

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

CEMCO, LLC,

Plaintiff,

v.

KPSI INNOVATION, INC., et al.,

Defendants.

JUDGMENT IN A CIVIL CASE

CASE NO. C23-0918JLR

X Jury Verdict. This action came before the court for a trial by jury. The issues have been tried and the jury has rendered its verdict.

X Decision by Court. This action came to consideration before the court. The issues have been considered and a decision has been rendered.

THE COURT HAS ORDERED THAT

1. Judgment is ENTERED in favor of Plaintiff CEMCO, LLC (“CEMCO”) and against Defendants KPSI Innovation, Inc. (“KPSI”), James A. Klein, Serina Klein, and Kevin Klein for induced patent infringement. (8/13/24 Order (Dkt. # 111); Jury Verdict (Dkt. ## 213 (sealed), 214 (unsealed).) The induced infringement by KPSI, James A. Klein, and Serina Klein, was willful. (Jury Verdict.)
2. Judgment is ENTERED in favor of CEMCO and against Defendants KPSI and Serina Klein for fraudulent transfer. (*Id.*)
3. CEMCO is AWARDED damages of **\$798,356.16** against Defendants KPSI, James A. Klein, Serina Klein, and Kevin Klein for induced patent infringement. (2/28/25 Order (Dkt. # 246); *see also* Jury Verdict.)
4. CEMCO is AWARDED damages of **\$300,000.00** against Defendants KPSI and Serina Klein for fraudulent transfer. (Jury Verdict.)

5. CEMCO is AWARDED enhanced damages, fees, and costs of **\$2,600,735.93** against Defendants KPSI, James A. Klein, and Serina Klein. (2/28/25 Order.)

6. For the life of the Patents, Defendants are PERMANENTLY ENJOINED AND RESTRAINED from:

- a. Making, using, offering to sell, or selling FRG Products or any product that is not more than colorably different from FRG Products (the “Intumescent Products”) for use in fire-rated head-of-wall constructions or assemblies as covered by the claims of the Patents;
- b. Providing instructions in any medium (e.g., videos, in-person training, pamphlets, brochures, installation instructions, websites, and invoices) for using the Intumescent Products in fire-rated head-of-wall constructions or assemblies as covered by the claims of the Patents;
- c. Referencing certifications from any third-party agency related to fire-safety or building code compliance, including but not limited to UL listings (collectively, “Third-Party Safety Certification”), concerning the Intumescent Products used for fire-rated head-of-wall constructions or assemblies as covered by the claims of the Patents, in any advertising or communications with customers or prospective customers;
- d. Displaying or disseminating any Third-Party Safety Certification concerning the Intumescent Products used for fire-rated head-of-wall constructions or assemblies as covered by the claims of the Patents, in any medium (e.g., videos, in-person training, pamphlets, brochures, installation instructions, websites, and invoices);
- e. Transferring or facilitating the transfer of any Third-Party Safety Certification or data files associated therewith concerning the Intumescent Products used for fire-rated head-of-wall constructions or assemblies as covered by the claims of the Patents, to any person or entity;
- f. Modifying or submitting any proposal for modifying any Third-Party Safety Certification, where the modification depicts, describes, or references using the Intumescent Products for fire-rated head-of-wall constructions or assemblies as covered by the claims of the Patents;
- g. Creating or facilitating the creation of any Third-Party Safety Certification that depicts, describes, or references using the Intumescent Products for fire-rated head-of-wall constructions or assemblies as covered by the claims of the Patents; and

- h. Providing technical support, including engineering judgments, for Intumescent Products used for fire-rated head-of-wall constructions or assemblies as covered by the claims of the Patents.

(2/28/25 Permanent Injunction (Dkt. # 247).)

7. By **March 7, 2025**, Defendants SHALL:

- a. Remove any Third-Party Safety Certification that depicts, describes, or references the use of the Intumescent Products for fire-rated head-of-wall constructions or assemblies as covered by the claims of the Patents from their websites and all advertising materials;
- b. Send a notice of removal for each Third-Party Safety Certification that depicts, describes, or references the use of the Intumescent Products for fire-rated head-of-wall constructions or assemblies as covered by the claims of the Patents; and
- c. Send a copy of the permanent injunction order (Dkt. # 247) to each of their customers.

(*Id.*)

Filed this 3rd day of March, 2025.

RAVI SUBRAMANIAN
Clerk of Court

s/ Ashleigh Drecktrah
Deputy Clerk