

Facts

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2 9. Plaintiff Mr. Margolin is the named inventor on numerous patents and patent
3 applications, including United States Patent No. 5,566,073 (“the ‘073 Patent”), United States
4 Patent No. 5,904,724 (“the ‘724 Patent”), United States Patent No. 5,978,488 (“the ‘488
5 Patent”) and United States Patent No. 6,377,436 (“the ‘436 Patent”) (collectively “the Patents”).

6 10. Mr. Margolin is the legal owner and owner of record for the ‘488 and ‘436
7 Patents, and has never assigned those patents.

8 11. In July 2004, Mr. Margolin granted to Optima Technology Group (“OTG”), a
9 Cayman Islands Corporation specializing in aerospace technology, a Power of Attorney
10 regarding the ‘073 and ‘724 Patents. In exchange for the Power of Attorney, OTG agreed to
11 pay Mr. Margolin royalties based on OTG’s licensing of the ‘073 and ‘724 Patents.

12 12. In May 2006, OTG and Mr. Margolin licensed the ‘073 and ‘724 Patents to
13 Geneva Aerospace, Inc., and Mr. Margolin received a royalty payment pursuant to the royalty
14 agreement between Mr. Margolin and OTG.

15 13. On about July 20, 2004, Mr. Margolin assigned the ‘073 and ‘724 Patents to
16 OTG.

17 14. In about November 2007, OTG licensed the ‘073 Patent to Honeywell
18 International, Inc., and Mr. Margolin received a royalty payment pursuant to the royalty
19 agreement between Mr. Margolin and OTG.

20 15. In December 2007, Defendant Zandian filed with the U.S. Patent and Trademark
21 Office (“USPTO”) fraudulent assignment documents allegedly assigning all four of the Patents
22 to Optima Technology Corporation.

23 16. Upon discovery of the fraudulent filing, Mr. Margolin: (a) filed a report with the
24 Storey County Sheriff’s Department; (b) took action to regain record title to the ‘488 and ‘436
25 Patents that he legally owned; and (c) assisted OTG in regaining record title of the ‘073 and
26 ‘724 Patents that it legally owned and upon which it contracted with Mr. Margolin for royalties.

27 17. Shortly before this, Mr. Margolin and OTG had been named as defendants in an
28 action for declaratory relief regarding non-infringement of the ‘073 and ‘724 Patents in the