

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND  
(NORTHERN DIVISION)**

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**CAM TECHNOLOGIES, INC.** )  
925 Hookers Mill Road )  
Abingdon, Maryland 21009 )

and )

**CAM TECHNOLOGIES IP  
HOLDINGS, LLC** )  
925 Hookers Mill Road )  
Abingdon, Maryland 21009 )

Plaintiffs, )

**v.** )

**Civil Action No.:** \_\_\_\_\_

**COMPRESSED AIR NETWORK, LTD.** )  
140 Yeoman Lane )  
Mooresville, North Carolina 28117 )

*Serve On:* )  
Mike Caldwell )  
140 Yeoman Lane )  
Mooresville, North Carolina 28117 )

**JAMES MICHAEL CALDWELL** )  
140 Yeoman Lane )  
Mooresville, North Carolina 28117 )

and )

**KEVIN SILATE** )  
2029 Turkey Point Road )  
Essex, Maryland 21221 )

Defendants. )  
\_\_\_\_\_ )

**COMPLAINT**

Plaintiffs, Compressed Air Management Technologies, Inc. (“CAM”) and CAM Technologies IP Holdings, LLC (“CAM-IP”) (“CAM-IP”), by and through their undersigned

counsel, hereby file this Complaint against James Michael Caldwell (“Caldwell”), Kevin Silate (“Silate”), and Compressed Air Networks, Ltd. (“CAN”) and alleges as follows:

### **INTRODUCTION**

1. Plaintiff CAM is a Maryland corporation providing goods and services in connection with compressed air monitoring. CAM’s core business is designing, installing, operating and maintaining a computer monitoring system that substantially decreases the energy expended by businesses that rely upon compressed air. CAM has over the last 18 years developed proprietary software that manages air compressor energy consumption in a manner that provides a substantial energy cost savings to clients without any reduction in the supply of compressed air that CAM’s clients require.

2. Plaintiff CAM-IP is a Maryland limited liability that is the legal owner of all of CAMTech's copyrightable and copyrighted works, which it in turn licenses exclusively to CAM.<sup>1</sup>

3. Until April of 2009, Defendants Caldwell and Silate were two of CAM’s most trusted employees. They traveled around the United States visiting CAM’s clients to oversee, coordinate and assist with the process of installing the hardware and proprietary software necessary to implement CAM’s money-saving software solution. They were the “face” of CAM during all implementation phases for CAM’s compressed air management solution and trusted with the care and oversight of CAM’s most valuable clients.

4. Because it was necessary for them to perform their duties as CAM employees, Caldwell and Silate had access to and used CAM’s trade secrets, proprietary materials and copyrighted software.

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<sup>1</sup> CAM-IP is included as a Plaintiff in this Complaint in the event that it is determined to be a necessary party.

5. In April of 2009, Caldwell and Silate resigned, Caldwell created a competing company with a confusingly-similar name (Defendant, "CAN"), and began serving CAM's customers by using unauthorized and unlicensed copies of CAM's proprietary software, by accessing CAM's password-protected software without authority, and by using and relying upon stolen copies of CAM's proprietary, trade secret customer system information.

6. In other words, Defendants Silate and Caldwell have been able, through the confusingly-named "CAN" and by misappropriating trade secrets, information and stolen software, to provide a seamless transition for CAM's customers to use CAN instead of CAM, and to mislead them to believe that there had been no change in the entity that is providing their CAMLink<sup>TM</sup> servicing, maintenance and updates.

7. The Defendants' wrongful acts have put them at an unfair, substantial competitive advantage to CAM and have already caused CAM damages.

8. Caldwell, Silate and CAN's actions constitute, at minimum: (I) copyright infringement pursuant to the Copyright Act, 17 U.S.C. §§ 101, *et seq.*; (II) unfair competition in violation of the Lanham Act, 15 U.S.C. §1125; (III) misappropriation of trade secrets in violation of Maryland's Uniform Trade Secrets Act, Md. Code Ann., Comm'l Law § 11-1201, *et seq.*; (IV) fraud and related activity in connection with computers in violation of 18 U.S.C. §1030; (V) tortious interference with CAM's contractual and prospective business relationships; (VI) an unlawful civil conspiracy; and (VII) a breach by Caldwell and Silate of their duties of loyalty, care and good faith as employees of CAM.

### **THE PARTIES**

9. Plaintiff CAM is a Maryland close corporation with its principal place of business in Abingdon, Maryland. Its sole shareholder is Christopher Wagner. Mr. Wagner formed CAM in January of 2009 and it began doing business when it merged with Mr. Wagner's

existing entity, C. Wagner Enterprises, LLC (“C. Wagner Enterprises”) in October of 2009. Mr. Wagner formed C. Wagner Enterprises in 2003.

10. Plaintiff CAM-IP is a Maryland limited liability company with its principal place of business in Abingdon, Maryland. Its sole member is Mr. Wagner.

11. CAM and its predecessor company, C. Wagner Enterprises, and a succession of other entities that have been under Mr. Wagner’s ownership, direction or control, have been providing compressed air management services since 1992.

12. Defendant CAN is a North Carolina corporation formed on or about May 31, 2009. CAN’s principal place of business in Mooresville, North Carolina. CAN competes directly with CAM.

13. Defendant Silate is a former CAM technician who lives in Essex (Baltimore County), Maryland.

14. Defendant Caldwell is a former CAM salesperson who resides in Mooresville, North Carolina.

#### **JURISDICTION AND VENUE**

15. This Court has original jurisdiction over the subject matter of this action pursuant to: 28 U.S.C. §1331 because this Action arises pursuant to the following laws of the United States: 17 U.S.C. §§101 *et seq.*, 15 U.S.C. §§1051, *et seq.* ; 18 U.S.C. §1830, *et seq.*, and 28 U.S.C. §1338. This court has supplemental jurisdiction over the asserted state claims in the action pursuant to 28 U.S.C. § 1367(a).

16. This Court has personal jurisdiction over Defendant Silate because he is a Maryland resident.

17. This Court has personal jurisdiction over Defendant Caldwell because he transacts business and/or performs work or services in this State; has caused tortious injury in

this State by an act or omission outside of the State; and because he is a co-conspirator with Silate, a Maryland resident. Although he resides out of state, during his employment by CAM and during the times that he performing many of the wrongful acts described in this Complaint, Caldwell routinely traveled to CAM's Maryland offices for meetings, training and other purposes; sent and received invoices, customer purchase orders and other documents to and from Maryland; regularly conducted business with CAM in Maryland; accessed CAM's server in Maryland; and he sent and received communications, invoices, purchase orders and other business documents to and from CAM's offices in Maryland.

18. This Court has personal jurisdiction over CAN because CAN, upon information and belief, transacts business and performs services in Maryland, contracts to supply services in Maryland, and is a co-conspirator with Defendant Silate, a Maryland resident. Silate, a Maryland resident, also performed and continues to perform work and services on behalf of and as an agent to CAN, and while acting as an agent of CAN.

19. This Court is a proper venue for this action pursuant to 28 U.S.C. § 1391(b) because this action is not founded solely on diversity of citizenship, a substantial part of the property that is the subject of the action is situated in this State, and because CAN, by virtue of being subject to personal jurisdiction in Maryland, is also deemed to reside in this State. *See* 28 U.S.C. § 1391(c). Venue for this action is also proper under 28 U.S.C. § 1400 (a) because it arises under the Copyright Act, 17 U.S.C. §§ 101, *et seq.*, and the Lanham Act 15 U.S.C. §§ 1051 *et seq.*

### **ALLEGATIONS OF FACT**

#### **I. PLAINTIFF CAM's PROPRIETARY SOFTWARE AND TRADE SECRETS.**

20. After a client retains CAM to provide a compressed air management solution,

CAM spends a substantial amount of time and effort to analyze the client's compressed air management needs and usage, as well as the client's business needs and activities, to develop a comprehensive technical plan to save the client money on the energy it costs to provide compressed air.

21. CAM identifies its compressed air management solution by the trademark "CAMLink™".

22. To implement the CAMLink™ solution, CAM sells its clients and oversees the installation of an electrical panel that includes various monitors, sensors, and other devices. The panel is a self-contained box that houses all of the equipment necessary for CAMLink™ to monitor the client's compressed air systems, including a computer upon which the CAMLink™ proprietary compressed air management software is installed. The portion of CAMLink™ process during which CAM's software is installed and settings to it are modified to fit the particular client's needs is called the "commissioning" work.

23. After the commissioning work is complete and CAM confirms that its CAMLink™ solution is operating satisfactorily, the client is able to monitor and perform basic system control functions using a human machine interface ("HMI"). The HMI is a user-friendly display screen that gives clients the ability to monitor and to obtain limited control over the CAMLink™ system settings. Directions for using CAMLink™ are provided in a detailed operator's manual that CAM creates for each client and which is specific for each client's particular system and CAMLink™ solution.

24. CAM then continues to service its clients to provide updates to CAMLink™ and to modify its settings as client needs change, such when a client purchases new equipment.

25. The proprietary CAMLink™ software that CAM installs in the electrical panel

computer at the client's location contains two software components: (1) proprietary computer code located on computer hardware called a "programmable logic controller" or "PLC" - which code was written by CAM's owner, Chris Wagner, (the "PLC Code"); and (2) software that provides the user-friendly HMI that the client operators can use to interact with the PLC Code (the "User Interface Software").

26. The PLC Code acts as the "brains" of the *CAMLink*<sup>TM</sup> compressed air solution, and the User Interface Software provides a means by which operators of the *CAMLink*<sup>TM</sup> solution can interact with the PLC Code.

27. The PLC Code actually is comprised of a number of so-called "modules" that are the subject of five individual applications for copyright registration that were properly filed and received by the U.S. Copyright Office on various dates in November, 2009. Those copyrighted modules are entitled:

- A. *CAMLink* Variable Frequency Drive Coordinated Compressor Control;
- B. *CAMLink* Air Dryer Blending for Dew Point Management for Compressed Air Systems;
- C. *CAMLink* Trim Expert for Coordinated Compressor Control;
- D. *CAMLink* Multiple Variable Frequency Drive Compressors Coordinated Compressor Control;
- E. *CAMLink* Base Expert for Coordinated Compressor Control; and
- F. *CAMLink* Variable Frequency Drive Coordinated Compressor Control.

28. For purposes of this Complaint, the five copyrighted modules identified in the immediately preceding paragraph are incorporated into the abbreviated term, "PLC Code" – such that the "PLC Code" refers to all modules and other aspects of the CAM's PLC Code stored on

the PLC.

29. Access to the PLC (and thus, to the PLC Code) is always password protected and that password is not provided to CAM's clients.

30. The PLC password is required to access the PLC and to implement system and operational changes to *CAMLink*<sup>TM</sup>, and therefore, a technician (including CAM competitor) who does not possess the PLC password would not be able to make any necessary changes to the PLC, and thus, to *CAMLink*<sup>TM</sup>.

31. As employees, Silate and Caldwell were trusted with the password to access to the PLC and the PLC Code, which they were permitted to use only to perform work by and on behalf of CAM for CAM's clients.

32. Most CAM clients choose to password protect the User Interface Software that their operators can access. Silate and Caldwell also learned client User Interface Software passwords during their employment.

33. The PLC Code was first developed in the early 1990's but CAM's President and sole shareholder, Chris Wagner, who has continued to refine and improve the PLC Code.

34. CAM does not give any ownership rights to its clients upon installation of the PLC Code or the User Interface Software.

35. In fact, CAM includes as part of its *CAMLink*<sup>TM</sup> proposal to clients, and requires that clients agree to as a condition of CAM's performance of work, certain written Terms and Conditions (the "CAM T&Cs").

36. The CAM T&Cs state, *inter alia*, that "All CAM TECHNOLOGIES software for compressor automation and associated information management (e.g., Management Information System) is the exclusive property of CAM Technologies . . . [.]"



37. After the commissioning work is performed by CAM, the client is required to agree to the terms of a Software License Agreement.

38. The CAM Software License Agreement includes, among other terms, the following:

- A. That CAM grants to its clients (referred to as “Licensees”) a “non-exclusive and non-transferable license to use the software . . . . in connection with the purchase and sale of the systems and equipment contemporaneously completed by the parties”;
- B. That the “Licensed Software includes, but is not limited to the computer program and associated material and documentation supplied herewith”;
- C. That “[t]he right to use the Licensed Software terminates upon the violation of any provision of this License”;
- D. That “Licensee agrees to take all necessary steps to insure that the provisions of this License are not violated by it or by any person under its control or in its service. Licensee will not cause nor permit any such person to disassemble, reverse compile or tamper with the License Software”;
- E. That “Licensee will not permit any party (whether or not an employee of Licensee) to have access to or knowledge of the Licensed Software unless:
  - a. That party would reasonably have a need-to-know for Licensee to use the Licensed Software and is bound by Licensee to comply with Licensee’s obligations under this Agreement; or
  - b. Has obtained Licensor’s prior written consent[.]”

39. In addition to a client-specific, unique operator's manual that CAM provides to each of its clients once the commissioning of the *CAMLink*<sup>TM</sup> solution is complete, CAM also creates an extensive file for each client that includes all of the essential components of the client's unique compressed air management solution, including technical drawings, software specifications, machinery manuals, correspondence, technical notes, client emails and related correspondence, and other information that is relevant to implementing and operating a successful compressed air management solution (hereinafter the "CAM Client Files").

40. These CAM Client Files allow CAM's technicians to provide goods and services that are custom-tailored to particular clients. Significant time, effort and experience have been used to develop these customer histories and as a result the CAM Client Files have added significant value to CAM and its ability to continue to provide goods and services to its customers – so much so that, without possession of the CAM Client Files, it would be very difficult if not nearly impossible for any of CAM's competitors to take over the management, continued operation and maintenance of the *CAMLink*<sup>TM</sup> solution.

41. Over time, CAM has developed a large database of CAM Client Files with respect to each of its clients who continue to use *CAMLink*<sup>TM</sup>.

42. The CAM Client Files are stored on CAM's password protected server (located at its offices in Maryland), which is accessible only by CAM's employees.

## **II. CALDWELL AND SILATE'S ROLES AT CAM AND THEIR ACCESS TO CAM'S SOFTWARE AND TRADE SECRETS**

43. Caldwell and Silate each joined C. Wagner Enterprises as employees in or about January of 2005.

44. Caldwell was a CAM sales agent whose responsibilities included soliciting and contacting potential and actual CAM customers, and selling CAM's goods and services to

companies engaging in activities that utilized air compression machinery. Caldwell also solicited and scheduled follow-up service calls and maintenance visits to, among other things, modify the *CAMLink*<sup>TM</sup> software to meet new client needs and operate new client equipment.

45. Silate was a CAM technician who performed many of the technical functions required to implement the *CAMLink*<sup>TM</sup> solution. His responsibilities included as all of the technical work that was required during the commissioning process, including installation of the PLC (and uploading the PLC Code into each client's PLC) and User Interface Software and modifying each software component to meet each client's specific *CAMLink*<sup>TM</sup> solution design, as well as all technical work required to maintain or make modifications to each client's customized *CAMLink*<sup>TM</sup> solution.

46. Essentially, then, Caldwell and Silate acted as a team – with Caldwell primarily responsible for sales and client relationship management, and Silate responsible for the technical aspects of the *CAMLink*<sup>TM</sup> solution and subsequent servicing and modifications to it.

47. Caldwell and Silate were among a small handful of CAM (and formerly, C. Wagner Enterprises) employees who were been provided the passwords to CAM's PLC, access to the PLC Code and User Interface Software and access to the CAM server, which is located in Maryland, upon which the CAM Client Files are stored.

48. Their access to the password-protected CAM server and other information located at CAM's offices in Maryland was necessary for them to perform the sales, implementation and commissioning responsibilities of their jobs.

49. CAM Client Files access also was necessary for Caldwell and Silate to offer and perform any maintenance or update services for CAM's existing clients.

50. Caldwell and Silate also were provided with CAM-owned laptops, on which

were loaded CAM's proprietary PLC Code and so-called "Key Files" that have recently replaced the password manner of accessing the PLC in the more current versions of the PLC.

51. Caldwell and Silate also were permitted to possess copies of CAM Client Files on their CAM-issued laptops regarding the CAM clients for which they were performing services.

52. Caldwell and Silate were required to perform all services for CAM customers by and on behalf of CAM only, and to use the CAM Client Files, customer information and data, the PLC and the User Interface Software only to further CAM's business, and solely for CAM's benefit.

53. Thus, as a direct result of their employment positions with CAM, Caldwell and Silate had access to, and utilized on a regular basis, CAM's software and its confidential and proprietary information including information concerning CAM's business affairs, customer lists, operational procedures, and specific technical information that is essential to understand, operate, maintain and update CAM's compressed air management solution installed at each of its client locations.

54. Because Caldwell and Silate were trusted to be the face of CAM in the field with respect to many CAM customers, they also acquired intimate knowledge concerning CAM's customers' preferences and service needs, and had extensive contact with CAM's largest and most critical accounts.

**III. CALDWELL AND SILATE RESIGN FROM CAM AND FORM THEIR OWN COMPETING BUSINESS USING CAM'S PROPRIETARY SOFTWARE AND CLIENT INFORMATION AND DOCUMENTS.**

55. In or about April of 2009, after being informed of C. Wagner Enterprises' merger with CAM and the company's new management policy that all employees execute

employment agreements with restrictive covenants, Caldwell and Silate resigned.

56. Shortly after CAM received Caldwell's resignation (sent via email to CAM on April 29, 2009), CAM's manager, John Clough, immediately notified Mr. Caldwell that Mr. Clough would be travelling to Caldwell's home in Mooresville, North Carolina, to retrieve CAM's laptop and CAM's other equipment and property that was in Caldwell's possession.

57. Upon Mr. Clough's arrival to Mooresville on April 30, 2009, Mr. Caldwell and Mr. Clough met at an agreed-upon location but Mr. Caldwell did not bring the CAM laptop, equipment or any other CAM property with him. It took about ten weeks for Mr. Caldwell to return his laptop, and despite demands therefore, he never returned CAM's customer files or equipment that he possessed at the time he resigned.

58. After Silate resigned by email on April 23, 2009, he continued to work with CAM for a little more than a week – until May 1, 2009 – to assist CAM with completing an ongoing project. After that brief period was over, he waited a week to comply with CAM's demands to return the CAM laptop, equipment, customer files and other CAM property.

59. On or about May 9, 2009, when Mr. Clough appeared at an agreed-upon time at Mr. Silate's Maryland home to retrieve the CAM property, Mr. Silate made Mr. Clough wait for four hours before he appeared at the door with the CAM laptop.

60. Upon inspection of the returned laptop from Silate, including a forensic analysis of the laptop, CAM discovered that its proprietary and confidential information on the laptop, including its software, CAM Client Files and confidential information concerning CAM's customers and particular customer jobs, had been accessed shortly before Silate turned over the laptop to CAM.

61. Upon further inspection, CAM discovered that files containing proprietary and

confidential business information belonging to CAM, including the CAM Client Files and confidential information regarding particular CAM client jobs and potential jobs, had been deleted from Silate's CAM-issued laptop on or about the same date that the deleted files had been accessed (after termination of Silate's employment).

62. Upon inspection of Caldwell's returned laptop, CAM discovered that Caldwell had downloaded from CAM's Maryland server, CAM's financial information and other proprietary documents and information, without CAM's knowledge, and that he had accessed those files after he resigned from CAM.

63. Shortly after resigning, Caldwell formed co-Defendant "CAN", a limited company located in Mooresville, North Carolina for the purpose of providing air compression monitoring services.

64. Upon information and belief, Silate is either a part owner of CAN, is a CAN employee or independent contractor, and is otherwise acting in concert and participation with CAN and Caldwell.

65. CAN is and continues to be a direct competitor of CAM in the business of providing air compression services and commissioning.

66. Upon information and belief, Caldwell, Silate and CAN have been using and continue to use CAM's PLC Code and User Interface Software, CAM's trade secrets, including the CAM Client Files, passwords, Key Files and other confidential information about CAM's customers, to solicit, service and compete with CAM for CAM's clients and potential clients.

67. Upon further information and belief, Defendants, acting together, also uploaded CAM's PLC Code and User Interface Software at one or more CAM client locations and performed all other commissioning work as if they were still employed by CAM.

68. Upon further information and belief, Defendants, acting together, also have obtained unauthorized access to CAM's PLC and User Interface Software loaded onto computers at one or more CAM client location, using CAM's passwords that they acquired while employees but which they are no longer authorized to use or disclose.

69. In addition, Defendants have changed the CAM password to the PLC that is installed and operating at one or more CAM client locations, presumably for the purpose of attempting to block CAM's access to its own software and system – and thus – to block CAM's ability to provide maintenance, operation and support services to its clients.

70. Defendants have, on information and belief, also made use of the CAM Client Files to obtain critical information required to service CAM's customers, giving Defendants a significant advantage over any of CAM's other competitors.

71. Upon information and belief, Defendants also have engaged in conduct that is designed to confuse or mislead CAM's customers that Defendants are the same entity as Plaintiff CAM, or that they are authorized, licensed or otherwise affiliated with CAM, including but not limited to use of the similar name, "CAN".

72. For example, Defendants have removed CAM's contact information from inside the CAM electrical panels at CAM client locations, and have replaced it with information about Defendant CAN, and specifically, the direct contact information for Caldwell and/or Silate.

73. Thus, Caldwell and Silate, for their own benefit and for the benefit and operation of Defendant CAN, are utilizing the confidential and proprietary information to which CAM entrusted them, including the CAM Client Files, and CAM's proprietary, copyrighted PLC Code, and passwords to solicit and service CAM's clients.

#### **IV. CAM DISCOVERS CALDWELL AND SILATE'S DISLOYALTY AS EMPLOYEES.**

74. Following Caldwell's and Silate's respective resignations, CAM discovered that both of them, while employed by CAM, were attempting to misappropriate CAM clients in preparation to start a competing compressed air management business for themselves.

75. Upon information and belief, Caldwell and Silate not only planned to form their own competing business while employees of CAM, they actually began soliciting CAM's customers for their own business while they were still employed by CAM.

76. On further information and belief, Caldwell and Silate actually performed work and received payment directly from some of CAM's customers without CAM's knowledge and during the time when they were CAM employees.

77. Also before they left their employment, Caldwell and Silate intentionally retained or delayed CAM client purchase orders for CAM-related work, such as commissioning work and maintenance or updating work, so that their new, competing business (Defendant, CAN) could perform the work once Caldwell and Silate resigned from CAM.

78. By taking CAM's proprietary and confidential information and using it for their own benefit and to CAM's detriment, Defendants caused foreseeable injury to CAM in Maryland.

79. Caldwell and Silate were both physically present in CAM's Maryland offices in April of 2009, while still CAM employees, but they did not disclose to CAM that each had already misappropriated CAM's proprietary and trade secret information, including its software, passwords and CAM Client Files, for their own personal benefit; that each intended to continue to use without authorization such information and software for the benefit of Defendant, CAN, to compete with CAM for CAM's clients; and that each was delaying and/or retaining CAM client purchase orders so that their new, competing business, could perform the work.



80. In addition, despite having weekly (if not more frequent) telephone calls with CAM's management in Maryland while each was a CAM employees, Caldwell and Silate never disclosed their activities that were for their personal gain and to CAM's detriment.

**COUNT I**  
**COPYRIGHT INFRINGEMENT**

81. Plaintiff CAM incorporates by reference paragraphs 1 through 80 as if set forth in full herein.

82. CAM has applied for copyrights with respect to the original works of authorship that comprise the components of its PLC Code, and the copyright office has accepted all five such copyright applications.

83. CAM-IP is the exclusive legal and beneficial owner of the copyrighted works that comprise the PLC Code, which are works protected under the United States Copyright Act, 17 U.S.C. § 101, *et seq.* the ("Copyright Act").

84. CAM is the exclusive licensee of the PLC Code with respect to all rights set forth in Section 106 of the Copyright Act, including the right to bring suit against any past, present and future infringer of the PLC Code.

85. Caldwell and Silate had access to the PLC Code and, following their resignation from CAM, copied and reproduced the PLC Code, prepared derivative works of the PLC Code, and distributed copies of the PLC Code by sale or license, without any license, right, permission or entitlement to do so, in violation of CAM's exclusive rights provided by Sections 106 through 122 of the Copyright Act.

86. The above-described acts by Caldwell and Silate were performed for their own benefit and for the benefit of CAN, with CAN's full knowledge that it had no license, right, permission or entitlement to use, sell or otherwise license the PLC Code.

87. Defendants' activities described above constitute an infringement of the copyrights in the PLC Code.

88. The infringement of CAM's rights in and to each infringed work constitutes a separate and distinct act of infringement.

89. The foregoing acts of infringement by Defendants have been willful, intentional, and purposeful, in disregard of and with indifference to CAM's rights.

90. Defendants' conduct is causing and, unless enjoined and restrained by this Court, will continue to cause CAM great and irreparable injury that cannot fully be compensated or measured in money, and for which CAM has no adequate remedy at law.

WHEREFORE, Plaintiffs respectfully request that the Court enter judgment in favor of Plaintiffs and issue an Order against Defendants awarding the following relief to CAM:

- A. Pursuant to 17 U.S.C. § 502, a permanent injunction on terms that the Court deems reasonable to prevent or restrain future infringement of the CAM's copyright rights;
- B. Pursuant to 17 U.S.C. § 503, Impoundment and destruction or other reasonable disposition of all copies and all derivative works of the CAM PLC in Defendants' possession, custody or control;
- C. Pursuant to 17 U.S.C. § 504, actual damages suffered by CAM as a result of Defendants' infringement, and any profits of Defendants' that are attributable to the infringement and are not taken into account in computing the actual damages, in an amount of at least \$500,000.00;
- D. CAM's reasonable attorneys' fees; and
- E. Prejudgment and post judgment interest, plus any other award that the

Court deems appropriate.

**COUNT II**  
**UNFAIR COMPETITION (LANHAM ACT)**

91. CAM incorporates by reference paragraphs 1 through 90 as if set forth in full herein.

92. By and through the conduct described above, Defendants have and, unless enjoined by this Court will continue to use in commerce words and to take actions that constitute a false designation of origin, false or misleading descriptions of fact, or false or misleading representations of fact which in commercial advertising or promotion misrepresent the nature and origin of Defendants' goods, services and/or commercial activities.

93. Defendants activities also are likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of Defendants with Plaintiff, CAM.

94. Defendants' conduct and use has caused and is likely to continue to cause damage to the goodwill and value associated with CAM, its products and services. CAM has no control over the quality of the goods and services sold by Defendants, and because of the confusion as to the source engendered by Defendants, CAM's valuable goodwill in respect to the CAM mark is at the mercy of Defendants.

95. The false designation of origin and unfair competition by Defendants has been willful and deliberate, and designed specifically to trade upon the goodwill associated with CAM's reputation and its proprietary products and services.

96. CAM has been damaged by Defendants' actions in an amount to be proven at trial.

WHEREFORE, CAM respectfully requests a judgment in its favor and against Defendants, and awarding CAM the following relief:

- A. A permanent injunction on terms that the Court deems reasonable to prevent or restrain future activities that violate the Lanham Act, 15 U.S.C. § 1125(a);
- B. Damages in the amount of defendant's profits, any damages sustained by CAM, and costs of this Action;
- C. Treble the amount of actual damages sustained by CAM;
- D. Plaintiffs' reasonable attorneys' fees in accordance with 15 U.S.C. § 1117; and
- E. Prejudgment and post judgment interest, plus any other award that the Court deems appropriate.

**COUNT III**  
**MISAPPROPRIATION OF TRADE SECRETS**

97. CAM incorporates by reference paragraphs 1 through 96 as if set forth in full herein.

98. This is an Action pursuant to the Maryland Uniform Trade Secrets Act, Md. Code Ann., Comm. Law § 1201, *et seq.* (the "MUTSA").

99. Since 1992, CAM and its predecessor entities have invested time, money, and great efforts in creating and maintaining its proprietary and trade secret information related to its customers, including development of the PLC code, CAM Client Files, customer lists and other unique customer information (the "CAM Trade Secrets").

100. CAM is the exclusive owner of and has all rights to use (and to prohibit others from using) the CAM Trade Secrets.

101. Defendants Caldwell and Silate were trusted with access to the CAM Trade Secrets while employees of CAM, but upon termination of their employment, all right to view,

access, use or otherwise rely upon the CAM Trade Secrets ceased immediately.

102. Nevertheless, Defendants misappropriated CAM's Trade Secrets by copying, reproducing, modifying and using them – even after CAM had demanded that Defendants return all information, documents and the CAM laptops.

103. Defendants knew or had reason to know that they acquired the CAM Trade Secrets under circumstances giving rise to a duty to maintain their secrecy or limit their use.

104. By the actions and conduct described above, Caldwell and Silate accessed, used, copied and disclosed, for their own benefit and for the benefit of Defendant CAN, the CAM Trade Secrets.

105. Defendants Caldwell and Silate used improper means to obtain and/or retain copies of the CAM Trade Secrets and breached of their duty to maintain the secrecy of the CAM Trade Secrets.

106. Defendant CAN acquired the CAM Trade Secrets with knowledge that the secrets were acquired by improper means.

107. The CAM Trade Secrets were, at the time that Defendants misappropriated them, and they continue to be the subject of reasonable efforts under the circumstances to maintain their secrecy.

108. The CAM Trade Secrets derive independent economic value, actual and potential, from not being generally known to, and not being readily ascertainable by proper means by other persons, including CAM's competitors, who can obtain economic value from their disclosure or use.

109. Defendants' misappropriation of the CAM Trade Secrets was willful and malicious, made with knowledge, and was in bad faith, and CAM has suffered damages as a

result of these activities.

WHEREFORE, CAM respectfully requests a judgment in its favor and against Defendants, and awarding CAM the following relief pursuant to the MUTSA:

- A. Pursuant to MUTSA § 11-1203(a):
  1. Damages for the actual loss to CAM caused by misappropriation in an amount of at least \$500,000.00; and
  2. Damages for the unjust enrichment caused by misappropriation that is not taken into account in computing damages for actual loss; or
- B. Pursuant to MUTSA § 11-1203(c), if neither damages nor unjust enrichment are provable, payment to CAM of a reasonable royalty.
- C. Exemplary damages in an amount not exceeding twice any award made under MUTSA § 11-1203(a);
- D. CAM's reasonable attorneys' fees pursuant to MUTSA § 11-1204;
- E. Post judgment and prejudgment interest; and
- F. The costs of this Action, plus any other amount or remedy that the Court deems appropriate.

#### **COUNT IV**

#### **FRAUD AND RELATED ACTIVITY IN CONNECTION WITH COMPUTERS**

110. CAM incorporates by reference paragraphs 1 through 109 as if set forth in full herein.

111. This is a claim pursuant to 18 U.S.C. § 1030.

112. Upon information and belief, Defendants Caldwell and Silate, acting in their individual capacities and/or at the direction of CAN, intentionally accessed CAM's computers, including its laptops and server, without authorization and/or in excess of the authorized access

and thereby obtained information, including the CAM Trade Secrets, from such protected computers.

113. Defendants' access was across state lines and the information that obtained from the protected CAM computers was transmitted across state lines.

114. Silate's unauthorized access to CAM's protected computers has caused CAM a loss within the past year aggregating in at least \$5,000 in value.

115. Such access was for the benefit of CAN, which accepted the benefits of such unlawful access with full knowledge of the means by which access was gained.

WHEREFORE, pursuant to 18 U.S.C. § 1030(g), CAM respectfully requests that the Court enter judgment against Defendants and award CAM the following relief:

- A. Compensatory damages and any other injunctive or equitable relief that the Court deems necessary; and
- B. The costs of this Action, plus any other amount or remedy that the Court deems appropriate.

**COUNT V**  
**TORTIOUS INTERFERENCE WITH CONTRACTUAL RELATIONS**

116. CAM incorporates by reference paragraphs 1 through 115 as if set forth in full herein.

117. CAM and its clients enter into valid and enforceable license agreements – the CAM Software License Agreements described above in this Complaint.

118. Defendants Caldwell and Silate were charged with securing such agreements when they performed the commissioning work to implement the *CAMLink*<sup>TM</sup> solution at each client's place of business, and thus, were at all times relevant hereto (and continue to be) familiar with the terms of the CAM Software License Agreement and the obligations that each client has

to CAM pursuant thereto.

119. As Silate and Caldwell also knew from their years as employees with CAM, CAM's clients also agreed to the CAM T&C's.

120. By engaging in the activities described in this Complaint, Defendants have engaged and continue to engage in intentional and improper conduct which induces CAM's clients to breach the CAM Software License Agreement and the CAM T&Cs or otherwise render it impossible for those clients to perform under the CAM Software License Agreement and/or CAM T&Cs.

121. Among those provisions in the CAM Software License Agreement and CAM T&Cs that CAM's clients cannot perform as a result of Defendants' actions include that a CAM client may not cause or permit any third party to disassemble, reverse compile or tamper with the License Software; and that each client take all necessary steps to ensure that the provisions of the CAM license are not violated by it or by any person under its control or in its service.

122. CAM has been damaged by its clients' breach or non-performance of their obligations pursuant to the CAM Software License Agreement and CAM T&Cs.

WHEREFORE, CAM respectfully requests that the Court enter judgment against Defendants and award CAM damages of at least \$500,000.00, plus interest and the costs of this Action.

**COUNT VI**  
**TORTIOUS INTERFERENCE WITH PROSPECTIVE ADVANTAGE**

123. CAM incorporates by reference paragraphs 1 through 122 as if set forth in full herein.

124. Defendants committed an independent and wrongful acts (including but not limited to misappropriating the CAM Trade Secrets, infringing upon CAM's copyright rights,



and other actions described in this Complaint) that are or were calculated to cause damage to CAM in its lawful business.

125. Defendants committed such acts with the unlawful purpose of causing such damage to CAM and to interfere with CAM's lawful business.

126. Actual damage to CAM has resulted from such acts by Defendants.

WHEREFORE, CAM respectfully requests that the Court enter judgment against Defendants and award CAM damages of at least \$500,000.00, plus interest and the costs of this Action.

**COUNT VII**  
**CIVIL CONSPIRACY**

127. CAM incorporates by reference paragraphs 1 through 126 as if set forth in full herein.

128. Upon information and belief, Defendants Caldwell and Silate prior to their employment termination with CAM, conspired and planned to engage in unlawful activities to start a competing business and misappropriate CAM proprietary materials for use in providing services to CAM customers and directly compete against CAM to provide those services.

129. Specifically, Defendants Caldwell and Silate conspired to withhold requests and purchase orders to CAM from CAM clients to perform commissioning, servicing and maintenance work with respect to the *CAMLink*<sup>TM</sup> solution, so that Caldwell, Silate and CAN could perform such work for themselves and for their own benefit.

130. Caldwell and Silate conspired to steal and then use the PLC, CAM Client Files and other CAM Trade Secrets to compete with CAM, despite knowing that such information and that the PLC was proprietary to CAM.

131. After Defendants Caldwell and Silate left their employment positions with CAM

as planned, they capitalized on the misappropriated CAM Trade Secrets and CAM's copyrighted PLC code to provide goods and services to CAM customers, while working by, for and on behalf of Defendant CAN.

132. Upon information and belief, Defendants Caldwell and CAN engaged in and continue to engage in a persistent course of conduct with co-conspirator, Defendant Silate, a resident of Maryland, by contacting him via telephone and email regarding CAN's business.

133. Defendant Silate also participated in the conspiracy from his Maryland residence, where he copied and/or downloaded the CAM Trade Secrets, including the PLC, and then attempted to conceal his activities by deleting files from the CAM-issued laptop before returning it to CAM.

WHEREFORE, Plaintiff respectfully requests that the Court enter judgment in favor of Plaintiff and issue an Order against Defendants declaring as follows:

- A. Actual damages suffered by CAM as a result of Defendants' illegal civil conspiracy, and any of Defendants' profits that are attributable to the conspiracy and are not taken into account in computing the actual damages; and
- B. Prejudgment and post judgment interest, plus any other award that the Court deems appropriate.

**COUNT VIII**  
**BREACH OF FUDICIARY DUTIES OF LOYALTY,**  
**CARE AND GOOD FAITH**  
**(Caldwell and Silate)**

134. CAM incorporates by reference paragraphs 1 through 133 as if set forth in full herein.

135. While employed with CAM, Defendants Caldwell and Silate owed CAM a duty

of loyalty, care and good faith to act for the benefit of CAM in all employee related actions and with CAM's interests in mind.

136. While employed with CAM, Defendants Caldwell and Silate had an implied duty as employees to act solely of the benefit of their employer in all matters within the scope of employment, avoiding all conflicts between their duty to the employer and their own self-interest.

137. While employed with CAM, Defendants Caldwell and Silate exploited the trust of CAM so as to obtain an unfair advantage in competing with CAM in providing air compression monitoring services.

138. Upon information and belief, Defendants Caldwell and Silate actively competed with CAM during the tenure of their employment.

139. Upon information and belief, during the time when they were still employed by CAM, Defendants Caldwell and Silate solicited business for themselves and performed or planned to perform services of which their employee positions required them to obtain and perform services for CAM.

140. Upon information and belief, while still employed by CAM, Defendants Caldwell and Silate engaged in actively and directly competing with CAM for customers and employees and did not exert their best efforts on behalf of their employer CAM.

141. Defendants Caldwell and Silate have breached their respective duties of loyalty, care and good faith to CAM by engaging in the actions described above, of which CAM was under no ordinary duty to make inquiries to discover the existence of such actions.

142. CAM has suffered damages as a result of the above-described actions and breaches of ethical duties, duties of care and loyalty.

**WHEREFORE**, CAM respectfully requests an order requiring Defendants Caldwell and Silate, and any individual or entity (including Defendant CAN) acting in concert or participation with them or at their direction or control, to pay restitution to Plaintiff in an amount to be determined at trial, but not less than \$500,000.00.

**DEMAND FOR TRIAL BY JURY**

Plaintiff CAM hereby demands a jury trial on all issues so triable.

March 17, 2010

Respectfully submitted,

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/s/

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