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Attorneys for Plaintiffs
BLOCK SCIENTIFIC, INC.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

BLOCK SCIENTIFIC, INC., a New
York corporation,

Plaintiff,

v.

TRUE DIAGNOSTICS, INC., a Nevada
corporation; SYNTRON
BIORESEARCH, INC., a California
corporation; and DOES 1-100, inclusive,

Defendants.

Case No. '21CV1118 JLS JLB

COMPLAINT FOR DAMAGES

- (1) Breach of Contract
- (2) Intentional Interference with Contractual Relations
- (3) Intentional Interference with Prospective Economic Relations
- (4) Negligent Interference with Prospective Economic Relations

DEMAND FOR JURY TRIAL

1 Plaintiff Block Scientific, Inc. alleges as follows:

2 **PARTIES**

3 1. Plaintiff Block Scientific (“Block Scientific”) is a New York
4 corporation with a principal place of business at 22 Sawgrass Drive, Bellport, New
5 York 11713.

6 2. Defendant True Diagnostics, Inc. (“True Diagnostics”) is a Nevada
7 corporation with a principal place of business at 2782 Loker Ave W, Carlsbad, CA
8 92010.

9 3. Defendant Syntron Bioresearch Inc. (“Syntron”) is a California
10 corporation with a principal place of business at 2774 Loker Avenue W, Carlsbad,
11 CA 92010.

12 4. Plaintiff is ignorant of the true names and identities of each of the
13 Defendants herein designated as Does 1 through 100, who are therefore sued herein
14 by fictitious names. Plaintiff will seek leave to amend this Complaint to add
15 additional defendants should their true names and identities become known.

16 5. Defendants are business entities who, on information and belief, are
17 agents of, or acting in concert and active participation with, each other in
18 committing the wrongful acts alleged herein such that each Defendant is fully liable
19 for all the acts and omissions of each of the other Defendants.

20 **VENUE AND JURISDICTION**

21 6. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(1) and
22 28 U.S.C. § 1391(b)(2). True Diagnostics and Syntron reside in this district, and a
23 substantial part of the events and omissions giving rise to Block Scientific’s claims
24 occurred in this district.

25 7. Subject matter jurisdiction is proper in this Court pursuant to 28
26 U.S.C. § 1332(a). The amount in controversy exceeds \$75,000 and the parties are
27 residents of diverse states. Block Scientific is a resident of New York. True
28

1 Diagnostics is a resident of Nevada and California. Syntron is a resident of
2 California.

3 **FACTUAL ALLEGATIONS**

4 8. Block Scientific supplies high quality laboratory equipment made by
5 the leading manufacturers in the industry. It carries an extensive product range to
6 help clinical laboratories run at peak performance, and serves the equipment needs
7 of many prestigious organizations, hospitals, and educational institutions
8 worldwide. Its range of products includes, for example, blood collection supplies,
9 analyzers for chemistry, coagulation, electrolytes, hematology, immunoassay,
10 point-of-care, urinalysis, histology and cytology equipment, and microbiological
11 systems.

12 9. True Diagnostics is a research, development, and manufacturing
13 company that specializes in manufacturing advanced rapid in-vitro
14 immunodiagnostic test systems and reagents.

15 10. Syntron manufactures point-of-care in vitro diagnostic tests and
16 detection readers. It offers products such as rapid lateral flow immunoassays for
17 fertility, drugs of abuse, allergy, cancer, infection diseases, and thyroid diseases.
18 True Diagnostics and Syntron are collectively referred to herein as “the Suppliers.”

19 11. Block Scientific first engaged in business with the Suppliers in 2016.
20 For the next two years, Block Scientific purchased Drug Test Cups produced by the
21 Suppliers, which Block Scientific then sold to its own customers.

22 12. In or around March 2020, Block Scientific learned that the Suppliers
23 had developed a serology test to identify IgG and IgM antibodies to SARS-CoV-2
24 in human serum, plasma, or whole blood, called the “QuikPac II IgG & IgM
25 COVID-19 Test Kit” (“QuikPac Test”).

26 13. In March and April 2020, Block Scientific had numerous
27 conversations with the Suppliers regarding the QuikPac Test, including with respect
28 to its legality, availability, and sensitivity and specificity testing results. The

1 Suppliers represented that they had and would abide by all requirements set by the
2 United States Food and Drug Administration (“FDA”) for serology testing,
3 including obtaining all applicable authorizations and approvals. The Suppliers also
4 represented throughout this period that the QuikPac Test was highly effective and
5 would far exceed a 90% IgG PPA sensitivity and specificity. Indeed, in multiple
6 product insert drafts shared with Block Scientific in March 2020, the Suppliers
7 represented that the QuikPac Test scored IgG PPA sensitivity and specificity well
8 in excess of 90%.

9 14. In April 2020, Block Scientific and the Suppliers negotiated and
10 executed a Manufacturing Supply Agreement for the Suppliers’ manufacturing and
11 sale of QuikPac Tests to Block Scientific. The Agreement stated that Block
12 Scientific wished to purchase QuikPac Tests from the Suppliers, which it would
13 then distribute to its customers in the United States.

14 15. In executing the Agreement, the Suppliers represented and warranted
15 to Block Scientific that (1) their execution, delivery, and performance of the
16 Agreement would not violate, conflict with, require consent under or result in any
17 breach or default under applicable Law, defined as any statute, law, ordinance,
18 regulation, rule, code, constitution, treaty, common law, Governmental Order or
19 other requirement or rule of law of any Governmental Authority; (2) they were in
20 material compliance with all applicable Laws relating to the Agreement and the
21 QuikPac Tests; and (3) they had obtained all material licenses, authorizations,
22 approvals, consents, or permits required by applicable Laws to conduct their
23 business and to perform their obligations under the Agreement.

24 16. In the meantime, with the Suppliers’ knowledge, Block Scientific
25 entered into multiple contracts with its own customers, Hopco and Meridian
26 (“Customers”), for the sale of QuikPac Tests. On April 11, 2020, Block Scientific
27 entered into a Product Purchase and Order Agreement with Hopco (“Hopco
28 Agreement”), which provided for Hopco’s purchase of a substantial number of

1 QuikPac Tests, with additional orders to be placed by purchase order. On April 13,
2 2020 and May 4, 2020, Meridian Bioscience placed two significant, high-volume
3 Purchase Orders of QuikPac Tests from Block Scientific (“Meridian Purchase
4 Orders”). Together, the Hopco Agreement and Meridian Purchase Orders
5 (“Customer Contracts”) were worth millions of dollars in sales to Block Scientific,
6 with the potential to achieve tens of millions of dollars more in future sales.

7 17. The Suppliers were well aware of the existence and significance of
8 Block Scientific’s Customers Contracts. Indeed, Block Scientific and the Suppliers
9 had multiple calls and written correspondence with both Hopco and Meridian,
10 beginning in April 2020, regarding the parties’ commitments and expectations.

11 18. For example, on April 15, 2020, the principals of Block Scientific, the
12 Suppliers, and Hopco had a conference call to discuss, among other items: (1) ramp
13 up numbers to determine when the first units under the Hopco Agreement would be
14 available; (2) confirmation that the Suppliers had properly submitted a notification
15 for the QuikPac Tests to the FDA; and (3) what ramp up would look like if Hopco
16 ordered millions of additional units. Accordingly, the Suppliers were well aware of
17 Block Scientific’s time and product commitments to Hopco, the scope of Hopco’s
18 contemplated future orders from Block Scientific, as well as the importance to
19 Hopco of timely product delivery and strict compliance with FDA requirements.

20 19. The Suppliers also knew about the Meridian Purchase Orders,
21 including Meridian’s expectations regarding product delivery and FDA compliance.

22 20. The Suppliers’ conduct in the weeks that followed completely
23 disrupted Block Scientific’s contractual relationships with both Hopco and
24 Meridian.

25 21. First, the Suppliers continuously failed to deliver QuikPac Tests on
26 time, altered production timelines and missed production schedules, and failed to
27 properly communicate delays. These actions caused Block’s Customers to cancel
28 deliveries to their own customers—some of which required delivery of tests to

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