, wanton, and deliberate nature of Defendants' acts of patent infringement, trademark infringement, false representation, false description, and false designation of origin, PPM Technologies be awarded three times the amount of damages attributable to such acts, pursuant to 35 U.S.C. § 284 and 15 U.S.C. § 1117(a)(3);
- t. That, due to the willful and malicious nature of Defendants' trade secret misappropriation, PPM Technologies be awarded two times the amount of damages, and two times the amount of Defendants' unjust enrichment, attributable to such acts, pursuant to ORS 646.465(3);
- u. That PPM Technologies be awarded all of Defendants' profits attributable to their acts of false copyright management information, removal and alteration of copyright management information, copyright infringement, trademark infringement, false representation, false description, false designation of origin, trade secret misappropriation, and other wrongful acts, pursuant to 17 U.S.C. §§ 504 and 1203(c)(2), 15 U.S.C. § 1117(a)(1), and other applicable law;
- v. That PPM Technologies be awarded no less than a reasonable royalty on all revenue attributable to use of Plaintiff's confidential

information, including any products, documents, information, or other commercially valuable materials that are the result or product, in whole or in part, of any Defendant's use or disclosure of such confidential information, pursuant to ORS 646.463(2);

- w. That PPM Technologies be awarded at least \$2,500, and up to \$25,000, in statutory damages for each instance of false copyright management information and/or removal or alteration of copyright management information committed by Defendants, pursuant to 17 U.S.C. § 1203(c)(3)(B);
- x. That Plaintiff recover from Defendants its litigation expenses, including costs and reasonable attorneys' fees, pursuant to 35 U.S.C. § 285, 17 U.S.C. §§ 505 and 1203(b), 15 U.S.C. § 1117(a)(3), and any other applicable law;
- y. That all copies or phonorecords found to have been made or used in violation of PPM Technologies' exclusive rights, and all plates, molds, matrices, masters, tapes, film negatives, or other articles by means of which such copies or phonorecords may be reproduced, be destroyed, pursuant to 17 U.S.C. § 503(b); and
- z. That, due to the willful, wanton, and malicious nature of Defendants' unlawful acts, PPM Technologies be awarded punitive damages to the extent permitted by law.

2. An order preliminarily and permanently enjoining each Defendant, and all officers, agents, servants, employees, attorneys, and all other persons acting in concert or participation with any Defendant:

- a. From making, using, selling, or offering for sale in the United States, and importing into the United States, the Rapid Return, Super Flow, and Magna-Tran vibratory conveyors, and any other

product or component that infringes, whether directly or indirectly, the '001 or '913 Patents.

- b. From copying, distributing, displaying publicly, preparing derivative works based on, or otherwise infringing the copyright in, the Drum Band drawing, Storage Belt System drawing, and any other work in which PPM Technologies owns the copyright, pursuant to 17 U.S.C. § 502;
- c. From providing false copyright management information, or removing or altering copyright management information, for the Drum Band drawing, Storage Belt System drawing, or any other work in which PPM Technologies owns the copyright, and for any derivative works thereof, and from distributing any copy of such works thereof with false, altered, or removed copyright management information, pursuant to 17 U.S.C. § 1203(b)(1);
- d. From using in commerce the MAGNA-TRAN mark, any similar variation thereof, and any other mark or designation likely to cause confusion, mistake, or deception as to source, affiliation, or sponsorship with or by Plaintiff, Plaintiff's goods or services, or the MAGNATRON® mark, pursuant to 15 U.S.C. § 1116(a);
- e. From using in commerce any depiction of equipment designed, manufactured, or sold by Plaintiff in connection with the Layton name, or any other false representation, false description, or false designation of origin likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of Layton with Plaintiff, or as to the origin, sponsorship, or approval of Layton's goods, services, or commercial activities by or from Plaintiff, or of Plaintiff's goods, services, or commercial activities

by or from Layton, pursuant to 15 U.S.C. § 1116(a).

- f. To deliver up and destroy all labels, signs, prints, packages, wrappers, receptacles, and advertisements in the possession of such Defendant, that bear the MAGNATRON® mark, the MAGNATRAN mark, or any similar variation thereof, and/or any depiction of equipment designed, manufactured, or sold by Plaintiff in connection with the Layton name, or any other false representation, false description, or false designation of origin likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of Layton with Plaintiff, or as the origin, sponsorship, or approval of Layton's goods, services, or commercial activities by or from Plaintiff, or of Plaintiff's goods, services, or commercial activities by or from Layton, as well as all plates, molds, matrices, and other means of making the same, pursuant to 15 U.S.C. § 1118.
- g. To file with the Court and serve on Plaintiff, within thirty (30) days of Defendant's receipt of service of the injunction described in paragraphs 2(d)-(f) above, a report in writing under oath setting forth in detail the manner and form in which said Defendant has complied with such injunction, pursuant to 15 U.S.C. 1116(a);
- h. From any further use or disclosure of confidential information of PPM Technologies or its predecessors, including at least price lists, customer names and contact information, designs, design history, technical drawings, product specifications, source names and contact information, cost information, testing protocols, and materials characteristics and specifications, and from use or sale of any products, documents, information, or other commercially

valuable material that are the result or product, in whole or in part, of any Defendant's use or disclosure of such confidential information, pursuant to ORS 646.463(1); and

- i. From any further use or disclosure of information obtained from or developed for PPM Technologies or its predecessors under a duty of confidentiality, including at least price lists, customer names and contact information, designs, design history, technical drawings, product specifications, source names and contact information, cost information, testing protocols, and materials characteristics and specifications, and from use or sale of any products, documents, information, or other commercially valuable materials that are the result or product, in whole or in part, of any Defendant's use or disclosure of such information.

3. An order preliminarily and permanently enjoining each Former Employee Defendant, and all officers, agents, servants, employees, attorneys, and all other persons acting in concert or participation with any Former Employee Defendant:

- a. From working for or contracting with Layton for at least five (5) years;
- b. From working in the field of vibratory conveyors for at least five (5) years;
- c. To return to PPM Technologies all writings, documents, files, records, drawings, models, tools and other property of PPM Technologies within his or her control and to certify to the Court under penalty of perjury and contempt that all such materials have been returned;

- d. To turn over to a Court-appointed forensic expert for destruction all electronic media containing any electronic copies of all writings, documents, files, records, drawings, models, tools and other property of PPM Technologies, and to certify to the Court under penalty of perjury and contempt that all such materials have been turned over;
- e. To maintain in confidence all information pertaining to PPM Technologies' business to which such Former Employee Defendant had access;
- f. To disclose and offer to PPM Technologies all inventions that such Former Employee Defendant made, conceived, discovered, developed or reduced to practice, either solely or jointly with others, within one (1) year after termination of such Former Employee Defendant's employment with PPM Technologies or its predecessors, which relate to, result from, are suggested by or based on (a) confidential information of PPM Technologies or its predecessors to which such Former Employee Defendant had access during employment by PPM Technologies or its predecessors, or (b) activities of PPM Technologies or its predecessors to which such Former Employee Defendant was exposed in performing work for PPM Technologies or its predecessors, and to assign to PPM Technologies such Former Employee Defendant's entire right, title and interest in and to such inventions and execute and deliver all documents as PPM Technologies shall deem necessary and desirable to obtain Letters Patent, Utility Models, Inventor's Certificates, Copyrights or other appropriate legal rights of the United States and foreign countries

as PPM Technologies may elect, and to vest title thereto in PPM Technologies, its successors, assignees or nominees.

4. An order enjoining Layton from employing and contracting with any Former Employee Defendant, or any other current PPM Technologies employee, for at least five (5) years.
5. A preliminary order impounding:
 - a. Any personal or work computer, and all electronic storage media, used by each of the Former Employee Defendants since termination of his employment with PPM Technologies, Inc. along with any other device or product that is in the custody or control of such defendants or Layton and that the Court has reasonable cause to believe was involved in the trade secret misappropriation, the breach of contract, the false copyright management information, or removal or alteration of copyright management information in violation of 17 U.S.C. § 1202, pursuant to 17 U.S.C. § 1203(b)(2), or any other wrongful conduct.
 - b. All copies of the Drum Band drawing, Storage Belt System drawing, any other work in which PPM Technologies owns the copyright or other intellectual property right, and any derivative works thereof; all plates, molds, matrices, masters, tapes, film negatives, or other articles by means of which such copies may be reproduced; and all records documenting the manufacture, sale, or receipt of things involved in the reproduction, distribution, public display, or preparation of derivative works based on such works.
6. An order that any device or product involved in false copyright management information, or removal or alteration of false copyright management, in violation of 17 U.S.C. § 1202 be remedially modified to

remove all copies of works in which PPM Technologies owns the copyright, as well as any derivative works thereof, pursuant to 17 U.S.C. § 1203(b)(6).

7. That PPM have such other and further relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Pursuant to Fed. R. Civ. P. 38 and LR 38-1, Plaintiff PPM Technologies demands a jury trial on all issues triable to a jury.

Dated this 20th day of June, 2012.

CHRISTENSEN O'CONNOR
JOHNSON KINDNESS^{PLLC}

s/ Michael N. Zachary

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