Adhezion Biomedical, LLC v. Azevedo, 2013 NCBC Order 1.

STATE OF NORTH CAROLINA

IN THE GENERAL COURT OF JUSTICE SUPERIOR COURT DIVISION CIVIL ACTION NO: 13-CV-191

COUNTY OF CALDWELL

ADHEZION BIOMEDICAL, LLC,

Plaintiff,

CONSENT JUDGMENT

V.

MAX AZEVEDO,

Defendant.

By consent of the parties, plaintiff Adhezion Biomedical, LLC ("Adhezion") and defendant Max Azevedo ("Azevedo"), the Court enters the following final judgment:

FINDINGS OF FACT

- Adhezion is a Delaware limited liability company, with its current corporate
 headquarters and principal place of business at One Meridien Boulevard, Suite 1B02,
 Wyomissing, Pennsylvania 19610, and with is principal manufacturing and research and
 development facility (and registered office in the State of North Carolina) located at 506 Pine
 Mountain Road, Hudson, North Carolina 28638.
- Adhezion was formed on January 1, 2004 under the name Spartan Medical
 Products LLC ("Spartan Medical"), and changed its corporate name to Adhezion on or around
 March 28, 2008.
 - 3. Azevedo is an individual currently residing in Alpharetta, Georgia.
- 4. Adhezion is a medical-device company focused on the development and commercialization of innovative surgical, wound-management, and infection-prevention

technologies based on the use of cyanoacrylate compositions. Cyanoacrylate is a generic name for a group of fast-acting adhesives, sometimes referred to colloquially as "super glues."

- 5. Currently, Adhezion sells in the United States a topical skin adhesive known as SurgiSealTM, which in December 2008 was approved by the Food and Drug Administration for marketing in the U.S. and is based on a 2-octyl cyanoacrylate composition.
- 6. In January 2004, Azevedo was one of the two co-founders of Spartan Medical. He was one of two individuals on Spartan Medical's two-person Board of Managers and, from 2004 to 2008, he held one of the two largest ownership interests in Spartan Medical, a 48.3% equity stake.
- 7. During his tenure at Spartan Medical, between 2004 and June 30, 2006, Azevedo served as an officer and executive of the company, holding at various times the positions of president, general manager, chief technology officer, and research and development director. Azevedo's duties during his tenure at Spartan Medical included chief responsibility for the company's technological and research direction, including the invention, conception, reduction to practice, research, and development of new medical-grade cyanoacrylate adhesive technologies based on 2-octyl cyanoacrylate compositions.
- On June 25, 2007, Spartan Medical filed U.S. Patent Application Ser. No.
 11/767,565 (the "'565 Application"), entitled "Curing Accelerator and Method of Making."
- 9. On December 22, 2010, Spartan Medical, now renamed Adhezion, filed U.S. Patent Application Ser. No. 13/000,799 (the "'799 Application"), entitled "Cyanoacrylate Tissue Adhesives with Desirable Permeability and Tensile Strength," which was the U.S. national stage application of International Application No. PCT/US2009/048234, filed June 23, 2009, which claims priority to an earlier U.S. patent application.

10. Between 2004 and June 30, 2006, Azevedo performed inventive work and research and development relating to the subject matter of the '565 Application and the '799 Application.

CONCLUSIONS OF LAW

11. Under the "hired to invent" doctrine set forth in *Speck v. North Carolina Dairy*Foundation, 311 N.C. 679, 686, 319 S.E. 2d 139, 143 (1984), and given Mr. Azevedo's status as a co-founder, member of the Board of Managers, and officer of Spartan Medical responsible for the company's technological development and innovation the Court holds that, Adhezion is the current, proper, and sole owner of all legal and equitable rights, title, and interests in the '565 Application, the '799 Application, and any related patents and patent applications (including continuations, continuations-in-part, reissues, reexaminations, and foreign counterparts) to these patent applications and any patents issuing therefrom.

JUDGMENT

WHEREFORE, by the parties' consent, the Court does hereby enter JUDGMENT under N.C. Gen. Stat. § 1-253 et seq. declaring that Adhezion is the current, proper, and sole owner of all legal and equitable rights, title, and interests in U.S. Patent Application Ser. No. 11/767,565; U.S. Patent Application Ser. No. 13/000,799; and any related patents and patent applications (including continuations, continuations-in-part, reissues, reexaminations, and foreign counterparts) to these patent applications and any patents issuing therefrom.

SO ORDERED, this the African of July, 2013.

James L. Gale

Special Superior Court Judge for Complex Business Cases

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