

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

PALLEON PHARMACEUTICALS INC.,)
Plaintiff,) Civil Action No. 21-10755
v.)
AVICEDA THERAPEUTICS, LLC,) **COMPLAINT**
MOHAMED GENEAD, AND MICHAEL) **JURY TRIAL DEMANDED**
TOLENTINO)
Defendants.)

Plaintiff Palleon Pharmaceuticals Inc. (“Palleon”), an innovator of glycoimmunology-based therapeutics, brings this Complaint against Defendants Dr. Mohamed Genead, Dr. Michael Tolentino (together “Individual Defendants”), and Aviceda Therapeutics, LLC (“Aviceda”), and alleges as follows:

NATURE OF THE ACTION

1. This is an action based on Defendants’ breach of contract, unfair competition, and misappropriation of Palleon’s innovative and valuable trade secrets, confidential, and/or proprietary information, or other intellectual property relating to the application of glycoimmunology in the development of new drugs and their use in treating a variety of medical indications, including for ophthalmic, anti-fibrotic, and other indications.

2. Palleon engaged the services of the Individual Defendants, Dr. Genead and Dr. Tolentino, in the hopes that their expertise would contribute to the development of a potential spinoff company from Palleon focusing on the application of Palleon technology to treat ophthalmic and fibrotic disorders. The Individual Defendants signed consulting agreements with

Palleon in which the Individual Defendants were obligated to keep confidential Palleon proprietary information, and disclose and assign to Palleon any inventions conceived during or as a direct result of their work under their respective agreements.

3. Palleon worked diligently with the Individual Defendants, generating and disclosing significant trade secrets and confidential and proprietary information to them. In 2018, choosing to prioritize different matters at the time, Palleon requested that the Individual Defendants cease work on the spinoff, which Palleon had planned to name “Aviceda.” When Palleon became aware that Dr. Genead continued representing himself as working with Palleon on Aviceda, Palleon requested that he confirm in writing that he would no longer make these representations, nor use Palleon’s intellectual property for any unauthorized purpose. Dr. Genead stated in writing that he would comply.

4. However, Palleon subsequently discovered that Dr. Genead, along with Dr. Tolentino, had founded a company on their own without Palleon’s knowledge or consent—also named Aviceda. Defendants now seek to profit off of Palleon’s significant investment in its science and intellectual property, in violation of the Defend Trade Secrets Act, 18 U.S.C. § 1836, et seq., Massachusetts G.L. c. 93, § 42, Massachusetts G.L. c. 93A, and in express breach of Dr. Genead’s and Dr. Tolentino’s agreements with Palleon, causing Palleon damage and irreparable harm.

THE PARTIES

5. Palleon is a Delaware corporation with its principal and usual place of business located at 266 Second Avenue, Second Floor, Waltham, Massachusetts. Palleon is a biotechnology company focused on innovation in the field of glyco-immunology.

6. Upon information and belief, Aviceda is a Delaware corporation with its principal place of business located at One Broadway, 14th Floor, Cambridge, Massachusetts. Aviceda is a biotechnology company focused on the field of glyco-immunology.

7. On information and belief, Dr. Genead is a Co-founder, CEO, and Chairman of Aviceda, and a resident of this District.

8. On information and belief, Dr. Tolentino is a Co-founder and Chief Technology Officer of Aviceda, and resides in the State of Florida.

JURISDICTION AND VENUE

9. This is a civil action for misappropriation of trade secrets under the Defend Trade Secrets Act, 18 U.S.C. § 1836, et seq., misappropriation of trade secrets under Massachusetts G.L. c. 93, § 42, unfair competition under Massachusetts G.L. c. 93A, and breach of contract.

10. This Court has subject matter jurisdiction over Palleon's claim for misappropriation of trade secrets under the Defend Trade Secrets Act pursuant to 18 U.S.C. § 1836(c) and 28 U.S.C. § 1331.

11. This Court has supplemental jurisdiction over Palleon's claims for breach of contract, misappropriation of trade secrets under Massachusetts G.L. c. 93, § 42, and unfair competition under Massachusetts G.L. c. 93A pursuant to 28 U.S.C. § 1337.

12. This Court has personal jurisdiction over Aviceda because, on information and belief, Aviceda's principal place of business is in Middlesex County, Massachusetts, and therefore resides in this District.

13. This Court has personal jurisdiction over Dr. Genead, because, on information and belief, he resides in Middlesex County, Massachusetts, and therefore resides in this District.

14. This Court has personal jurisdiction over the Individual Defendants, because both of the Individual Defendants are employed as senior executives by Aviceda, which resides in this District, and a substantial portion of the acts alleged herein took place within this District.

15. The Court has personal jurisdiction over the Individual Defendants pursuant to Massachusetts G.L. c. 223 §§ 3(a)-(d), because, on information and belief, this cause of action arises from their: transacting business in the Commonwealth; contracting to supply services or things within the Commonwealth; causing tortious injury by an act or omission within the Commonwealth; or in the alternative, causing tortious injury in the Commonwealth by an act or omission outside the Commonwealth, and they regularly do and solicit business, engage in other persistent courses of conduct, and derive substantial revenue within the Commonwealth, *inter alia*, by virtue of their work with Aviceda.

16. Venue is proper in this judicial district under 28 U.S.C. § 1391(b)(2), because a substantial part of the events giving rise to Palleon's claims occurred within this District.

FACTS

17. Palleon is a leader in the field of biotechnology, focusing on developing glycoimmunology to treat various human disorders associated with cancer and inflammation. Palleon has spent the past five years and more than \$50 million developing optimized drug candidates that target glycan-mediated disorders, including certain cancers and inflammatory disorders. Specifically, Palleon focuses on the development of drug candidates that target and modulate the activity of Siglecs, receptor molecules present on the surface of immune cells that can be activated or suppressed depending on their binding to a class of molecules called sialoglycans, for example, sialoglycans located on the surface of cancerous cells.

18. Palleon has developed three distinct technology platforms to overcome the longstanding technical barriers that have delayed the development of drugs that target and

modulate the Siglec-sialoglycan axis. These platforms are called EAGLE, CONVERGENCE and HYDRA. EAGLE, which stands for Enzyme-Antibody Glyco-Ligand Editing, is a first-in-class modality that enzymatically removes the terminal sialic acid residues from glycans regardless of their individual structures or Siglec receptor preferences. CONVERGENCE creates first-in-class opportunities in oncology, as well as in inflammatory and fibrotic diseases, neurodegenerative disease, and chronic viral infections, by targeting Siglec receptors. HYDRA is a diagnostic platform that can be used, among other things, to identify patient populations who are likely to respond to Palleon's therapies by identifying a patient's specific glyco-code, for example, the sugars present on the surface of cells implicated with a particular disorder.

19. Palleon regularly engages leading scientists and researchers in the field of glyco-immunology to work with Palleon and advance Palleon's technology platforms. In exchange for their services, these scientists and researchers receive generous compensation packages, which may include stock options and other incentives. With financing from leading biotech venture investors Matrix Capital Management, SR One, Pfizer Ventures, Vertex Ventures HC, Takeda Ventures and AbbVie Ventures, and with Palleon's growth in the biotechnology field, this is a compensation package that is attractive to many consultants, employees, and contractors.

20. Given that many of Palleon's drug development programs are still in the discovery and preclinical phases, Palleon's confidential information derives substantial economic value from being kept secret until ready for commercial application to avoid providing competitors with a head-start on similar applications. For this reason, Palleon makes every effort to ensure that employees, consultants, and others who may learn Palleon proprietary information keep such proprietary information confidential. Such substantial economic value is driven by Palleon's expertise in the area of glycobiology, including proprietary information, trade secrets and know-

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