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17 Attorneys for Plaintiff  
18 PERMACITY CORP.

19  
20 **UNITED STATES DISTRICT COURT**  
21 **CENTRAL DISTRICT OF CALIFORNIA**  
22

23 PERMACITY CORP.,

24 Plaintiff,

25 v.

26 ORION SOLAR RACKING INC.,  
27 BOB (aka BABAK) SINAI and AHMET  
28 AKMAN,

Defendants.

Case No. 2:19-cv-1391

**COMPLAINT FOR  
INFRINGEMENT OF PATENTS  
AND BREACH OF CONTRACT**

**JURY TRIAL DEMANDED**

1 Plaintiff PermaCity Corp. (“PermaCity”) for its Complaint against Defendants  
2 Orion Solar Racking Inc. (“Orion”), Bob (aka Babak) Sinai (“Sinai”) and Ahmet  
3 Akman (“Akman”), alleges as follows:

4 **NATURE OF THE ACTION**

5 1. This is a civil action for infringement of U.S. Patent No. 9,742,347 (the  
6 ‘347 patent), U.S. Patent No. 9,985,574 (the ‘574 patent), and U.S. Patent No.  
7 9,551,509 (the ‘509 patent), and for breach of contract.

8 **PARTIES**

9 2. PermaCity is a California corporation having a principal place of  
10 business at 525 S. Hewitt Street, Los Angeles, CA 90013.

11 3. Orion is a California corporation with a principal place of business at  
12 2917 Vail Avenue, Commerce, CA 90040.

13 4. Sinai is a co-founder and Chief Executive Officer of Orion. Sinai resides  
14 at 528 Palisades Drive, #933, Pacific Palisades, CA 90272.

15 5. Akman is the Vice President and Chief Operating Officer of Orion.  
16 Akman resides at 3347 Bennett Drive, Los Angeles, CA 90068.

17 **JURISDICTION AND VENUE**

18 6. This Court has subject matter jurisdiction over the patent infringement  
19 claims under 28 U.S.C. §§ 1331 and 1338.

20 7. This Court has supplemental jurisdiction over the other claims in this  
21 action under 28 U.S.C. § 1367 because they are so related to the patent infringement  
22 claims that they form part of the same case or controversy under Article III of the  
23 United States Constitution.

24 8. Orion is a California corporation that is authorized to do business in  
25 California and regularly transacts business in California. Orion maintains its principal  
26 place of business in California. Orion, therefore, is subject to personal jurisdiction in  
27 this Court.

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1 9. Orion also has committed acts of patent infringement in California. For  
2 that reason as well, Orion is subject to personal jurisdiction in this Court.

3 10. Sinai is subject to personal jurisdiction in this Court because he is a  
4 California resident. This Court also has personal jurisdiction over Sinai because Sinai  
5 has regularly transacted business in California and has committed acts of patent  
6 infringement in the course of that business in California.

7 11. Akman is subject to personal jurisdiction in this Court because he is a  
8 resident of California. This Court also has personal jurisdiction over Akman because  
9 Akman has regularly transacted business in California and has committed acts of  
10 patent infringement in the course of that business in California.

11 12. For the reasons stated above, venue is proper in this district under 28  
12 U.S.C. §§ 1391(b)(1), 1391(b)(1) and 1400(b).

13 **FACTS**

14 **I. The PermaCity Patents**

15 **A. Background**

16 13. PermaCity is an innovative solar energy design and installation company  
17 that develops and sells solar energy systems as a sustainable, non-polluting energy  
18 source for homes and businesses.

19 14. With the investment of substantial time and money, PermaCity has  
20 developed a novel, award-winning technology that allows installers to deploy solar  
21 energy systems more quickly and easily, and less expensively, than was possible  
22 previously.

23 15. The United States Patent and Trademark Office has awarded PermaCity  
24 various patents on this technology, including the '347 patent, the '574 patent, and the  
25 '509 patent.

26 16. PermaCity has the exclusive rights to make, use, sell and/or offer to sell  
27 any invention embodying the '347 patent claims, the '574 patent claims, and/or the  
28

1 '509 patent claims throughout the United States, as well as the exclusive right to  
2 import any invention embodying these patent claims into the United States.

3 **B. The '347 Patent**

4 17. PermaCity is the assignee and owner of all right, title and interest in and  
5 to the '347 patent, which the United States Patent and Trademark Office issued on  
6 August 22, 2017. A true and correct copy of the '347 patent is attached as Exhibit A.

7 18. The '347 patent claims an apparatus for mounting solar collector panels.  
8 PermaCity's invention provides a critical advancement in mounting technology for  
9 solar power systems. This invention allows for rapid and easy installation of solar  
10 power systems that uses minimal tools and minimizes roof penetrations.

11 19. PermaCity's patented apparatus has been commercially successful and  
12 has become the leading product of its kind in the market.

13 **C. The '574 Patent**

14 20. PermaCity is the assignee and owner of all right, title and interest in and  
15 to the '574 patent, which the United States Patent and Trademark Office issued on  
16 May 29, 2018. A true and correct copy of the '574 patent is attached as Exhibit B.

17 21. The '574 patent addresses a method of mounting solar collector panels.

18 22. The '574 patent is related to the '347 patent; they both trace back to the  
19 same original Patent Cooperation Treaty (PCT) patent application that PermaCity filed  
20 on February 11, 2013. Whereas the '347 patent claims address a solar panel mounting  
21 apparatus, the '574 patent claims address a solar panel mounting method.

22 **D. The '509 Patent**

23 23. PermaCity is the assignee and owner of all right, title and interest in and  
24 to the '509 patent, which the United States Patent and Trademark Office issued on  
25 January 24, 2017. A true and correct copy of the '509 patent is attached as Exhibit C.

26 24. The '509 patent addresses a system for fastening a solar panel mounting  
27 strap to a roof. This invention allows for rapid and easy installation of solar power  
28 systems that uses minimal tools and minimizes roof penetrations.

1           **E. PermaCity’s Patented Product**

2           25. PermaCity manufactures, sells and markets, in this district, an  
3 embodiment of the invention claimed in the ‘347, ‘574 and ‘509 patents. PermaCity  
4 calls this product the SolarStrap®.

5           26. SolarStrap® has won several design awards and is the leading product of  
6 its kind in the market.

7           **II. The Parties’ Mutual Nondisclosure Agreement**

8           27. On July 3, 2013, Orion and PermaCity entered into a Mutual  
9 Nondisclosure Agreement (“NDA”). A true and correct copy of the NDA is attached  
10 as Exhibit D.

11           28. Under the NDA, which Sinai executed for Orion, Orion agreed not to use  
12 PermaCity’s Confidential Information “for any purpose except to evaluate and engage  
13 in discussions concerning a potential business relationship between the parties.”  
14 Orion further agreed not to disclose PermaCity’s Confidential Information to third  
15 parties.

16           29. PermaCity disclosed its design for the SolarStrap® to Orion under the  
17 NDA with the understanding that Orion would keep the SolarStrap® design  
18 confidential. PermaCity also provided a copy of a confidential engineering study that  
19 it had conducted on various lift and drag forces placed upon solar power systems.

20           30. In or around February 2015, PermaCity learned that Orion manufactured  
21 and sold a solar power mounting system that appeared to be a nearly exact copy of the  
22 PermaCity SolarStrap® product. At that time, the patent applications for the  
23 SolarStrap® product were not publicly available. Accordingly, the SolarStrap®  
24 design was covered under the NDA.

25           31. On February 3, 2015, counsel for PermaCity sent Orion a letter verifying  
26 that Orion was infringing various intellectual property rights that PermaCity possessed  
27 on the SolarStrap® product, including pending patent applications on technology  
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1 embodied in that product. A true and correct copy of the February 3, 2015 letter is  
2 attached as Exhibit E.

3 32. PermaCity also learned that Orion inappropriately used other confidential  
4 information, which included, without limitation, the confidential engineering study  
5 that PermaCity had conducted. Upon information and belief, Orion copied  
6 PermaCity's confidential engineering study, removed PermaCity's name from the  
7 study and substituted Orion's own name, and then distributed the falsified copies to  
8 third parties.

9 **COUNT I—ORION'S INFRINGEMENT OF THE '347 PATENT**

10 33. PermaCity incorporates the allegations contained in paragraphs 1 through  
11 32 of this Complaint as though fully set forth in this paragraph.

12 34. Upon information and belief, Orion has been, and currently is, directly  
13 infringing at least claim 1 of the '347 patent by making, using, selling, offering to sell  
14 and/or importing certain commercial roof mount systems, including Orion's Ballasted  
15 and Non-Ballasted Roof Mount Systems.

16 35. Upon information and belief, Orion also infringes the '347 patent  
17 indirectly by actively encouraging its customers to infringe the '347 patent directly by  
18 using the infringing Orion commercial roof mount systems.

19 36. Orion encouraged this infringing activity even though it knew or  
20 reasonably should have known that PermaCity had a patent on the relevant  
21 technology.

22 37. Orion's acts constitute active inducement of patent infringement in  
23 violation of 35 U.S.C. § 271(b).

24 38. Unless Orion is enjoined, it will continue to infringe the '347 patent  
25 directly and to induce its customers to infringe.

26 39. PermaCity has been irreparably harmed both by Orion's direct  
27 infringement and by Orion's actions inducing others to infringe. Unless it is enjoined,  
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1 Orion will continue to harm PermaCity irreparably. Monetary damages alone cannot  
2 compensate for this harm.

3 40. Orion's infringement has been willful and deliberate. Orion's deliberate  
4 infringement without any reasonable justification, makes this an exceptional case,  
5 entitling PermaCity to an award of treble damages under 35 U.S.C. § 284 and an  
6 award of attorney fees under 35 U.S.C. § 285.

7 **COUNT II—ORION'S INFRINGEMENT OF THE '574 PATENT**

8 41. PermaCity incorporates the allegations contained in paragraphs 1 through  
9 40 of this Complaint as though fully set forth in this paragraph.

10 42. Upon information and belief, Orion has been, and currently is, indirectly  
11 infringing at least claim 1 of the '574 patent by actively encouraging its customers to  
12 infringe the '574 patent directly by installing the infringing Orion commercial roof  
13 mount systems, including Orion's Ballasted and Non-Ballasted Roof Mount Systems.

14 43. Upon information and belief, Orion also indirectly infringes the '574  
15 patent by providing the components of the infringing Orion commercial roof mount  
16 systems to its customers knowing that the components have no noninfringing use.

17 44. Orion encouraged this infringing activity even though it knew or  
18 reasonably should have known that PermaCity had a patent on the relevant  
19 technology.

20 45. Orion's acts constitute active inducement of patent infringement in  
21 violation of 35 U.S.C. § 271(b) and contributory infringement in violation of 35  
22 U.S.C. § 271(c).

23 46. Unless Orion is enjoined, it will continue to infringe the '574 patent.

24 47. PermaCity has been irreparably harmed by Orion's infringement. Unless  
25 it is enjoined, Orion will continue to harm PermaCity irreparably. Monetary damages  
26 alone cannot compensate for this harm.

27 48. Orion's infringement has been willful and deliberate. Orion's deliberate  
28 infringement without any reasonable justification, makes this an exceptional case,

1 entitling PermaCity to an award of treble damages under 35 U.S.C. § 284 and an  
2 award of attorney fees under 35 U.S.C. § 285.

3 **COUNT III—ORION’S INFRINGEMENT OF THE ‘509 PATENT**

4 49. PermaCity incorporates the allegations contained in paragraphs 1 through  
5 48 of this Complaint as though fully set forth in this paragraph.

6 50. Upon information and belief, Orion has been, and currently is, directly  
7 infringing at least claim 1 of the ‘509 patent by making, using, selling, offering to sell  
8 and/or importing certain commercial roof mount fasteners (“the accused fasteners”).

9 51. Upon information and belief, Orion also infringes the ‘509 patent  
10 indirectly by actively encouraging its customers to infringe the ‘509 patent directly by  
11 using the accused fasteners.

12 52. Orion encouraged this infringing activity even though it knew or  
13 reasonably should have known that PermaCity had a patent on the relevant  
14 technology.

15 53. Orion’s acts constitute active inducement of patent infringement in  
16 violation of 35 U.S.C. § 271(b).

17 54. Unless Orion is enjoined, it will continue to infringe the ‘509 patent  
18 directly and to induce its customers to infringe.

19 55. PermaCity has been irreparably harmed both by Orion’s direct  
20 infringement and by Orion’s actions inducing others to infringe. Unless it is enjoined,  
21 Orion will continue to harm PermaCity irreparably. Monetary damages alone cannot  
22 compensate for this harm.

23 56. Orion’s infringement has been willful and deliberate. Orion’s deliberate  
24 infringement without any reasonable justification, makes this an exceptional case,  
25 entitling PermaCity to an award of treble damages under 35 U.S.C. § 284 and an  
26 award of attorney fees under 35 U.S.C. § 285.



1                   **COUNT IV— SINAI’S INFRINGEMENT OF THE ‘347 PATENT**

2           57. PermaCity incorporates the allegations contained in paragraphs 1 through  
3 56 of this Complaint as though fully set forth in this paragraph.

4           58. Upon information and belief, Sinai actively encourages Orion to directly  
5 infringe the ‘347 patent by encouraging it to make, use, sell, offer for sale and/or  
6 import the infringing Orion roof mount systems, including Orion’s Ballasted and Non-  
7 Ballasted Roof Mount Systems.

8           59. Upon information and belief, Sinai communicates with Orion’s  
9 customers and actively encourages those customers to use Orion’s infringing roof  
10 mount systems.

11           60. Sinai encouraged these infringing activities even though he knew or  
12 reasonably should have known that PermaCity had a patent pending on the relevant  
13 technology.

14           61. These acts by Sinai constitute active inducement of patent infringement  
15 in violation of 35 U.S.C. § 271(b).

16           62. Unless Sinai is enjoined, he will continue to infringe the ‘347 patent.

17           63. PermaCity has been irreparably harmed by the infringement-inducing  
18 activities of Sinai. Unless he is enjoined, Sinai will continue to impose this  
19 irreparable harm upon PermaCity. Monetary damages alone cannot compensate for  
20 this harm.

21           64. Sinai performed these infringing activities in a willful and deliberate  
22 manner.

23           65. Sinai’s willful activity makes this case exceptional and entitles  
24 PermaCity to an award of treble damages under 35 U.S.C. § 284 and an award of  
25 attorney fees under 35 U.S.C. § 285.

26                   **COUNT V— SINAI’S INFRINGEMENT OF THE ‘509 PATENT**

27           66. PermaCity incorporates the allegations contained in paragraphs 1 through  
28 65 of this Complaint as though fully set forth in this paragraph.

1           67. Upon information and belief, Sinai actively encourages Orion to directly  
2 infringe the ‘509 patent by encouraging it to make, use, sell, offer for sale and/or  
3 import the accused fasteners.

4           68. Upon information and belief, Sinai communicates with Orion’s  
5 customers and actively encourages those customers to use the accused fasteners.

6           69. Sinai encouraged these infringing activities even though he knew or  
7 reasonably should have known that PermaCity had a patent pending on the relevant  
8 technology.

9           70. These acts by Sinai constitute active inducement of patent infringement  
10 in violation of 35 U.S.C. § 271(b).

11           71. Unless Sinai is enjoined, he will continue to infringe the ‘509 patent.

12           72. PermaCity has been irreparably harmed by the infringement-inducing  
13 activities of Sinai. Unless he is enjoined, Sinai will continue to impose this  
14 irreparable harm upon PermaCity. Monetary damages alone cannot compensate for  
15 this harm.

16           73. Sinai performed these infringing activities in a willful and deliberate  
17 manner.

18           74. Sinai’s willful activity makes this case exceptional and entitles  
19 PermaCity to an award of treble damages under 35 U.S.C. § 284 and an award of  
20 attorney fees under 35 U.S.C. § 285.

21           **COUNT VI—AKMAN’S INFRINGEMENT OF THE ‘347 PATENT**

22           75. PermaCity incorporates the allegations contained in paragraphs 1 through  
23 74 of this Complaint as though fully set forth in this paragraph.

24           76. Upon information and belief, Akman actively encourages Orion to  
25 directly infringe the ‘347 patent by encouraging it to make, use, sell, offer for sale  
26 and/or import the infringing Orion roof mount systems, including Orion’s Ballasted  
27 and Non-Ballasted Roof Mount Systems.

1 77. Upon information and belief, Akman communicates with Orion's  
2 customers and actively encourages those customers to use Orion's infringing roof  
3 mount systems.

4 78. Akman encouraged these infringing activities even though he knew or  
5 reasonably should have known that PermaCity had a patent pending on the relevant  
6 technology.

7 79. These acts by Akman constitute active inducement of patent infringement  
8 in violation of 35 U.S.C. § 271(b).

9 80. Unless Akman is enjoined, he will continue to infringe the '347 patent.

10 81. PermaCity has been irreparably harmed by the infringement-inducing  
11 activities of Akman. Unless he is enjoined, Akman will continue to impose this  
12 irreparable harm upon PermaCity. Monetary damages alone cannot compensate for  
13 this harm.

14 82. Akman performed these infringing activities in a willful and deliberate  
15 manner.

16 83. Akman's willful activity makes this case exceptional and entitles  
17 PermaCity to an award of treble damages under 35 U.S.C. § 284 and an award of  
18 attorney fees under 35 U.S.C. § 285.

19 **COUNT VII—AKMAN'S INFRINGEMENT OF THE '509 PATENT**

20 84. PermaCity incorporates the allegations contained in paragraphs 1 through  
21 83 of this Complaint as though fully set forth in this paragraph.

22 85. Upon information and belief, Akman actively encourages Orion to  
23 directly infringe the '509 patent by encouraging it to make, use, sell, offer for sale  
24 and/or import the accused fasteners.

25 86. Upon information and belief, Akman communicates with Orion's  
26 customers and actively encourages those customers to use the accused fasteners.

1 87. Akman encouraged these infringing activities even though he knew or  
2 reasonably should have known that PermaCity had a patent pending on the relevant  
3 technology.

4 88. These acts by Akman constitute active inducement of patent infringement  
5 in violation of 35 U.S.C. § 271(b).

6 89. Unless Akman is enjoined, he will continue to infringe the '509 patent.

7 90. PermaCity has been irreparably harmed by the infringement-inducing  
8 activities of Akman. Unless he is enjoined, Akman will continue to impose this  
9 irreparable harm upon PermaCity. Monetary damages alone cannot compensate for  
10 this harm.

11 91. Akman performed these infringing activities in a willful and deliberate  
12 manner.

13 92. Akman's willful activity makes this case exceptional and entitles  
14 PermaCity to an award of treble damages under 35 U.S.C. § 284 and an award of  
15 attorney fees under 35 U.S.C. § 285.

16 **COUNT VIII—BREACH OF CONTRACT**

17 93. PermaCity incorporates the allegations contained in paragraphs 1 through  
18 92 of this Complaint as though fully set forth in this paragraph.

19 94. The NDA is a valid and enforceable contract between PermaCity and  
20 Orion.

21 95. PermaCity performed all of its obligations under the NDA.

22 96. Orion used confidential information regarding PermaCity's SolarStrap®  
23 product to manufacture its own roof mount system. Orion copied the SolarStrap®  
24 product directly with no apparent significant differences of any kind.

25 97. Orion also falsified a confidential PermaCity engineering document by  
26 replacing PermaCity's name with Orion's, and distributed the falsified document to  
27 third parties.

28 98. As a result of these actions, Orion breached the NDA.

1 99. PermaCity suffered injury as a result of Orion’s breach.

2 **PRAYER FOR RELIEF**

3 WHEREFORE, PermaCity asks this Court to:

- 4 a. Find that the ‘347, ‘574, and ‘509 patents are valid and enforceable;
- 5 b. Find that all Defendants have infringed the ‘347 and ‘509 patents;
- 6 c. Find that Orion has infringed the ‘574 patent;
- 7 d. Find that Orion breached the NDA with PermaCity;
- 8 e. Permanently enjoin Defendants from infringing the ‘347, ‘574 and ‘509
- 9 patents;
- 10 f. Award PermaCity damages sufficient to compensate it for Defendants’
- 11 past infringement of the ‘347, ‘574 and ‘509 patents, together with costs
- 12 and prejudgment interest;
- 13 g. Award PermaCity treble damages under 35 U.S.C. § 284;
- 14 h. Award PermaCity its reasonable attorney fees under 35 U.S.C. § 285;
- 15 i. Award all available common law and statutory damages and restitution;
- 16 and
- 17 j. Award PermaCity such other and further relief as may be just and proper
- 18 under the circumstances.

19 **DEMAND FOR JURY TRIAL**

20 Plaintiff requests a trial by jury under Rule 38 of the Federal Rules of Civil

21 Procedure of all issues that may be determined by a jury.

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Dated: February 25, 2019

**JEFFER MANGELS BUTLER & MITCHELL  
LLP  
MILLER, CANFIELD, PADDOCK AND  
STONE P.L.C.**

By: /s/ Rachel M. Capoccia

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