

Clifford S. Davidson, WSBA 48313  
 csdavidson@swlaw.com  
 SNELL & WILMER L.L.P.  
 2018 156<sup>th</sup> Avenue NE, Suite 100  
 Bellevue, WA 98007  
 T: (425) 748-5055  
 F: (503) 624-6888

Charles M. Jones, II (*pro hac vice to be filed*)  
 Texas State Bar No. 24054941  
 charlie.jones@haynesboone.com  
 Tiffany Cooke (*pro hac vice to be filed*)  
 Texas State Bar No. 24087340  
 tiffany.cooke@haynesboone.com  
 HAYNES AND BOONE, LLP  
 2323 Victory Avenue, Suite 700  
 Dallas, TX 75219  
 T: 214.651.5000  
 F: 214.651.5940  
 Attorneys for Plaintiff Allied Bioscience, Inc.

UNITED STATES DISTRICT COURT  
 FOR THE WESTERN DISTRICT OF WASHINGTON  
 SEATTLE DIVISION

ALLIED BIOSCIENCE, INC., a Nevada  
 corporation,

Plaintiff,

v.

CRAIG GROSSMAN, an individual,

Defendant.

Case No. 2:20-cv-01650

COMPLAINT

1. Plaintiff Allied BioScience, Inc. (“**ABS**”) complains against Defendant Craig Grossman (“**Grossman**”):

**I. PARTIES**

2. Plaintiff Allied BioScience, Inc. is a Nevada Corporation with its principal place of business and nerve center at 7800 Dallas Parkway, Suite 650, Plano, Texas 75024.

COMPLAINT - 1

CASE NO. 2:20-CV-01650

Snell & Wilmer

3. Defendant Craig Grossman is an individual, last known to be domiciled at 1444 Edwards Drive, Point Roberts, Washington 98281.

## II. JURISDICTION AND VENUE

4. This Court has subject-matter jurisdiction pursuant 28 U.S.C. § 1332(a). ABS is a Nevada corporation with its principle place of business and nerve center in Texas. Grossman is domiciled in Point Roberts, Washington. The amount in controversy, which includes but is not limited to the value of the ABS patents, ABS's patent applications, and the related ownership rights at issue, far exceeds \$75,000, exclusive of interest and costs.

5. This Court also has subject matter jurisdiction pursuant to 28 U.S.C. § 1331. ABS asserts a cause of action under the Defend Trade Secrets Act ("**DTSA**"), 18 U.S.C. § 1836(b).

6. This Court has supplemental jurisdiction over ABS's state-law claims pursuant to 28 U.S.C. § 1367.

7. Venue is proper in this District under 28 U.S.C. §§ 1391(b)(1) and (c)(1) because the sole defendant, Grossman, resides in this District. Seattle is the proper intradistrict assignment because Grossman lives in Whatcom County. *See* LCR 3(e)(1).

## III. FACTUAL BACKGROUND

### A. ABS Background and Relationship with Grossman.

8. ABS is a technology company rooted in environmental science. Among other things, ABS specializes in the development and deployment of surface coating technologies that provide a long-lasting way to maintain antiviral surfaces. Since its inception, ABS has created revolutionary surface coating products, including but not limited to, SurfaceWise™ and SurfaceWise2™ (the "**ABS Technology**"). ABS's SurfaceWise2™ is the first antiviral surface coating that the EPA has approved to continuously protect against COVID-19 with a single application.

9. Grossman was a founder of ABS and was an employee of ABS from 2005 through mid-2018. Grossman maintains that he acted as Founder, President, and CEO of ABS from 2005

1 to 2014 and as Chairman of the Board of Directors and Chief Technology Officer for ABS for  
2 from 2014 to 2018. Exhibit A. As an officer and director of ABS from 2005 through 2018,  
3 Grossman was a fiduciary of ABS. As a fiduciary, Grossman owed ABS the duty of utmost good  
4 faith and was required to refrain from acting in his own best interests.

5 10. On April 30, 2018, ABS terminated Grossman's employment. Then, effective  
6 May 1, 2018, ABS retained Grossman as an independent consultant under a written Consulting  
7 Agreement.<sup>1</sup> ABS retained Grossman as an independent consultant to consult on "future patent  
8 filings and product development and design," among other things. In June 2018, Grossman stepped  
9 down from ABS's Board of Directors. On May 1, 2020, the Consulting Agreement terminated  
10 according to its terms. Since then, Grossman has held no formal or informal position at ABS.

11 11. During the course and scope of his employment with ABS and as independent  
12 consultant for ABS, Grossman helped to invent certain technology related to ABS's business and  
13 portions of the ABS Technology (the "*Grossman Inventions*"). A key aspect of Grossman's  
14 employment and consultancy with ABS was to help invent the Grossman Inventions and develop  
15 the ABS Technology. Some of the Grossman Inventions have been described or claimed in some  
16 of ABS's patents and patent applications.

17 **B. Grossman's Prior Assignment of the Grossman Inventions to ABS.**

18 12. ABS has spent considerable time and resources working to obtain broad patent  
19 protection for the ABS Technology, including the Grossman Inventions. ABS owns over 82 patent  
20 filings worldwide, with approximately 53 issued patents and many pending applications in process.

21 13. Given the extraordinary investment ABS has made in the ABS Technology and  
22 corresponding intellectual property, it is natural that ABS should desire to confirm its ownership  
23 of the ABS Technology.

24 14. As a fiduciary of ABS—and in furtherance of the duties of utmost good faith and  
25 refraining from acting in his own self-interest—Grossman has an obligation to assign any rights

26 <sup>1</sup> ABS has previously provided a copy of Mr. Grossman's Consulting Agreement referenced herein.

1 he may have had in the Grossman Inventions to ABS. Indeed, Grossman has previously executed  
2 a number of invention assignments in favor of ABS. *See* Exhibit B. Likewise, Grossman's  
3 Consulting Agreement contains a broad assignment of all intellectual property to ABS, including  
4 any Grossman Inventions made during Grossman's two-year tenure as an independent consultant.  
5 Grossman's Consulting Agreement also includes non-complete provisions that prevent Grossman  
6 from engaging in business activities that do or may compete with ABS's business during, and for  
7 twelve months after, his consultancy without ABS's consent.

8 **C. Grossman Demands that ABS Make Additional Payments Related to the**  
9 **Grossman Inventions.**

10 15. Despite no longer being affiliated with ABS in any way, Grossman continues to  
11 hold himself out as an agent of ABS and attempts to conduct business on behalf of ABS. Grossman  
12 has also used an ABS-like email signature block in a deceptive and misleading way, and apparently  
13 he claims some continuing ownership of the Grossman Inventions. *E.g.*, Exhibit C; Exhibit D.

14 16. On September 4, 2020, counsel for ABS sent a cease and desist letter to Mr.  
15 Grossman demanding that he immediately cease this misleading and harmful conduct. Exhibit C.

16 17. In an effort to resolve the dispute with Grossman and confirm ownership of the  
17 Grossman Inventions, ABS prepared a draft Confirmatory Assignment Agreement consolidating  
18 Grossman's assignment records and reiterating that ABS is the sole owner of all Grossman  
19 Inventions.

20 18. In response, Grossman's counsel conceded that:

21 *"Mr. Grossman agrees with ABS that what he invented relating to his work and*  
22 *consulting for ABS, pursuant to those agreements and relating to ABS's*  
23 *business, belongs to ABS."*

24 Exhibit E at 5 (emphasis added).

25 19. Despite his counsel's unequivocal statement, Grossman refused and, continues to  
26 refuse, to sign the Confirmatory Assignment Agreement. Worse, Grossman and his counsel

1 redlined the Confirmatory Assignment Agreement to include a baseless requirement that ABS pay  
2 Grossman significant, unearned additional compensation in exchange for Grossman's execution  
3 of the document. Specifically, Grossman demands that ABS compensate him commensurate with  
4 "other recently-resigned directors" and that ABS permit him to "sell up to 10% of [Grossman's]  
5 holdings" in ABS. Exhibit D; Exhibit E at 1.

6 20. Grossman's request for additional consideration is unconscionable for multiple  
7 reasons. First, the Confirmatory Assignment Agreement is exactly that—a confirmation of ABS's  
8 ownership of the Grossman Inventions, for which Grossman already received significant  
9 compensation. Second, Grossman's demand for unearned compensation and attempt to somehow  
10 hold the Grossman Inventions hostage is unconscionable. Third, the specific compensation of other  
11 departing ABS directors is highly confidential ABS information that, as further discussed below,  
12 Grossman apparently acquired improperly. That Grossman then attempted to use this improperly-  
13 acquired information to squeeze money out of ABS is astounding.

14 21. Grossman's repeated refusals to sign the Confirmatory Assignment Agreement and  
15 demands for additional compensation and consideration regarding the Grossman Inventions has  
16 created an ownership dispute over the Grossman Inventions.

17 **D. Grossman's Misappropriation of ABS's Trade Secrets.**

18 22. In addition to his wrongful conduct regarding the Grossman Inventions, Grossman  
19 has also surreptitiously acquired ABS's trade secrets.

20 23. First, Grossman improperly acquired confidential information related to the terms  
21 of an ABS director's severance agreement and is now using that information to demand additional  
22 unearned compensation from ABS.

23 24. ABS's employee and director compensation information, including severance  
24 terms, is highly confidential information. Indeed, ABS's severance agreements include  
25 confidentiality clauses stating as much. ABS also stores all employee and director confirmation  
26 information on secure, password-protected computer systems with limited accessibility.

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.