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Attorneys for Plaintiffs

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
TACOMA DIVISION**

**MULTISCAN TECHNOLOGIES USA,
LLC**, an Oregon limited liability company,
and **MULTISCAN TECHNOLOGIES,
S.L.**, a Spanish company,

Plaintiffs,

v.

AVNER COHN, an individual
Washington resident,

Defendant.

No. _____

COMPLAINT
For Declaration of Ownership, Shop Right,
Misappropriation of Corporate Assets,
Breach of Fiduciary Duty, Declaration of
Invalidity, Damages, and Equitable Relief

JURY TRIAL DEMANDED

COMES NOW Plaintiff, MULTISCAN TECHNOLOGIES USA, LLC (“Multiscan
USA”) and MULTISCAN TECHNOLOGIES, S.L. (“Multiscan SL”) (collectively

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3 “Plaintiffs”), and by this Complaint seeks declaratory relief, among other things, against
4 Defendant AVNER COHN (“Cohn”) for: (1) declaration of ownership of patent by
5 Multiscan; (2) declaration of shop right license by Plaintiffs; (3) misappropriation of
6 corporate assets/opportunities of Multiscan USA; and (4) breach of fiduciary duties to
7 Multiscan USA; and (5) Declaration of invalidity of patent, and alleges as follows:

8 **JURISDICTION AND VENUE**

9
10 1. This Court has subject matter jurisdiction over this action. This Court has
11 Diversity Jurisdiction over this action pursuant to 28 U.S.C. § 1331 as an action between
12 citizens of different states and an amount in controversy in excess of \$75,000. This Court has
13 Federal Question Jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331 and 1338 as an
14 action arising under the patent laws of the United States, Title 35 of the United States Code
15 (35 U.S.C. § 1, *et seq.*), and under the Federal Declaratory Judgment Act (28 U.S.C. §§ 2201
16 and 2202). This Court also has supplemental jurisdiction pursuant to 28 U.S.C. § 1367.
17 Pursuant to Rule 9(c), Plaintiffs plead that all acts and conditions precedent for establishing
18 jurisdiction have been performed or have occurred.

19 2. Venue and personal jurisdiction are proper in this district pursuant to 28
20 U.S.C. § 1391(b) and (c) and § 1400, and, pursuant to FRCP 4, Washington’s long arm
21 jurisdictional rules and statutes in that Defendant resides in this district and/or can be found
22 in this district by virtue of their activities, are engaged in substantial and not isolated activities
23 in this district, and engaged in acts in this district.

24 3. Plaintiffs are informed and believe and on that basis allege that this Court has
25 personal jurisdiction over Defendant by virtue of Defendant residing in, transacting in, and
26 doing business in this judicial district.
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PARTIES

4. Plaintiff Multiscan USA is an Oregon limited liability company.

5. Plaintiff Multiscan SL is a Spanish business entity, currently owning 100% of Multiscan USA.

6. Defendant Cohn is an individual residing in Skamania County, Washington.

COMMON ALLEGATIONS OF FACT

7. In approximately October of 2013, Cohn and Multiscan SL formed Multiscan USA, with Multiscan SL having an 80% ownership interest and Cohn having 20%.

8. Plaintiffs are informed and believe and on that basis allege that from 2013 until approximately 2018, Cohn was both a member and an officer, Manager and President, of Multiscan USA, and in that capacity drew and/or was paid compensation; that Cohn, in his capacity as member and manager, controlled operations of Multiscan USA.

9. Plaintiffs are informed and believe and on that basis allege that the business of Plaintiffs, among other things, is to develop, manufacture and sell nut sorting machines, such as pistachios and other types of nuts.

10. Plaintiffs are informed and believe and on that basis allege that on January 15, 2015, during the time period in which Cohn was a member and officer of Multiscan USA, Cohn filed a patent application that ultimately became US Patent 9,676,004 B2 (the “‘004 Patent”), which relates to machine sorting equipment similar to that which Plaintiffs developed and sold at the time of Cohn’s filing. Cohn did so without informing Plaintiffs and while having access to Plaintiffs’ machines and other technologies. Cohn did so after Plaintiffs had expended substantial time, resources, and money to develop the sorting system technology.

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3 11. Plaintiffs are informed and believe and on that basis allege that in 2016 the
4 first year of sales of the new sorter using the “Sorting System” technology exceeded half a
5 million dollars.

6 12. Plaintiffs are informed and believe and on that basis allege that Multiscan
7 USA is and should be declared to be the owner of the ‘004 Patent.

8 13. Plaintiffs are informed and believe and on that basis allege, in the alternative,
9 that Plaintiffs are entitled to shop right royalty free perpetual license to the ‘004 Patent.

10 14. Plaintiffs are informed and believe and on that basis allege that there is an
11 actual, present and existing dispute regarding ownership and shop right of the ‘004 Patent,
12 and the parties have genuine and opposing interests, that the opposing interests between the
13 parties are direct and substantial, that a judicial determination of the ownership of and/or shop
14 right license to the ‘004 Patent will be final and conclusive, and that this suit is therefore ripe
15 and appropriate for resolution by this Court.
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17 **FIRST CLAIM FOR RELIEF—**

18 **DECLARATION OF PATENT OWNERSHIP**

19 15. Plaintiffs re-allege every paragraph in this Complaint.

20 16. The Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.* and Fed. R. Civ. P.
21 57 provide for determining questions of actual controversy between parties.

22 17. Plaintiffs are informed and believe and on that basis allege that at all relevant
23 times Cohn was an owner and an officer of Multiscan USA and owed fiduciary duties of
24 loyalty and care to Multiscan USA; at all relevant times Plaintiffs utilized employees and
25 resources to develop the prototype and software which became the subject of the ‘004 Patent;
26 Cohn assisted Plaintiffs with incorporating the “Sorting System” technology into the
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3 prototype which is the subject matter of the ‘004 Patent; and that an actual controversy exists
4 among Plaintiffs and Defendants as to whether the ‘004 Patent is owned by Multiscan USA
5 or Defendant.

6 18. Plaintiffs seek a declaration from this Court that Defendant does not own the
7 ‘004 Patent, and that ownership is, by law and equity, vested in Multiscan USA.

8 19. These actual controversies warrant relief by declaring the rights and liabilities
9 of the parties pursuant to 28 U.S.C. §§ 2201, 2202.

10 **SECOND CLAIM FOR RELIEF—**

11 **DECLARATION OF SHOP RIGHT LICENSE**

12 20. Plaintiffs re-allege every paragraph in this Complaint.

13 21. Plaintiffs are informed and believe and on that basis allege that at all relevant
14 times Cohn was an owner and an officer of Multiscan USA and owed fiduciary duties of
15 loyalty and care to Multiscan USA; at all relevant times Plaintiffs utilized employees and
16 resources to develop the prototype and software which became the subject of the ‘004 Patent;
17 Cohn used Plaintiffs employees, resources and technology to incorporate the “Sorting
18 System” technology into the prototype which is the subject matter of the ‘004 Patent; and
19 that an actual controversy exists among Plaintiffs and Defendants as to whether Plaintiffs are
20 entitled to a royalty free license under the Shop Right Doctrine to the ‘004 Patent.

21 22. Plaintiffs seek a declaration from this Court that in the event the Court
22 determines Defendant owns the ‘004 Patent, that Plaintiffs possess, by law and equity, a
23 royalty free perpetual license to the ‘004 Patent.

24 23. These actual controversies warrant relief by declaring the rights and liabilities
25 of the parties pursuant to 28 U.S.C. §§ 2201, 2202..

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THIRD CLAIM FOR RELIEF—

MISAPPROPRIATION OF CORPORATE ASSETS/OPPORTUNITIES

24. Plaintiffs re-allege every paragraph in this Complaint.

25. Plaintiffs are informed and believe and on that basis allege that Cohn misappropriated a corporate opportunity of Multiscan USA, diverting it to himself, and which in all fairness belongs to Multiscan USA; that in Oregon, the corporate opportunity doctrine precludes corporate fiduciaries, such as corporate officers and directors, from diverting to themselves business opportunities in which the corporation has an expectancy, property interest or right, or which in fairness should otherwise belong to the corporation; that at all relevant times Cohn was an owner and an officer of Multiscan USA and owed fiduciary duties of loyalty and care to Multiscan USA; that Cohn directly controlled some or all of the company's management and day-to-day activities; that at all relevant times Plaintiffs utilized employees and resources to develop the prototype and software which became the subject of the '004 Patent; that that Cohn utilized Plaintiffs' employees, technology, and resources to incorporate into a prototype the "Sorting System" technology which is the subject matter of the '004 Patent; that the invention which is the subject matter of the '004 Patent relates to an essential aspect of the Multiscan USA's business; that the '004 Patent is property, and commercialization and/or licensing of a patented process falls within the scope of Multiscan USA's "profit or benefit" or "opportunity"; that the '004 Patent and its related applications were a corporate opportunity of Multiscan USA; that Cohn learned of this opportunity through his position in the corporation or utilized corporate resources to discover or pursue the opportunity; that despite his duties of care and loyalty to Multiscan USA, Cohn secretly filed a patent application on Multiscan USA's technology in his own name; that filing for the

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3 '004 Patent in his own name instead of assigning to Multiscan USA is a direct conflict
4 between the Cohn's self-interest and the interest of Multiscan USA; that Cohn failed to fully
5 disclose the opportunity to the corporation's board of directors or other appropriate body and
6 failed to offer the Multiscan USA the opportunity to pursue it; that Cohn gained a benefit,
7 ownership of the '004 Patent, directly from misappropriation of the opportunity

8 **FOURTH CLAIM FOR RELIEF—**

9 **BREACH OF FIDUCIARY DUTY**

10 26. Plaintiffs re-allege every paragraph in this Complaint.

11 27. Plaintiffs are informed and believe and on that basis allege that Cohn breached
12 fiduciary duties owed to Multiscan USA by misappropriating and/or converting company
13 assets, failing to account for use and disposition of company assets, and that these breaches
14 directly, foreseeably, and proximately caused damage to Multiscan USA.

15 28. Plaintiffs are informed and believe and on that basis allege that the fiduciary
16 duties of loyalty and care and to avoid self-dealing are critical to maintaining the integrity
17 and proper function of the corporate structure; that Cohn as member and officer, owed these
18 fiduciary duties to Multiscan USA; that Cohn breach these fiduciary dies by filing a patent
19 application for the '004 Patent in his own name and not assigning it to Multiscan USA,
20 directly and foreseeably harming and damaging Multiscan USA.

21 **FIFTH CLAIM FOR RELIEF—**

22 **DECLARATION OF NON-INFRINGEMENT**

23 29. Plaintiffs re-allege every paragraph in this Complaint.

24 30. Plaintiffs are informed and believe and on that basis allege that have
25 threatened and/or asserted that Plaintiffs infringe and/or are liable for infringement of the
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3 '004 Patent.

4 31. Plaintiffs deny that they infringe any valid claim of the '004 Patent and seeks
5 a declaratory judgment that they do not infringe any valid claim of the '004 Patent.

6 32. An actual controversy exists between the parties as to whether or not Plaintiffs
7 have infringed, or are infringing, the '004 Patent; have contributed, or are contributing, to
8 infringement of the '004 Patent; or have induced, or are inducing, infringement of the '004
9 Patent.

10 33. The controversy is such that, pursuant to Federal Rule of Civil Procedure 57
11 and 28 U.S.C. § 2201 *et seq.*, Plaintiffs are entitled to a declaration, in the form of a judgment,
12 that Plaintiffs have not infringed and are not infringing any valid and enforceable claim of
13 the '004 Patent; have not contributed to infringement and are not contributing to infringement
14 of the '004 Patent; and/or have not induced infringement and are not inducing infringement
15 of the '004 Patent. Such a determination and declaration is necessary and appropriate at this
16 time.
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18 **FIFTH CLAIM FOR RELIEF—**

19 **DECLARATION OF INVALIDITY**

20 34. Plaintiffs re-allege every paragraph in this Complaint.

21 35. Plaintiffs are informed and believe and on that basis allege that have
22 threatened and/or asserted that Plaintiffs infringe and/or are liable for infringement of the
23 '004 Patent.
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25 36. Plaintiffs deny that they infringe any valid and enforceable claim of the '004
26 Patent, and aver that the assertions of infringement cannot be maintained consistently with
27 statutory conditions of patentability and the statutory requirements for disclosure and
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3 claiming that must be satisfied for patent validity under at least one of 35 U.S.C. §§ 101, 102,
4 103, and 112.

5 37. Accordingly, an actual controversy exists between Plaintiffs and Defendant as
6 to the validity of the '004 Patent. The controversy is such that, pursuant to Federal Rules of
7 Civil Procedure 57 and 28 U.S.C. § 2201 *et seq.*, Plaintiffs are entitled to a declaration, in the
8 form of a judgment, that the '004 Patent is invalid. Such a determination and declaration is
9 necessary and appropriate at this time.

10 **DEMAND FOR JUDGMENT & PRAYER FOR RELIEF**

11 WHEREFORE Plaintiffs pray for judgment against the Defendants as follows:

- 12 1. Granting judgment in favor of Plaintiffs against Defendant on all claims;
- 13 2. Declaring pursuant to 28 U.S.C. § 2201 that the '004 Patent is owned by
14 Multiscan USA;
- 15 3. Enjoining Defendant to assign the '004 Patent to Multiscan USA, or, in the
16 alternative, Declaring Plaintiffs are entitled to and have a royalty-free perpetual unrestricted
17 license to the '004 Patent;
- 18 4. Declaring that Plaintiffs' products do not infringe any valid claim of the '004
19 Patent;
- 20 5. Declaring that the one or more claims of the '004 Patent are invalid under one
21 or more of 35 U.S.C. §§ 101, 102, 103, and 112;
- 22 6. Awarding actual, general and specific, consequential and incidental, damages
23 against Defendant, jointly and severally, in an amount to be determined at trial;
- 24 7. Enjoining Defendant to conduct an Accounting for all assets, incomes, and
25 expenses of all assets deemed to have been misappropriated by Defendant from Multiscan
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USA;

8. Ordering Defendant to Disgorge any and all assets of Multiscan USA that have been misappropriated by Defendant;

9. Awarding Plaintiffs their reasonable attorneys’ fees and costs, including costs for experts , pursuant to State and Federal law, including 35 U.S.C. § 285;

10. Awarding Pre- and post- judgment interest; and

11. Such further and necessary relief as may be appropriate under either 28 U.S.C. § 2201 and Fed. R. Civ. P. 57 or as this Court deems just and proper as a matter of law or equity.

12. Entering such other and further relief as the Court deems appropriate under the circumstances.

JURY DEMAND

Plaintiffs hereby demand trial by jury on all issues so triable in this action.

DATED October 27, 2023

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