INTERNATIONAL RECTIFIER COMPLAINT

ROBINS, KAPLAN, MILLER & CIRESI L.L.P.

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I.

INTRODUCTION

- 1. IR is a pioneer and world leader in advanced power management technology. This Complaint seeks to halt Defendants' ongoing scheme and conspiracy to unlawfully and unfairly compete against IR, by stealing IR's proprietary information, trade secrets, intellectual property ("IP") and technology and using it to compete against IR. While at IR, Alex Lidow ("Lidow"), the former CEO and putative head of research and development, knew of and had been involved in the development of revolutionary Gallium Nitride ("GaN") technology, which is one of the newest developments in the power management and controls industry. Lidow later approached various co-defendants with a plan to illicitly expropriate IR's secret GaN research information and other relevant proprietary information, trade secrets, IP and technology.
- 2. Thereafter, Lidow and his co-defendants formed and operated a new company first designated as "Undercover Company," and then publicly formed and named "Efficient Power Conversion Corporation." These defendants illegally transferred IR's proprietary information, trade secrets, IP, technology and other property pertaining and related to the GaN technology to EPC and others. Defendant Lidow and his co-defendants engaged in "corporate raiding" of IR's key GaN research and development personnel. Defendants Aixtron AG, Episil Technologies, Inc., and Hermes Epitek, historically business collaborators with IR, secretly encouraged and cooperated with their co-defendants' attack on IR.
- 3. By engaging in the acts alleged in this Complaint, and through their elaborate fraudulent scheme to rob International Rectifier of its intellectual property and personnel, Defendants have breached their fiduciary duties and duties of loyalty to IR, breached lawful confidentiality and nondisclosure agreements, committed common law fraud, and unlawfully converted property owned by IR. In bringing this action before the court, IR seeks an order preliminarily and permanently enjoining Defendants from further unlawful conduct and a judgment awarding actual, and punitive damages, as well as costs and attorneys' fees.

II.

4. IR, headquartered in El Segundo, California, is a pioneer and world leader in advanced power management technology, from digital, analog and mixed-signal Integrated Circuits to advanced circuit devices, power systems and components. The world's leading manufacturers of computers, appliances, automobiles, consumer electronics and defense systems rely on IR technology to drive the performance and efficiency of their products. The Company, which has been a public company for over 50 years, currently has annual sales of approximately \$1 billion dollars.

THE PARTIES

- 5. Defendant Alex Lidow ("Lidow") is an individual residing and/or employed in the County of Los Angeles, State of California. Lidow is a former member of the Board of Directors ("Board") and former Chief Executive Officer ("CEO") of IR, and at times relevant hereto, performed the acts alleged hereinafter within the County of Los Angeles.
- 6. Defendant Robert Beach ("Beach") is an individual residing and/or employed in the County of Los Angeles, State of California. Beach is a former employee of IR and at times relevant hereto, performed the acts alleged hereinafter within the County of Los Angeles.
- 7. Defendant Jianjuan "Joe" Cao ("Cao") is an individual residing and/or employed in the County of Los Angeles, State of California. Cao is a former employee of IR and at times relevant hereto, performed the acts alleged hereinafter within the County of Los Angeles.
- 8. Defendant David Tam ("Tam") is an individual residing and/or employed in the County of Los Angeles, State of California. Tam is a former employee of IR and at times relevant hereto, performed the acts alleged hereinafter within the County of Los Angeles.
- 9. Defendant Alana Nakata ("Nakata") is an individual residing and/or employed in the County of Los Angeles, State of California. Nakata is a former employee of IR and at times relevant hereto, performed the acts alleged hereinafter within the County of Los Angeles.
- 10. Defendant Guangyuang Zhao ("Zhao") is an individual residing and/or employed in the County of Los Angeles, State of California. Zhao is a former employee of IR and at times relevant hereto, performed the acts alleged hereinafter within the County of Los Angeles.
 - 11. All Defendants who were previously employed at IR signed confidentiality and/or

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nondisclosure agreements, obligating them to devote their work-related efforts to their duties at
IR, to relinquish any interest in patentable intellectual property developed during their
employment at IR, to protect and preserve IR's information, trade secrets, IP and technology, and
further agreeing that those obligations continued beyond the termination of their employment with
IR. Those contracts were made at IR in El Segundo, County of Los Angeles, State of California.

- Defendant GNOEM is a California corporation and at all times relevant hereto was 12. doing business in the State of California.
- Defendant EPC is a Delaware corporation with offices within the County of Los 13. Angeles. Defendants Lidow, Beach, and Cao are directors of EPC.
- Defendant Aixtron AG ("Aixtron") is a German corporation with offices in the 14. United States and is a close collaborator of IR's, specifically with regard to IR's GaN research and development efforts, and at times relevant hereto has done business with IR in the State of California, County of Los Angeles.
- Defendant Episil Technologies, Inc. ("Episil") is a Taiwan corporation and a 15. business collaborator with IR which produces silicon wafers for semiconductor products, and at times relevant hereto has done business with IR and EPC in the State of California, County of Los Angeles.
- Defendant Hermes Epitek Corporation ("Hermes Epitek") is a Taiwan 16. corporation with offices in Sunnyvale, California, and a business collaborator with IR which is an importer / exporter and wholesaler of semiconductor devices, and at times relevant hereto has done business with IR and EPC in the State of California, County of Los Angeles.
- Plaintiff is ignorant of the true names and capacities of defendants sued herein as 17. Does 1 through 50, inclusive, and therefore sues those defendants by such fictitious names. Plaintiff will amend this Complaint to allege their true names and capacities when they have been ascertained. Plaintiff is informed and believes and thereupon alleges, that each of said fictitiously 26 || named defendants, is responsible in some manner for the occurrences herein alleged, including as an agent, coconspirator and alter ego of each of the other codefendants, and that Plaintiff's damages as herein alleged, were proximately caused by the acts and/or omissions of each of them.

FACTUAL BACKGROUND

- 18. IR was founded in 1947 by Alex Lidow's family. From 1994 until his resignation in October 2007, Lidow was a member of IR's Board. From 1999 until his resignation in October 2007, Lidow was the Company's Chief Executive Officer ("CEO").
- 19. On October 2, 2007, at the request of the Board, Lidow resigned both as IR's CEO and as a Director. Lidow and IR entered into a Separation Agreement pursuant to which Lidow agreed to return all IR property and to provide IR a copy of all Company information which was on his personal laptop. The Separation Agreement provided, in relevant part, that Lidow's Patent Policy and Conflict of Interest Policy remain in full force and effect. The Separation Agreement contains no release of claims by either Lidow or IR.
- 20. Lidow initiated a secret plan to set up and run a separate, competing company in contravention of his employment and fiduciary duties to IR. Lidow first denominated his new company as "Undercover Company." Lidow later incorporated and renamed this company EPC. Early Involvement with GaN
- 21. Early on, Lidow recognized that GaN technology could be the "future" of power electronics and control technology. In 2003, Lidow sought to acquire a company known as GaNrose and recruited Beach, one of GaNrose's founding associates. IR acquired GaNrose because Beach and his associates supposedly had exceptional expertise in the GaN technology field. IR acquired GaNrose for a sum in excess of \$800,000, at the express direction of Lidow.
- 22. Between March and September 2003, around the same period of time that IR was negotiating the purchase of GaNrose and the hiring of its partners, Beach and others incorporated GNOEM, another GaN related company. According to GNOEM's website, the company's purpose is "working towards solutions that utilize the advantages of Gallium Nitride." See http://www.gnoem.com. GNOEM's business plans suggest that, among other things, the company was developing a "µsaw" and endeavoring to develop the capability to produce Epi (epitaxial) wafers for use in GaN power technology. Beach was hired by IR in late September 2003. For his employment at IR, Beach executed documents requiring him to devote all of his efforts to his

- 23. On or about May 3, 2005, IR and Aixtron entered into a Confidentiality Agreement by which Aixtron promised that confidential information disclosed by IR to Aixtron "shall be used by [Aixtron] solely in connection with" "the purpose of technical information on hardware and epitaxial processes in preparation for the purchase of an MOCVD [Metal-Organic Chemical Vapour Deposition] System" (the "Aixtron Confidentiality Agreement"). By the agreement of Aixtron and IR, the period covered by the Aixtron Confidentiality Agreement was extended through May 2, 2008. The confidentiality provisions contained in the Aixtron Confidentiality Agreement expressly survive the termination of the agreement.
- 24. General Terms and Conditions were imposed upon the purchase of the Aixtron reactor. Pursuant to the requirements of that agreement, on or about October 27, 2006, Paul Bridger Ph.D. sent a letter to Dr. Kai Chistiansen of Aixtron identifying the information that IR's confidential information that IR had disclosed to Aixtron and its employees in the process of testing the Aixtron reactor. IR is informed and believes that in breach of contract and contrary to its promises, Aixtron disclosed that information to others, including its co-defendants (other than Gnoem). IR is further informed and believes and thereon alleges that Aixtron made its promises to maintain as confidential the information to be disclosed to it by IR without any intention of performing its promise.

The Plan

25. As CEO and putative head of research and development at IR, and an expert himself on power electronic and control technologies, Lidow knew that GaN technology could be revolutionary technology in the power management field. He was aware of and had personally

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been involved in IR's GaN research. In fact, Lidow oversaw IR's expenditure of more than \$60 million towards the development of GaN power electronic and control technology as the next important advancement in the power management and controls industry.

- 26. Lidow also knew that IR maintained the research and development of GaN in great secrecy to ensure that it would become an early entrant into GaN power electronic and control technology. In fact, Mike Briere, the Company's Chief Technology Officer ("CTO") and Head of Research and Development until December 2007, instructed members of the GaN research and development group, known by the pseudonym "CSC", to maintain a very low profile within the Company. Briere reported directly to Lidow. IR's GaN research efforts were intentionally kept secret from most of IR's personnel and from the outside world to protect some of its most valuable assets, information, trade secrets, IP and technology.
- 27. In or about the summer of 2007, Lidow forestalled a planned public disclosure of the Company's advancements in GaN research. As a result, IR's involvement and successes in the field of GaN research and development remained under wraps and essentially unknown to both the outside power management business world and most of IR's own employees.
- 28. In the early fall of 2007, Lidow separately approached personnel in the Company's GaN research and development group, and senior officers involved in sales and distribution of the Company's products. Lidow presented them with his plan to illicitly expropriate IR's GaN research findings, and all other relevant proprietary information, trade secrets, IP and technology, and to illegally convert it to the use and benefit of a new company, EPC, which would directly compete with and operate to the detriment of IR.
- 29. In the early fall of 2007, Lidow contacted a former senior IR employee to obtain the contact details for Archie Hwang. Hwang was the founder and principal of Hermes-Epitek and of Episil, an "epitaxial" foundry in Taiwan, which makes "wafers" for the power management and control industry. Episil and Hermes-Epitek are business collaborators of IR; Episil makes wafers specifically for IR's research and development group.
- 30. Starting on or about October 11, 2007, Lidow formalized his plan to set up a company to compete with IR in the GaN technology market by preparing a business plan which

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- In early October 2007, Tam, with David Yap and other senior IR employees, secretly produced and presented a business plan to Lidow describing another breakaway entity from IR that was to be directly linked to "Undercover Company." The business plan was entitled "SEED2," with the "D2" standing for the two Davids (Tam and Yap). Stephen Tsang ("Tsang"), IR's Head of Sales for the Asia Pacific region until April of 2008, was a close associate of Tam and was also involved in the plans for the SEED2 entity.
- 32. During October 2007, Lidow aggressively recruited Beach and Cao for "Undercover Company." Lidow specifically sought them out because they were both senior members of IR's GaN research and development group, CSC. Additionally, Cao was designated by CTO Briere to be the sole point of contact between the GaN research efforts in El Segundo and a small but highly skilled group of IR engineers working on GaN research in Minnesota which IR had acquired in March of 2006.
- In mid-October 2007, Lidow hosted a "partners meeting" at his home attended by 33. Beach, Cao, Nakata, Tam and David Yap, all of whom were still IR employees, to discuss the business plan of "Undercover Company."
- The Minnesota group, led by Ron Birkhahn, became a key Epi (epitaxial) growing facility for IR's GaN research. The group utilized both a Veeco D180, and later an Aixtron G4 reactor for that process. In November 2007, Beach asked Birkhahn to leave IR and join the new start-up company (Undercover Company/EPC) in which Beach was involved. Birkhahn rebuffed Beach's proposition.
- Lidow also recruited Cao, whose wife, Yanping Ma, was responsible for mask 35. development and control in IR's El Segundo GaN research project. Yanping Ma had access to some of the most critical components of IR's GaN research and development project.
- 36. In October 2007, Beach and Cao secretly decided to leave IR and join Lidow's new company. In mid-October they announced their intention to leave. CTO Briere, who was Beach and Cao's ultimate supervisor, became aware of their imminent departure and instructed their

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- Notwithstanding these obligations and his supervisor's admonitions, Cao downloaded files containing IR's trade secret, confidential, and proprietary GaN information to an external hard disc drive on October 22 and 29, 2007 and continued to use IR property thereafter.
- 40. Lidow corresponded and spoke with Cao and Beach extensively throughout October, 2007, while Cao and Beach were still employed by IR.
- On October 30, 2007, Lidow incorporated "Undercover Company" in Delaware 41. under the name "Efficient Power Conversion Corporation.". The directors of EPC are Lidow, Beach, and Cao. The offices of EPC were, for some time, located at 400 Continental Boulevard, Suite 600, El Segundo, California, just blocks away from IR's headquarters.
 - 42. Beach's and Cao's employment with IR terminated on November 2, 2007.
- 43. Lidow also recruited Zhao, a Chinese national whom IR had sponsored for a H1-B Visa to allow him to work in the United States. Zhao worked in the Company's GaN research group in Minnesota and conducted key GaN research using the Aixtron G4 and Vecco D180 reactors.
- 44. In January 2008, Lidow, as head of EPC, filed an application with the United States Immigration Service to amend Zhao's H1-B Visa to name EPC as the sponsoring agent. Lidow's

46. Lidow also hired Audrey Downes, a former senior administrative assistant at IR, immediately after she left the Company.

Recruitment of IR Business Collaborators

- 47. In January 2008, IR learned that Lam Research Corporation, the Company's "etch" supplier, had been contacted by Cao in his capacity as an employee of EPC. Cao had requested that Lam supply him with etching specifications essentially identical to those used by IR for his use at Episil, a foundry in Taiwan.
- 48. Shortly thereafter, certain Defendants made numerous trips to Episil's factories. For example, on or about November 19 and 20, 2007, Beach, Cao, and Lidow traveled to Taiwan to meet with Archie Hwang at Episil. On or about November 26, 2007, Lidow communicated with personnel at Hermes-Epitek, as a follow-up to the meeting with Archie Hwang and others at Episil. Hermes-Epitek is the companion company of Episil, providing professional services and training for semi-conductor and high-tech processes and technology. On or about March of 2008, Cao again traveled to Taiwan to meet at Episil. On or about May 5, 2008, Lidow, Beach, Nakata, Cao and Zhao traveled to Taiwan to meet at Episil.
- 49. Defendants also met and worked with Defendant Aixtron, another IR business collaborator. In or about June of 2008, Zhao met with Yilmaz Dikme in Aachen, Germany, at Aixtron's premises. Dikme is employed by Aixtron. IR personnel had closely collaborated with Dikme in their GaN research and development efforts, and Dikme regularly visited IR's Minnesota GaN group. Dikme was responsible for the installation and trial runs of IR's Aixtron G4 Reactor. As a result, he had access at one time or another to virtually all of IR's GaN-related information,

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- 50. While employed at IR in June 2008, Tam traveled to Hong Kong to meet with Tsang. Thereafter, in July 2008, Tam traveled to Tel Aviv and Hong Kong, purportedly on IR business. Instead, Tam met with GaN scientists in furtherance of IR's competitors' business plans. Defendant Tam billed IR for the travel expenses he incurred.
- Similarly, various Defendants sought out and engaged in additional collaborations 51. with entities that have ongoing business relationships with IR for similar or identical purposes. These companies include: Wafer Works, Samco, Promex, Soitec and Picogiga. In addition, like IR's GaN Research and Development group, EPC has used facilities at the University of California, Los Angeles for "gate stack etching," and other procedures critical to GaN research and development.
- IR is informed and believes and thereon alleges that Aixtron, Episil, and Hermes-52. Epitek knew of IR's confidential relationships and confidentiality agreements with each of the other defendants, and that each of them engaged in the acts alleged herein knowing that the other defendants' acts violated their obligation to maintain the confidentiality of and protect IR's confidential and proprietary information and trade secrets, and intended to assist and did provide substantial assistance to each of the other defendants in improperly using IR's confidential and proprietary information and trade secrets in violation of that obligation.
- IR is informed and believes and thereon alleges that, by the words and acts alleged 53. herein the defendants other than Gnoem conspired with one another to improperly acquire, use, and disclose IR's confidential and proprietary information and trade secrets, and took the acts alleged herein in furtherance of their conspiracy.
- IR was damaged by Defendants' actions. Among other things, IR's harm includes 54. the unauthorized taking and conversion of its information, trade secrets, intellectual property, and technology by the Defendants without permission or license, and its use, (1) in a manner intended to undermine and destroy IR's leadership in GaN power electronics and control technology, (2) in

a manner inconsistent with IR's choices as to with whom it would share its highly confidential proprietary information, trade secrets, IP and technology, (3) in a manner inconsistent with and adverse to IR's business interests and plans to exploit its GaN research and development in the market, and (4) in a manner which significantly diminished the value of IR's \$60 million-plus expenditure on GaN research and its related efforts to maintain that research project and its results confidential.

of the value of its multi-million dollar research expenditures on both GaN-related projects and personnel. In addition to the losses from the theft of its information, trade secrets, IP and technology, IR was damaged and harmed because Defendants sought out and prevailed upon IR's highly trained personnel to abandon IR in favor of EPC in order to undermine and destroy IR's existing capability to do GaN power control and electronics technology research and development, and to create, manufacture and sell new products in the power management industry. IR has been damaged and harmed by having to bear the costs and expense associated with the loss of these personnel, their expertise and experience, and the loss of continuity of their efforts in support of IR's GaN research and development and IR's first-to-market advantage for its GaN technology all in a sum in excess of \$60 Million.

FIRST CAUSE OF ACTION

(Fraud and Deceit Pursuant to California Civil Code § 1709 et seq.

Against All Defendants)

- 56. IR re-alleges and incorporates by reference herein, as if set forth in full, the allegations set forth above in all paragraphs 1 through 55 of this Complaint.
- 57. Lidow, Beach, Cao, Tam, Nakata, Zhao, GNOEM, Aixtron, Episil, Hermes-Epitek, EPC, and DOES 1 through 50 acting in concert unlawfully, willfully, and knowingly took specific actions in furtherance of their scheme and artifice to defraud IR and to deprive IR of its property rights in proprietary and information, trade secrets, IP and technology.
- 58. While having a duty to disclose facts to IR, Lidow, Tam and David Yap knowingly and intentionally concealed their plans from IR to illegally misappropriate the Company's

- information, trade secrets, IP and technology and transfer such information to their competitor company, originally entitled "Undercover Company" and later incorporated as EPC so that Defendants could develop, market and sell IR's GaN technology through EPC. Defendant Tam knowingly and intentionally concealed from IR the "SEED2" business plan to form another breakaway entity to be directly linked to "Undercover Company."
- 59. Lidow knowingly and intentionally concealed his plans from IR to solicit IR's most skilled and knowledgeable GaN technology personnel to leave IR and join his newly formed company, EPC.
- 60. In spite of agreements in which Beach was obliged to devote all of his efforts to his work at IR, and to relinquish any interest in patentable IP developed during his employment, and to protect and preserve IR's information, trade secrets, IP and technology, Beach knowingly and intentionally concealed from IR his formation of a second company GNOEM, which also develops GaN technology. Beach also knowingly and intentionally concealed from IR the fact that he registered the domain name www.gnoem.com while employed at IR, and thus made the alleged promises and representations to IR without any intention of performing them or believing them to be true.
- 61. Moreover, in spite of receiving admonitions from Rick Sivan to abide by the confidentiality and nondisclosure agreements and other obligations he had to agreed to as an IR employee, Beach knowingly and intentionally concealed the fact that he illegally misappropriated IR's information, trade secrets, IP and technology and transferred such information to EPC, for Defendants' own use and to the detriment of IR. Specifically, Beach knowingly and intentionally concealed from IR the fact that he downloaded and sent files that contained IR's information, trade secrets, IP and technology to his third party server registered at www.gnoem.com at GNOEM, on October 16 and, again, on October 26, 2007.
- 62. In spite of IR's policies and nondisclosure and confidentiality agreements which they executed as IR employees obligating them to devote all efforts to their work at IR, to relinquish any interest in patentable IP developed during their employment, and to protect and preserve IR's information, trade secrets, IP and technology, Lidow, Tam, Nakata, Tsang and Zhao

- 63. Aixtron, Episil and Hermes-Epitek, business collaborators of IR who had access to IR's GaN-related information, trade secrets, IP and technology, and had entered into NDAs with IR, either themselves or through affiliated companies knowingly and intentionally concealed from IR their efforts to encourage Lidow, Beach and Cao, and to illegally transfer to EPC for its use IR's information, trade secrets, IP and technology. Aixtron and Episil also knowingly and intentionally concealed from IR their work with co-Defendants to develop GaN products using technology developed by IR.
- 64. GNOEM knowingly and intentionally concealed from IR the efforts of its directors and employees to illegally transfer IR's information, trade secrets, IP and technology to GNOEM/ EPC.
- 65. EPC knowingly and intentionally concealed from IR the efforts of its directors and employees to illegal transfer IR's information, trade secrets, IP and technology to EPC. EPC also knowingly and intentionally concealed from IR its work with Defendants to develop virtually identical GaN products as those being developed by IR.
- 66. By virtue of their employment relationship with IR, Lidow, Beach, Cao, Tam, Nakata, Tsang and Zhao owed IR a duty to disclose any misappropriation, conversion, or misuse of its information, trade secrets, IP or technology. At all times however, the above named Defendants knowingly and intentionally concealed their intentions to illegally transfer and the illegal transfer of IR's information, trade secrets, intellectual property and technology to EPC and to leave IR's employment to work at EPC.
- 67. IR is informed and believes and thereon alleges that at the time Aixtron entered into the Aixtron Confidentiality Agreement, Aixtron had no intention of performing its promises, including because Aixtron believed that its knowledge regarding its G4 reactor and the epitaxial growth of GaN was superior to that possessed by IR, was generally available in the public domain,

was already in its possession prior to disclosure of the information by IR, was received by a third party properly in possession of the information without any obligation to maintain the confidentiality of such information, and which it independently developed.

- 68. Similarly, by virtue of their business relationships with IR and access to its confidential information, Aixtron, Hermes-Epitek and Episil owed IR a duty to disclose any misappropriation, conversion, or misuse of its information, trade secrets, IP or technology. At all times however, Aixtron, Hermes-Epitek and Episil knowingly and intentionally concealed (a) their efforts to encourage co-Defendants to raid IR of its confidential information, trade secrets, IP and technology, (b) the formation of EPC, (c) their work with Defendants to develop virtually identical GaN products as those of IR in spite of their NDAs, and (d) the misappropriation, conversion, or misuse of IR's information, trade secrets, IP or technology by their codefendants while IR's relationships with them and their fiduciary obligations continued.
- 69. IR did not know of the true intentions of Lidow, Beach, Cao, Tam, Nakata, Tsang and Zhao to raid its technology to give to EPC and GNOEM. Rather, IR, relying on the fact that these Defendants executed confidentiality agreements and the expectation that they were loyal employees and officers to the company, provided these Defendants with access to it is most valuable GaN information, trade secrets, IP and technology. Had IR known of these Defendants' true intentions, it would have immediately terminated these Defendants and denied them access to this valuable information.
- 70. IR did not know of Aixtron's, Hermes-Epitek's and Episil's (or their affiliated companies') true intentions to encourage Defendants to raid IR's corporate assets and to work with Defendants to create virtually identical GaN products. Rather, IR, relying on the fact that Aixtron and Episil had executed NDAs provided these Defendants with access to its most valuable GaN information, trade secrets, IP and technology. Had IR known of these Defendants' true intentions, it would have denied them access to its valuable information.
- 71. As a proximate result of the actions of Defendants, IR has sustained significant damages as described in Paragraphs 54 and 55, the amount of which will be proven at trial.
 - 72. As a proximate cause of the fraud and deceit of these Defendants as alleged herein,

IR has suffered and will continue to suffer consequential damages in an amount according to proof, included but not limited to attorneys' fees and costs and other time and money spent to recover the value of the technology and labor of which it has been defrauded.

- 73. Lidow, Beach, Cao, Tam, Nakata, Zhao, GNOEM, Aixtron, Episil, Hermes-Epitek and EPC knowingly combined and conspired to defraud and deceive IR as described above. As a direct and proximate result of these Defendants' actions, IR has suffered damages in an amount to be proven at trial. These Defendants are jointly and severally liable for the harm they have caused to IR through their conspiracy.
- 74. The actions of these Defendants, as described in the preceding paragraphs, were willful, wanton, malicious, oppressive and were undertaken with the intent to defraud IR.

 Accordingly, Defendants' actions justify an award of exemplary and punitive damages.
- 75. IR is informed and believes that these Defendants may have defrauded it of other information, trade secrets, IP and/or technology, the full extent of which IR is presently unaware. IR hereby gives notice that it reserves the right to amend this Complaint to include any other wrongful actions of Defendants that IR discovers in the course of this lawsuit and any further damages that it has suffered as a result.

SECOND CAUSE OF ACTION

(Misappropriation of Trade Secrets -Cal. Civ. Code § 3426, et seq.

Against All Defendants)

- 76. IR re-alleges and incorporates by reference herein, as if set forth in full, the allegations set forth above in all paragraphs 1 through 55 of this Complaint.
- 77. IR's proprietary and confidential information, research, technology, including, but not limited to: process recipes, drawings, business plans, technology development plan, epi research configurations and specifications, device structures, wafers, device test and characterization methodologies integrated process flows interconnect metallurgy constitute trade secrets within the meaning of Civil Code Section 3426.1(d).
- 78. IR's GaN information, trade secrets, IP, and technology were unknown to the public, and to IR's competitors. IR derived economic value, both actual and potential, from it not

- and technology. Specifically, IR's GaN epitaxial substrate research and development group, known by the pseudonym CSC and located in Minnesota, was kept secret not only from the public, but from the Company itself. Mike Briere, the Company's CTO and Head of Research and Development, strictly instructed members of CSC to maintain a very low profile within the Company. In fact, Cao was the only point of contact between the Minnesota group and the rest of the GaN researchers in El Segundo, California. IR's GaN research was also marked "confidential" or "proprietary" and contained in a controlled area. Moreover, Lidow, Beach, Cao, Tam, Nakata, and Zhao signed agreements obligating them to protect IR's trade secrets and forbade the unauthorized release of this information both at the inception and termination of their employment. Before Beach and Cao departed, IR supervisors explicitly admonished them to abide by their agreements and other obligations as IR employees, in particular with regard to IR's confidential GaN information, trade secrets, IP, and technology.
- 80. IR also took significant steps towards protecting its GaN information, trade secrets, IP and technology when dealing with Aixtron, Hermes-Epitek and Episil, its business collaborators. Episil, an "epitaxial" foundry in Taiwan, which makes "wafers" for the power management and control industry, made wafers specifically for IR's research and development. Aixtron, among other things, provided IR with a G4 reactor, which was used by IR's secret Minnesota CSC group. Episil and Aixtron executed nondisclosure agreements which forbade the unauthorized release of confidential/ proprietary information.
- 81. Lidow, Beach, Cao, Tam, Nakata, and Zhao, as employees and/or officers of IR, had an obligation to maintain the secrecy of IR's trade secrets and/or, at a minimum, an obligation

- 82. Despite these obligations, and acting together, Lidow, Beach, Cao, Tam, Nakata, Zhao and GNOEM misappropriated IR's trade secrets, information, IP and technology. For example, Beach downloaded and expropriated files that contained IR's trade secrets, and information, IP and technology to Beach's third party server at www.gnoem.com at GNOEM. By providing this information to EPC, Defendants utilized these unlawfully obtained materials to develop GaN products for their own benefit and that of GNOEM and EPC and to the detriment of IR.
- 83. Additionally, Lidow, Beach, Cao, Tam, Nakata, and Zhao acquired IR's GaN information, trade secrets, IP and technology that they knew or had reason to know was acquired by improper means from Aixtron, Hermes–Epitek and Episil, IR's business collaborators who had executed NDAs.
- 84. Aixtron, Hermes-Epitek and Episil misappropriated IR's GaN information, trade secrets, IP and technology by sharing this information with Lidow, Beach, Cao, Tam, Nakata, and Zhao in violation of the NDAs they executed with IR.
- 85. EPC and GNOEM misappropriated IR's GaN information, trade secrets, IP and technology by receiving and using such information it knew had been improperly acquired by Defendants Lidow, Beach, Cao, Tam, Nakata, Zhao, Aixtron, Hermes-Epitek, Episil, and DOES 1 through 50.
- 86. By virtue of the acts and omissions of Lidow, Beach, Cao, Tam, Nakata, Zhao, GNOEM, Aixtron, Episil, Hermes Epitek, EPC, and DOES 1 through 50 as hereinabove alleged, Defendants are guilty of actual and threatened misappropriation of IR's trade secrets, including willful and malicious misappropriation, within the meaning of the Uniform Trade Secrets Act, thereby entitling IR to injunctive relief and monetary relief, including exemplary damages as set forth in California Civil Code §§ 3426.2 and 3426.3, respectively, in an amount to be proven at trial as well as attorneys fees as set forth in California Civil Code § 3426.4.
- 87. Lidow, Beach, Cao, Tam, Nakata, Zhao, GNOEM, Aixtron, Episil, Hermes– Epitek, EPC, and DOES 1 through 50 knowingly combined and conspired to misappropriate and

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1	use the information, trade secrets, IP and technology of the Company. As a direct and proximate
2	result of these Defendants' actions, IR has suffered damages in an amount to be proven at trial.
3	These Defendants are jointly and severally liable for the harm they have caused to IR through their
4	conspiracy.
5	88. IR has no adequate remedy at law to compel Defendants to cease their wrongful
6	acts. Unless the court grants an injunction, immediately halting the Defendants' illegal conduct,
7	IR may be compelled to prosecute a multiplicity of actions to remedy this continuing unfair,
8	unlawful, and/or fraudulent conduct.
9	THIRD CAUSE OF ACTION
10	(Unfair Competition – Cal. Bus. & Prof. Code § 17200

Against all Defendants)

- 89. IR re-alleges and incorporates by reference herein, as if set forth in full, the allegations set forth above in all paragraphs 1 through 88 of this Complaint.
- 90. The conduct of Lidow, Beach, Cao, Tam, Nakata, Zhao, GNOEM, Aixtron, Episil, Hermes–Epitek, EPC, and DOES 1 through 50, as alleged herein, constitutes an unlawful, unfair, and/or fraudulent business act or practice, in violation of California Business & Professions Code § 17200, et seq. and common law. Such acts include, but are not limited to, Defendants' misappropriation, use and distribution of IR's confidential GaN information, trade secrets, IP and technology.
- 91. As a result of Defendants' conduct, IR has suffered actual injury, and the loss of money and property.
- 92. Defendants knowingly combined and conspired to unlawfully and unfairly compete against IR by misappropriating and using IR's confidential GaN information, trade secrets, IP and technology. As a direct and proximate result of these Defendants' actions, IR has suffered damages in an amount to be proven at trial. These Defendants are jointly and severally liable for the harm they have caused to IR through their conspiracy and each Defendant personally participated in the acts alleged.
 - 93. IR alleges on information and belief that Lidow, Beach, Cao, Tam, Nakata, Zhao,

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GNOEM, Aixtron, Episil, Hermes-Epitek, EPC, and DOES 1 through 50 are continuing to engage in acts of unfair competition to IR's detriment. IR has no adequate remedy at law to compel Defendants to cease their wrongful acts. Unless the Court grants an injunction halting the Defendants' illegal acts, IR will be compelled to prosecute a multiplicity of actions to remedy this continuing unfair, unlawful and/or fraudulent conduct. Accordingly, IR is entitled to injunctive relief pursuant to California Business & Professions Code § 17203.

FOURTH CAUSE OF ACTION

(Conversion Against Defendants

Lidow, Beach, Cao, Tam, Nakata, Zhao, GNOEM, EPC and DOEs 1 through 50)

- 94. IR re-alleges and incorporates by reference herein, as if set forth in full, the allegations set forth above in all paragraphs 1 through 55 of this Complaint.
- 95. By improperly obtaining and using property owned by IR, Lidow, Beach, Cao, Tam, Nakata, Zhao, GNOEM, EPC, and DOES 1 through 50 have converted IR's property to their own benefit.
- 96. The property improperly converted by Lidow, Beach, Cao, Tam, Nakata, Zhao, GNOEM, EPC, and DOES 1 through 50 is the proprietary information, trade secrets, IP, and technology of IR, more precisely defined as GaN power electronic and control technology. IR had exclusive possession and control of this particular information and research materials, and IR had a legitimate claim to exclusivity because it spent a substantial amount of money more than \$60 million to develop this information and research.
- 97. As terms of their employment, Lidow, Beach, Cao, Tam, Nakata and Zhao executed confidentiality/nondisclosure agreements obligating them to devote all efforts to their work at IR, to relinquish any interest in patentable IP developed, and to protect and preserve IR's information, trade secrets, IP and technology during and after their employment at IR. These agreements affirm IR's ownership of all information, trade secrets, IP and technology developed or worked on by Defendants while employed at IR.
- 98. Lidow, Beach, Cao, Tam, Nakata, Zhao, and DOES 1 through 50 unlawfully converted IR's confidential GaN information, trade secrets, IP, and technology by transferring it to

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	EPC and GNOEM. Defendants, among other ways, unlawfully converted this information by
2	downloading and sending files containing IR's GaN information, to a third party server registered
;	at www.gnoem.com, by taking certain wafers unique to IR's research, and by transferring this
١	information to EPC and GNOEM for their own personal benefit and use.
5	99. As a direct result of the actions of Lidow, Beach, Cao, Tam, Nakata, Zhao,
5	EPC,GNOEM, and DOES 1 through 50, IR has suffered damages in an amount to be proven at
7	trial.
3	100. The above actions of Lidow, Beach, Cao, Tam, Nakata, Zhao, EPC, GNOEM, and

100. The above actions of Lidow, Beach, Cao, Tam, Nakata, Zhao, EPC, GNOEM, and DOES 1 through 50 were willful, wanton, and malicious, and justify an award of exemplary and punitive damages.

101. Lidow, Beach, Cao, Nakata, Tam, Zhao, GNOEM, EPC, and DOES 1 through 50 knowingly combined and conspired to unlawfully convert IR's confidential GaN information, trade secrets, IP, and technology to use for their own benefit and to the detriment of IR. As a direct and proximate result of these Defendants' actions, IR has suffered damages in an amount to be proven at trial. These Defendants are jointly and severally liable for the harm they have caused to IR through their conspiracy.

102. The above actions by Lidow, Beach, Cao, Tam, Nakata, Zhao, EPC, GNOEM, and DOES 1 through 50 were willful, wanton and malicious, and justify an award of punitive damages.

103. IR is informed and believes that Defendants may have misappropriated other information and technology and converted them to their own personal use, the full extent to which IR is presently unaware. IR hereby gives notice that it reserves the right to amend this Complaint to include any other wrongful acts of Defendants that IR discovers in the course of this legal action and any further damages that it has suffered as a result.

FIFTH CAUSE OF ACTION

(Breach of Duty of Loyalty - California Labor Code § 2860 Against Defendants Lidow, Beach,

Cao, Tam, Nakata, Zhao, and DOEs 1 through 50)

104. IR re-alleges and incorporates by reference herein, as if set forth in full, the

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allegations set forth above in all paragraphs 1 through 103 of this Complaint.

- While working for IR, Lidow, Beach, Cao, Tam, Nakata, Tsang, Zhao, and DOES 1 through 50, as employees, officers, and/or agents of IR, each had a duty of loyalty to IR as their employer. The duty of loyalty included, among other things, a duty not to steal or otherwise improperly obtain property owned by IR and use it for their own personal gain, or the gain of another.
- 106. Lidow, Beach, Cao, Tam, Nakata, Tsang, Zhao, and DOES 1 through 50 breached their duty of loyalty to IR by scheming to acquire and raiding IR of certain assets, including its confidential GaN proprietary information, trade secrets, IP and technology, transferring it to a competitor company, EPC, and using these assets for their own personal gain. Among other ways, Defendants stole these assets by downloading and sending IR files to a third party server and by taking and using information concerning wafers unique to IR's research.
- 107. Lidow, Beach, Tam, Nakata, Tsang, and DOES 1 through 50 also breached their duties of loyalty by scheming to create a new company, EPC, which would compete directly with IR by using IR's confidential GaN information, trade secrets, IP and technology.
- Lidow and Beach further breached their duties of loyalty to IR by soliciting highly skilled IR GaN research and development employees to leave IR and to work at EPC.
- Beach also breached his duty of loyalty to IR by secretly forming and running a second company GNOEM, which also specializes in GaN research and development, while Beach was employed at IR.
- Further, Tam, while employed at IR, breached his duty of loyalty to IR by traveling all over the world to exploit IR's confidential GaN information, trade secrets, IP and technology for Defendants' benefit and that of their newly formed company, EPC. Tam billed IR for the costs of this travel, in violation of his duty of loyalty.
- As a direct and proximate result of Lidow, Beach, Cao, Tam, Nakata, Zhao, and DOES 1 through 50's breaches of their duties of loyalty, IR has suffered damages in an amount to be proven at trial.
 - Lidow, Beach, Cao, Nakata, Tsang, Zhao, and DOES 1 through 50 knowingly

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combined and conspired to breach their duties of loyalty owed to IR as employees and/or officers of IR. As a direct and proximate result of these Defendants' actions, IR has suffered damages in an amount to be proven at trial. These Defendants are jointly and severally liable for the harm they have caused to IR through their conspiracy.

- 113. The actions of Lidow, Beach, Cao, Tam, Nakata, Tsang, Zhao, and DOES 1 through 50 were willful, wanton and malicious, and justify an award of exemplary and punitive damages.
- by virtue of his or her employment belongs to the employer, whether acquired lawfully or unlawfully. As a direct and proximate result of these Defendants' actions, IR has sustained damages. Pursuant to California Labor Code section 2860, Defendants now hold in constructive trust for IR all confidential GaN information, trade secrets, IP, and technology acquired through their fraudulent scheme.

SIXTH CAUSE OF ACTION

(Breach of Fiduciary Duty Against Defendants Lidow, Beach, Cao, Tam, Nakata, Zhao, and DOEs 1 through 50)

- 115. IR re-alleges and incorporates by reference herein, as if set forth in full, the allegations set forth above in all paragraphs 1 through 114 of this Complaint.
- among the few persons at IR that had access to certain confidential and proprietary information, trade secrets, IP and technology. By virtue of the trust and confidence that IR reposed in them, these Defendants each owed IR a fiduciary duty to act at all times in the best interests of the Company and to refrain from any conduct that would be adverse to IR's best interests in any way and, following their employment, to continue to act as fiduciaries of the confidential and proprietary information, trade secrets, IP and technology imparted to them in their former capacities as IR employees and/or officers.
- 117. In addition, as former CEO and a board member of IR, Lidow owed a duty of care to IR and must serve in good faith and in a manner that is in the best interest of IR.

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- 118. Lidow, Beach, Cao, Tam, Nakata, Tsang, Zhao, and DOES 1 through 50 breached their fiduciary duties to IR, by scheming to acquire and raiding IR of certain assets, including its confidential GaN proprietary information, trade secrets, IP and technology, and transferring it to EPC, and using these assets for their own personal gain and to the detriment of IR.
- 119. Lidow, Tam, Tsang, and DOES 1 through 50 also breached their fiduciary duties by scheming to create EPC and SEED2, which would compete directly with IR by using IR's confidential GaN information, trade secrets, IP and technology to Defendants' benefit and IR's detriment.
- 120. Lidow and Beach further breached their fiduciary duties to IR by soliciting highly-skilled IR GaN research and development employees to leave IR and to work at EPC.
- 121. Further, Tam, in his last days of employment at IR, breached his fiduciary duty to IR by traveling all over the world to exploit IR's confidential GaN information, trade secrets, IP and technology for Defendants' own benefit and that of their newly formed company, EPC. Tam billed IR for the costs of this travel in violation of his fiduciary duty.
- 122. As a proximate result of these Defendants' breaches of their fiduciary duties, IR has sustained and will continue to sustain damages. The precise nature and amount of such accrued and continuing damages is not presently known to the Company and cannot be ascertained at this time.
- 123. Lidow, Beach, Cao, Tam, Nakata, Zhao, and DOES 1 through 50 knowingly combined and conspired to breach their fiduciary duties owed to IR as employees with access to IR's confidential information and/or as officers/ directors of IR. As a direct and proximate result of these Defendants' actions, IR has suffered damages in an amount to be proven at trial. These Defendants are jointly and severally liable for the harm they have caused to IR through their conspiracy.
- 124. The actions of Lidow, Beach, Cao, Tam, Nakata, Tsang, Zhao, and DOES 1 through 50 were willful, wanton and malicious, and justify an award of exemplary and punitive damages.

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SEVENTH CAUSE OF ACTION

(Breach of Contract Against Defendants Lidow, Beach, Cao, Tam,

Nakata, Zhao, Aixtron, Hermes-Epitek, Episil, and DOEs 1 through 50)

- 125. IR re-alleges and incorporates by reference herein, as if set forth in full, the allegations set forth above in all paragraphs 1 through 55 of this Complaint.
- officers and employees of IR, entered into confidentiality and nondisclosure agreements as terms of their employment. Pursuant to these agreements, Defendants agreed that IR owned all confidential patentable intellectual property developed during their employment and that they would protect and preserve all of IR's information, trade secrets, IP and technology during employment and thereafter. Defendants breached these confidentiality and nondisclosure agreements by transferring and disclosing IR's confidential information, trade secrets, IP and technology to EPC and to competitors of IR.
- 127. Similarly, IR entered into NDAs with its business collaborators, Aixtron, Hermes–Epitek and Episil, which prohibited them from disclosing any and all of IR's confidential information, trade secrets, IP and technology to third parties. Aixtron, Hermes–Epitek and Episil breached these nondisclosure agreements by transferring and disclosing IR's confidential information, trade secrets, IP and technology to EPC and to competitors of IR.
- 128. Moreover, Lidow entered into a separation agreement with IR pursuant to which he agreed to return any documents that are the property of IR and to provide IR with a copy of all information included on his laptop computer. Lidow breached this agreement by transferring and disclosing IR's confidential information, trade secrets, IP and technology to EPC and to competitors of IR.
- 129. IR performed all of its obligations under the confidentiality and nondisclosure agreements with its employees and/or officers, with its business collaborators, and under Lidow's separation agreement.
- 130. As a legal and proximate cause of Defendants' breaches of contract, IR has sustained and will continue to sustain substantial economic damages. The precise nature and

amount of such accrued and continuing damages is not presently known to IR and cannot be ascertained with any definiteness at this time other than as set forth hereinabove. IR's actual damages will be proven at trial.

EIGHTH CAUSE OF ACTION

(Tortious Breach of Contract Against Defendants Lidow, Beach, Cao, Tam, Nakata, Zhao, Aixtron, Hermes-Epitek and Episil)

- 131. IR re-alleges and incorporates by reference herein, as if set forth in full, the allegations set forth above in all paragraphs 1 through 130 of this complaint.
- 132. The breach of contract by Defendants Lidow, Beach, Cao, Tam, Nakata, Zhao, Aixtron, Hermes-Epitek and Episil was tortious because the breaches were accompanied by fraud, conversion and breaches of statutory and fiduciary duties by the Defendants against the interests of and harmful to IR.
- 133. The means used to breach the contracts that these Defendants had and have with IR involved deceit and fraud.
 - 134. These Defendants intentionally breached the contracts they had and have with IR.
- 135. In breaching the contracts these Defendants had and have with IR, they knew or reasonably should have known that their breaches would cause severe and immitigable harm, hardship and substantial consequential damages to IR.
- 136. By reason of these Defendants' tortious breaches of contracts, IR has been and will continue to be damaged in an amount which is presently unknown to IR and cannot be ascertained with any definiteness at this time other than as set forth hereinabove. IR's actual damages will be proven at trial.
- 137. By reason of their conduct, and because their conduct was willful, wanton and malicious, IR is entitled to exemplary and punitive damages against these Defendants in an amount sufficient to punish and deter them.

NINTH CAUSE OF ACTION

(Intentional Interference with Contractual Relations

Against Defendants Lidow and EPC)

- 138. IR re-alleges and incorporates by reference herein, as if set forth in full, the allegations set forth above in all paragraphs 1 through 55 of this Complaint.
- 139. At all times, Beach, Cao, Tam, Zhao, and Nakata had valid, at-will employment contracts and confidential and/or nondisclosure agreements with IR. Lidow, as one of the most senior officers at IR, knew of these at-will employment contracts and confidentiality and/or nondisclosure agreements.
- 140. Lidow intentionally encouraged and/or induced IR employees, including but not limited to, Beach, Cao, Tam, Zhao and to breach these at-will employment contracts and confidentiality and/or nondisclosure agreements. Specifically, Lidow intentionally encouraged and/or induced Beach, Cao, Tam, Zhao and Tsang to leave IR, to work for his newly-formed company, and to illegally transfer and/or disclose IR's confidential and propriety information, trade secrets, IP and technology, which were protected under the confidential and/or nondisclosure agreements.
- 141. Lidow's intentional acts of interference resulted in actual breaches or disruptions of the at-will employment contractual relations between IR and its employees.
- damage to IR. As a result of this conduct, IR has sustained and will continue to sustain substantial economic damages. The precise nature and amount of such accrued and continuing damages is not presently known to IR and cannot be ascertained with any definitiveness at this time other than as set forth hereinabove. IR's actual damages will be proven at trial.
- 143. Lidow knowingly combined and conspired with others to cause IR's employees to breach their employment and/or nondisclosure agreements with IR. As a direct and proximate result of these Defendants' actions, IR has suffered damages in an amount to be proven at trial. These Defendants are jointly and severally liable for the harm they have caused to IR through their conspiracy.
- 144. In addition, because the conduct of Lidow was willful, wanton and malicious, IR is entitled to exemplary and punitive damages against Lidow in an amount sufficient to punish and

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ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar n		FOR COURT USE ONLY
Roman S. Silberfeld, State F		
Michael A. Geibelson, State	Bar No. 179970	
Robins, Kaplan, Miller & Cir	Cesi L.L.P.	
2049 Century Park East, Suit	.e 3400	FILED
Los Angeles, CA 90067	FAX NO.: 310.229.5800	Los Angeles Superior Court
TELEPHONE NO.: 310.552.0130 ATTORNEY FOR (Name): Plaintiff Intern		
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS	actional Recultici	
STREET ADDRESS: 111 North Hill St	reet	MAR 1 6 2009
MAILING ADDRESS: 111 North Hill St	reet	, , , , , , , , , , , , , , , , , , , ,
CITY AND ZIP CODE: Los Angeles, CA	90012	John A Clarke, Executive Officer/Clerk
BRANCH NAME: Central		By The Deputy
	ifier v. Alex Lidow, et	DOROTHY SWAIN
al.	Complex Case Designation	CASE NUMBER: BC409/49
CIVIL CASE COVER SHEET	Counter Joinder	
X Unlimited Limited (Amount (Amount		nt JUDGE:
demanded demanded is	Filed with first appearance by defenda (Cal. Rules of Court, rule 3.402)	1
exceeds \$25,000) \$25,000 or less)		DEPT:
	low must be completed (see instructions	on page 2).
1. Check one box below for the case type that	best describes this case:	
Auto Tort	Contract	Provisionally Complex Civil Litigation
Auto (22)	Breach of contract/warranty (06)	(Cal. Rules of Court, rules 3.400-3.403)
Uninsured motorist (46)	Rule 3.740 collections (09)	Antitrust/Trade regulation (03)
Other PI/PD/WD (Personal Injury/Property	Other collections (09)	Construction defect (10)
Damage/Wrongful Death) Tort	insurance coverage (18)	Mass tort (40)
Asbestos (04)	Other contract (37)	Securities litigation (28)
Product liability (24)	Real Property	Environmental/Toxic tort (30)
Medical malpractice (45)	Eminent domain/Inverse	Insurance coverage claims arising from the
Other PI/PD/WD (23)	condemnation (14)	above listed provisionally complex case
Non-PI/PD/WD (Other) Tort	Wrongful eviction (33)	types (41)
Business tort/unfair business practice (07)	Other real property (26)	Enforcement of Judgment
Civil rights (08)	Unlawful Detainer	Enforcement of judgment (20)
Defamation (13)	Commercial (31)	Miscellaneous Civil Complaint
x Fraud (16)	Residential (32)	RICO (27)
Intellectual property (19)	Drugs (38)	Other complaint (not specified above) (42)
	Judicial Review	Miscellaneous Civil Petition
Professional negligence (25)	Asset forfeiture (05)	Partnership and corporate governance (21)
Other non-PI/PD/WD tort (35)		Other petition (not specified above) (43)
Employment (20)	Petition re: arbitration award (11)	Culci possion (not opcomed access (12)
Wrongful termination (36)	Writ of mandate (02) Other judicial review (39)	ļ
Other employment (15)		
2. This case X is is not comp	olex under rule 3.400 of the California Ru	les of Court. If the case is complex, mark the
factors requiring exceptional judicial mana	gement: See attachment sented parties d. X Large number	of witnesses
a. X Large number of separately repre		vith related actions pending in one or more courts
b. X Extensive motion practice raising		ies, states, or countries, or in a federal court
issues that will be time-consuming		
c. X Substantial amount of documenta		ostjudgment judicial supervision
3. Remedies sought (check all that apply): a.	x monetary b. x nonmonetary, c	declaratory or injunctive relief c. X punitive
4. Number of causes of action (specify): 9	(see attachment)	•
	ss action suit.	$\int_{-\infty}^{\infty} A_{\infty}$
6. If there are any known related cases, file a	nd serve a notice of related case. (You i	may use form CM-015.)
Date: March 16, 2009	\ \//	1.//
Roman S. Silberfeld/Michael	A. Geibelson	M
(TYPE OR PRINT NAME)	(8)	GNATURE OF PARTY OR ATTORNEY FOR PARTY)
	NOTICE	
Plaintiff must file this cover sheet with the	first paper filed in the action or proceeding	ng (except small claims cases or cases filed
under the Probate Code, Family Code, or V	Velfare and Institutions Code). (Cal. Rule	s of Court, rule 3.220.) Failure to file may result
fin sanctions.	or cheet required by local court rule	
• File this cover sheet in addition to any cov	er ancer required by local court rule. sea, of the California Rules of Court, vol.	u must serve a copy of this cover sheet on all
bother parties to the action or proceeding.		
Unless this is a collections case under rule	a 3.740 or a complex case, this cover sh	eet will be used for statistical purposes only.

ONS ON HOW TO COMPLETE THE CO SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the Civil Case Cover Sheet contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the primary cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the Civil Case Cover Sheet to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex. **CASE TYPES AND EXAMPLES**

Auto Tort

Auto (22)—Personal Injury/Property Damage/Wrongful Death Uninsured Motorist (46) (if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)

Other PI/PD/WD (Personal Injury/ Property Damage/Wrongful Death)

Asbestos (04)

Asbestos Property Damage Asbestos Personal Injury/ Wrongful Death

Product Liability (not asbestos or toxic/environmental) (24) Medical Malpractice (45)

Medical Malpractice-

Physicians & Surgeons Other Professional Health Care

Malpractice

Other PI/PD/WD (23)

Premises Liability (e.g., slip

and fall)

Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)

Intentional Infliction of

Emotional Distress

Negligent Infliction of **Emotional Distress**

Other PI/PD/WD

Non-PI/PD/WD (Other) Tort

Business Tort/Unfair Business

Practice (07)

Civil Rights (e.g., discrimination,

false arrest) (not civil

harassment) (08)

Defamation (e.g., slander, libel)

(13)

Fraud (16)

Intellectual Property (19)

Professional Negligence (25)

Legal Malpractice

Other Professional Malpractice

(not medical or legal) Other Non-PI/PD/WD Tort (35)

Employment
Wrongful Termination (36)

Other Employment (15)

Contract

Breach of Contract/Warranty (06)

Breach of Rental/Lease

Contract (not unlawful detainer or wrongful eviction)

Contract/Warranty Breach—Seller

Plaintiff (not fraud or negligence) Negligent Breach of Contract/

Warranty

Other Breach of Contract/Warranty

Collections (e.g., money owed, open book accounts) (09)

Collection Case—Seller Plaintiff
Other Promissory Note/Collections

Case

Insurance Coverage (not provisionally

complex) (18)

Auto Subrogation

Other Coverage Other Contract (37)

Contractual Fraud

Other Contract Dispute

Real Property

Eminent Domain/Inverse

Condemnation (14)

Wrongful Eviction (33)

Other Real Property (e.g., quiet title) (26)
Writ of Possession of Real Property

Mortgage Foreclosure

Quiet Title

Other Real Property (not eminent

domain, landlord/tenant, or

foreclosure)

Unlawful Detainer

Commercial (31)

Residential (32)

Drugs (38) (if the case involves illegal drugs, check this item; otherwise,

report as Commercial or Residential)

Judicial Review

Asset Forfeiture (05)

Petition Re: Arbitration Award (11)

Writ of Mandate (02)

Writ-Administrative Mandamus

Writ-Mandamus on Limited Court

Case Matter

Writ-Other Limited Court Case

Review

Other Judicial Review (39)

Review of Health Officer Order

Commissioner Appeals

Notice of Appeal-Labor

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400-3.403)

Antitrust/Trade Regulation (03)

Construction Defect (10)

Claims Involving Mass Tort (40)

Securities Litigation (28)

Environmental/Toxic Tort (30)

Insurance Coverage Claims (arising from provisionally complex

case type listed above) (41)

Enforcement of Judgment

Enforcement of Judgment (20)

Abstract of Judgment (Out of

County)

Confession of Judgment (non-

domestic relations)

Sister State Judgment

Administrative Agency Award

(not unpaid taxes)

Petition/Certification of Entry of

Judgment on Unpaid Taxes

Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

RICO (27)

Other Complaint (not specified

above) (42)

Declaratory Relief Only

Injunctive Relief Only (non-

harassment)

Mechanics Lien

Other Commercial Complaint

Case (non-tort/non-complex)

Other Civil Complaint

(non-tort/non-complex)

Miscellaneous Civil Petition

Partnership and Corporate Governance (21)

Other Petition (not specified

above) (43)

Civil Harassment

Workplace Violence

Elder/Dependent Adult

Abuse

Election Contest

Petition for Name Change

Petition for Relief from Late

Claim

Other Civil Petition

Attachment 2/4 to Civil Case Cover Sheet

This complaint principally concerns the misappropriation of trade secrets by a competing company relating to a revolutionary use of Gallium Nitride in the semiconductor industry for power management devices that are a part of nearly every electrical device in operation today -- from the smallest computers to the largest refrigerators and industrial machines. As such, it is anticipated that discovery will be intensive and closely guarded, and is likely to require substantial supervision by the court.

There will be a substantial amount of documentary evidence because of the highly technical nature of the inventions at issue. In addition to extensive lab notebooks, testing data, and analyses and reports of the same, much of the misappropriation has been conducted electronically, and will require the collection, discovery, and review of numerous computer hard drive images.

The parties and third parties involved are all over the world, and discovery will be required to be taken all over the world. For example, Defendant Aixtron, a supplier of a reactor used to make Gallium Nitride wafers at issue, is located in Germany. Defendant Episil, a Gallium Nitride wafer manufacturer, is located in Taiwan. Several witnesses from each of these companies will be deposed. A former employee of IR who was involved in the development of a competing business using IR's technology is located in Hong Kong. And many of IR's employees involved in the development of Gallium Nitride technology are located out of state.

It is anticipated that there will be at least six sets of counsel representing the parties.

SHORT TITLE:	International	Rectifier	v.	Alex	Lidow,	et
al.						

CASE NUMBER

BC409749

CIVIL CASE COVER SHEET ADDENDUM AND STATEMENT OF LOCATION (CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)

	This form is required p	oursuant to LASC Local Rule 2.0 in all new civil case filings in the Los Angeles	Superior Court.				
Iten		hearing and fill in the estimated length of hearing expected for this case:					
.ILI	JURY TRIAL? X YES CLASS ACTION? YES LIMITED CASE? YES TIME ESTIMATED FOR TRIAL HOURS/ DAYS						
Iten	Item II. Select the correct district and courthouse location (4 steps – If you checked "Limited Case", skip to Item III, Pg. 4):						
Ste the	Step 1: After first completing the Civil Case Cover Sheet Form, find the main civil case cover sheet heading for your case in the left margin below, and, to the right in Column A , the Civil Case Cover Sheet case type you selected.						
Ste	Step 2: Check one Superior Court type of action in Column B below which best describes the nature of this case.						
Ste	p 3: In Column C, circ	de the reason for the court location choice that applies to the type of action y	ou have checked.				
For		ourt location, see Los Angeles Superior Court Local Rule 2.0.	\neg				
	Applie	cable Reasons for Choosing Courthouse Location (See Column C below	w)				
Ste	 Class Actions must be filed in the County Courthouse, Central District. May be filed in Central (Other county, or no Bodily Injury/Property Damage). Location where cause of action arose. Location where bodily injury, death or damage occurred. Location where performance required or defendant resides. Location where one or more of the parties reside. Location of property or permanently garaged vehicle. Location where petitioner resides. Location where one or more of the parties reside. Location of property or permanently garaged vehicle. Location where petitioner resides. Location where one or more of the parties reside. Location of Labor Commissioner Office. 						
	Α	В	С				
	Civil Case Cover Sheet	Type of Action (Check only one)	Applicable Reasons - See Step 3 Above				
Tort	Category No. Auto (22)	A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1., 2., 4.				
Auto	Uninsured Motorist (46)	A7110 Personal Injury/Property Damage/Wrongful Death – Uninsured Motorist	1., 2., 4.				
_							
	Asbestos (04)	A6070 Asbestos Property Damage	2.				
ž Ķ		A7221 Asbestos - Personal Injury/Wrongful Death	2.				
Proper ath To	Product Liability (24)	A7260 Product Liability (not asbestos or toxic/environmental)	1., 2., 3., 4., 8.				
Z-ĭ	Medical Malpractice	A7210 Medical Malpractice - Physicians & Surgeons	1., 2., 4.				
ini Official	(45)	A7240 Other Professional Health Care Malpractice	1., 2., 4.				
Other Personal Injury/Property Damage/Wrongful Death Tort	Other	A7250 Premises Liability (e.g., slip and fall)	1., 2., 4.				
Pel age/	Personal Injury Property Damage	A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g.,	1., 2., 4.				
the	Wrongful Death	assault, vandalism, etc.)					
ÕD	(23)	A7270 Intentional Infliction of Emotional Distress	1., 2., 3.				
		A7220 Other Personal Injury/Property Damage/Wrongful Death	1., 2., 4.				
perty 7 Tor	Business Tort (07)	X A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1. ② 3.				
//Prog Deatl	Civil Rights (08)	A6005 Civil Rights/Discrimination	1., 2., 3.				
Injury gful 1	Defamation (13)	A6010 Defamation (slander/libel)	1., 2., 3.				
onal	Fraud (16)	A6013 Fraud (no contract)	1., 2., 3.				
Non-Personal Injury/Property Damage/Wrongful Death Tort	estado esta comen-						
No.	neer sun						
	- 1.	ON THE CASE OF COMES OF STREET ADDENIGUES	LASC, rule 2.0				

Damage/	
Von-Personal Injury/Property Damage	A foregot to Take O to the man of
Von-Personal	C 1. 3

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Employment	

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Proper	
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Detainer
Unlawful
Review
Judicial

SHORT TITLE: International Rectifier v. Alex Lidow, et CASE NUMBER al.

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above		
Professional	A6017 Legal Malpractice	1., 2., 3.		
Negligence (25)	A6050 Other Professional Malpractice (not medical or legal)	1., 2., 3.		
Other (35)				
Wrongful Termination (36)	A6037 Wrongful Termination	1., 2., 3.		
Other Employment	A6024 Other Employment Complaint Case	1., 2., 3.		
(15)	A6109 Labor Commissioner Appeals	10.		
Breach of Contract/ Warranty (06)	A6004 Breach of Rental/Lease Contract (not Unlawful Detainer or wrongful eviction) A6008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence)	2., 5. 2., 5.		
(not insurance)	A6019 Negligent Breach of Contract/Warranty (no fraud)	1., 2., 5.		
	A6028 Other Breach of Contract/Warranty (not fraud or negligence)	1., 2., 5.		
Collections	A6002 Collections Case-Seller Plaintiff	2., 5., 6.		
(09)	A6012 Other Promissory Note/Collections Case	2., 5.		
Insurance Coverage (18)	A6015 Insurance Coverage (not complex)	1., 2., 5., 8.		
Other Contract	A6009 Contractual Fraud	1., 2., 3., 5.		
(37)	A6031 Tortious Interference	1., 2., 3., 5.		
	A6027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1., 2., 3., 8.		
Eminent Domain/Inverse Condemnation (14)	A7300 Eminent Domain/Condemnation Number of parcels	2.		
Wrongful Eviction (33)	A6023 Wrongful Eviction Case	2., 6.		
	A6018 Mortgage Foreclosure	2., 6.		
Other Real Property (26)	A6032 Quiet Title	2. ,6.		
()	A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)	2., 6.		
Unlawful Detainer - Commercial (31)	A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	2., 6.		
Unlawful Detainer - Residential (32)	A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	2., 6.		
Unlawful Detainer - Drugs (38)	A6022 Unlawful Detainer-Drugs	2., 6.		
Asset Forfeiture (05)	A6108 Asset Forfeiture Case	2., 6.		
Petition re Arbitration (11)	A6115 Petition to Compel/Confirm/Vacate Arbitration	2., 5.		

SHORT TITLE:	International Rectifier v.	Alex Lidow,	et	CASE NUMBER
al.				

	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	Applicable Reasons - See Step 3 Above
Judicial Review (Cont'd.)	Writ of Mandate (02)	A6151 Writ - Administrative Mandamus A6152 Writ - Mandamus on Limited Court Case Matter A6153 Writ - Other Limited Court Case Review	2., 8. 2. 2.
Judicial	Other Judicial Review (39)	A6150 Other Writ / Judicial Review	2., 8.
	Antitrust/Trade Regulation (03)	A6003 Antitrust/Trade Regulation	1., 2., 8.
	Construction Defect (10)	A6007 Construction defect	1., 2., 3.
Provisionally complex Litigation	Claims Involving Mass Tort (40)	A6006 Claims Involving Mass Tort	1., 2., 8.
Litigation	Securities Litigation (28)	A6035 Securities Litigation Case	1., 2., 8.
TOVISIO	Toxic Tort Environmental (30)	A6036 Toxic Tort/Environmental	1., 2., 3., 8.
-	Insurance Coverage Claims from Complex Case (41)	A6014 Insurance Coverage/Subrogation (complex case only)	1., 2., 5., 8.
Enforcement of Judgment	Enforcement of Judgment (20)	A6141 Sister State Judgment A6160 Abstract of Judgment A6107 Confession of Judgment (non-domestic relations) A6140 Administrative Agency Award (not unpaid taxes) A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax A6112 Other Enforcement of Judgment Case	2., 9. 2., 6. 2., 9. 2., 8. 2., 8. 2., 8., 9.
S CIVI	RICO (27)	A6033 Racketeering (RICO) Case	1., 2., 8.
Miscellaneous Civil Complaints	Other Complaints (Not Specified Above) (42)	A6030 Declaratory Relief Only A6040 Injunctive Relief Only (not domestic/harassment) A6011 Other Commercial Complaint Case (non-tort/non-complex) A6000 Other Civil Complaint (non-tort/non-complex)	1., 2., 8. 2., 8. 1., 2., 8. 1., 2., 8.
us	Partnership Corporation Governance (21)	A6113 Partnership and Corporate Governance Case	2., 8.
Miscellaneous Civil Petitions	Other Petitions (Not Specified Above) (43)	A6121 Civil Harassment A6123 Workplace Harassment A6124 Elder/Dependent Adult Abuse Case A6190 Election Contest A6110 Petition for Change of Name A6170 Petition for Relief from Late Claim Law A6100 Other Civil Petition	2., 3., 9. 2., 3., 9. 2., 3., 9. 2. 2., 7. 2., 3., 4., 8. 2., 9.

LACIV 109 (Rev. 01/07) LASC Approved 03-04

SHORT TITLE: International al.	Rectifier	v. Alex L	idow, et	CASE NUMBER
				
Item III. Statement of Location: En other circumstance indicated in Ite	ter the addre em II., Step 3	ss of the accide on Page 1, as t	ent, party's re the proper re	sidence or place of business, performance, or ason for filing in the court location you selected.
REASON: CHECK THE NUMBER UNDER CO	LUMN C WHICH	APPLIES IN THIS CA	SE ADDRESS:	
12. X 3456	s78.	910.	101 No	rth Sepulveda Blvd.
CITY: El Segundo	STATE: CA	ZIP CODE: 90245		
Item IV. Declaration of Assignment	t: I declare u	nder penalty of e-entitled matte	perjury unde r is properly f	r the laws of the State of California that the illed for assignment to the Los Angeles
County Superior courthou				District of the Los Angeles Superior Court
(Code Civ. Proc., § 392 et seq., ar	nd LASC Loc	al Rule 2.0, sub	ods. (b), (c) a	ng (d)/i) //
Dated: March 16, 2009				
Dated. March 70 , 2005			-10-	(SIGNATURE OF ATTORNEY/FILING PARTY)
			Roman	M. Silberfeld/Michael A. Geibelson

PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:

- 1. Original Complaint or Petition.
- 2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
- 3. Civil Case Cover Sheet form CM-010.
- 4. Complete Addendum to Civil Case Cover Sheet form LACIV 109 (Rev 01/07), LASC Approved 03-04.
- 5. Payment in full of the filing fee, unless fees have been waived.
- 6. Signed order appointing the Guardian ad Litem, JC form FL-935, if the plaintiff or petitioner is a minor under 18 years of age, or if required by Court.
- Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.