# May 26, 2015

### THIS CONSTRUCTIVE NOTICE IS SERVED ON DR. JEFFREY WADSWORTH PRESIDENT AND CHIEF EXECUTIVE OFFICER OF BATTELLE MEMORIAL INSTITUTE PURSUANT TO THE UNIFORM COMMERCIAL CODE AND THE LAWS OF THE UNITED STATES OF AMERICA

IF THIS AFFIDAVIT IS NOT PROPERLY REBUTTED WITH A COUNTER-AFFIDAVIT WITHIN FORTY FIVE (45) CALENDAR DAYS FROM THE DATE OF ITS SERVICE, ALL PARAGRAPHS NOT DENIED SHALL BE CONFESSED AFFIRMED, BY SUCH DEFAULT, AND SHALL BE ACCEPTED AS DISPOSITIVE, CONCLUSIVE FACTS, BY BATTELL MEMORIAL INSITUTE. WHEREIN THE PRESIDENT AND CHIEF EXECUTIVE OFFICER AND CONTRACTORS AND SUB-CONTRACTORS AND COMPANY MEMBERS OF BATTELLE MEMORIAL INSITUTE OR ANY PROPERLY DELEGATED AUTHORITY HAVE BEEN GIVEN NOTICE AND HAD THE OPPORTUNITY AND "FAILED TO PLEAD." ALL COUNTER-AFFIDAVITS MUST BE RECEIVED WITHIN THE FORTY FIVE (45) CALENDAR DAYS OF ORIGNAL SERVICE TO BATTELLE MEMORIAL INSTITUTE AND SIGNED WITH THE VALID LEGAL NAME, TITLE AND ORIGINAL SIGNATURE OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF BATTELLE MEMORIAL INSTITUTE OR THEY SHALL NOT BE VALID.

#### OVERVIEW

In their 2012 Form 990 tax statement to the Internal Revenue Service (IRS), Battelle Memorial Institute (hereinafter referred to as "BMI") states that they are organized exclusively for charitable, educational, and scientific purposes and that BMI conducts scientific research for Federal, state and local government agencies and industrial sponsors to translate science and technology into products, systems and services. BMI has commercial contracts with the U.S. Department of Health and Human Services and their subordinate agency the U.S. Food and Drug Administration (hereinafter referred to as the FDA). Under contract to FDA, BMI facilitated a directed pass-through contract for the development of computer software by third party vendors that contained Projectioneering LLC owned ideas and trade secrets. BMI is working with the Grocery Manufacturers Association (hereinafter referred to as the GMA) using Projectioneering LLC owned ideas and trade secrets that were misappropriated as part of these BMI Federal contractor support activities. BMI, GMA, and its member companies were all wellnoticed that any use of Projectioneering LLC owned ideas and trade secrets they obtained from the FDA constituted patent infringement and the theft of trade secret information. BMI and GMA disregarded multiple notices not to use the misappropriated Projectioneering LLC intellectual property.

#### AFFIANT: JOHN H. HNATIO

This Affidavit and all attached documents have been made a part of the Public Record and will be used for evidence in the administrative and judicial proceedings at law, or equity regarding this case. All of these documents are maintained in Claimant's Administrative File. This affidavit and exhibits are posted on the John Galt Program for Investigative Studies web site at

bage 📙

<u>http://jgpis.org/</u> for further public notice and to provide BMI the opportunity to rebut each of the one hundred and forty-eight (148) claims appearing below.

# AFFIDAVIT OF TRUTH

- On April 12, 2015, FoodQuestTQ LLC first became aware of the activities to exploit for their own commercial advantage Projectioneering LLC-owned patented ideas and trade secrets. [BMI EXHIBIT 1]
- 2. Projectioneering is a limited liability company (LLC) established according to the laws of the State of Maryland in the United States of America.
- 3. FoodQuestTQ is a limited liability company established according to the laws of the State of Maryland in the United States of America.
- 4. FoodQuestTQ LLC uses Projectioneering LLC owned intellectual property pursuant to a license.
- 5. Both Projectioneering and FoodQuestTQ LLC operate out of offices located at 7420 Hayward Road, Frederick, Maryland 21702.
- FoodQuestTQ LLC is engaged in commerce and sells food risk management products and services to food, beverage and products companies across the United States of America. [BMI EXHIBIT 2]
- 7. FDA is headquartered in Silver Springs, Maryland, in the United States of America. [BMI EXHIBIT 3]
- 8. FDA engages in commerce by entering into agreements and contracts with the private sector including BMI. [BMI EXHIBIT 4]
- FDA is subject to United States procurement statutes, codes and laws including, but not limited to, 5 CFR Part 2635; Title 41 U.S. Code 253; Title 48, Chapter 1 U.S. Code; Title 18 U.S. Code § 1031; P.L. 96-303; Title 18 U.S. Code §§ 654; 654; 641, and 1832. [BMI EXHIBIT 5]
- 10. FDA works in cooperation with GMA. [BMI EXHIBIT 6]
- 11. FDA is subject to the patent laws of the United States, including but not limited to, Title 35 U.S. Code- Patents. [BMI EXHIBIT 7]
- 12. FDA is subject to the Uniform Trade Secrets Act (UTSA). [BMI EXHIBIT 8]
- 13. FDA is subject to the U.S. Economic Espionage Act of 1996. [BMI EXHIBIT 9]
- 14. FDA is subject to 18 U.S. Code §§ 1832-1839 Theft of Trade Secrets. [BMI EXHIBIT 10]
- 15. FDA is subject to 18 U.S.C. § 1030- The "Computer Crimes" Statute. [BMI EXHIBIT 11]
- 16. FDA is subject to 18 U.S.C. §§ 1341, 1343- Mail and Wire Fraud. [BMI EXHIBIT 12]
- 17. FDA is subject to 18 U.S.C. §§ 1961-68- The Federal Racketeer Influenced and Corrupt Organizations Act (RICO). [BMI EXHIBIT 13]
- 18. FDA is subject to 18 U.S.C. §§ 2311-33- The National Stolen Property Act. [BMI EXHIBIT 14]
- 19. FDA is subject to 18 U.S.C. § 1029- Fraud in Connection with Access Device (use of computers and the internet). [BMI EXHIBIT 15]

- 20. GMA operates as a tax-exempt organization pursuant to section 501 (c) 6 of the Internal Revenue Code under employer identification number 53-0114930. [BMI EXHIBIT 6]
- 21. GMA is a corporation formed under the laws of the State of Delaware in the United States of America. [BMI EXHIBIT 6]
- 22. GMA represents the world's leading food, beverage and products companies. [BMI EXHIBIT 6]
- 23. GMA runs its national operations in the United States of America from its headquarters location at 1350 I Street, NW, Washington, D.C. 20005. [BMI EXHIBIT 6]
- 24. GMA is an entity engaged in commerce that solicits and lets contracts for lobbying congressional and state officials and conducting scientific research, testing and evaluation on behalf of GMA member companies. [BMI EXHIBIT 6]
- 25. GMA serves as a link between GMA member companies and their regulatory suitors, i.e., the FDA and other federal regulatory agencies. [BMI EXHIBIT 6]
- 26. The United States issues patents through the United States Patents and Trademarks Office (USPTO) which are valid in the United States and its territories. [BMI EXHIBIT 7]
- 27. GMA, and its member companies are subject to the patent laws of the United States, including but not limited to, Title 35 U.S. Code- Patents. [BMI EXHIBIT 7]
- 28. The GMA and its member companies are subject to the Uniform Trade Secrets Act (UTSA). [BMI EXHIBIT 8]
- 29. GMA and its member companies are subject to the U.S. Economic Espionage Act of 1996. [BMI EXHIBIT 9]
- 30. GMA and its member companies are subject to 18 U.S. Code §§ 1832-1839- Theft of Trade Secrets. [BMI EXHIBIT 10]
- 31. GMA and its member companies are subject to 18 U.S.C. § 1030- The "Computer Crimes" Statute. [BMI EXHIBIT 11]
- 32. GMA and its member companies are subject to 18 U.S.C. §§ 1341, 1343- Mail and Wire Fraud. [BMI EXHIBIT 12]
- 33. GMA and its member companies are subject to 18 U.S.C. §§ 1961-68- The Federal Racketeer Influenced and Corrupt Organizations Act (RICO). [BMI EXHIBIT 13]
- 34. GMA and its member companies are subject to 18 U.S.C. §§ 2311-33- The National Stolen Property Act. [BMI EXHIBIT 14]
- 35. GMA and its member companies are subject to 18 U.S.C. § 1029- Fraud in Connection with Access Device, i.e., use of computers and the internet. [BMI EXHIBIT 15]
- 36. GMA and its member companies are subject to 15 U.S.C. §§ 1–7- Sherman Antitrust Act (Sherman Act, 26 Stat. 209) [EXHIBIT 16]
- 37. GMA and its member companies are subject to 15 U.S. Code §§ 12, 13, 14-19, 20, 21, 22 27- Clayton Act. [EXHIBIT 16]
- 38. GMA and its member companies are subject to 15 U.S.C §§ 41-58, as amended (Federal Trade Commission Act of 1914). [EXHIBIT 16]
- 39. BMI was created in 1923. [BMI EXHIBIT 17]
- 40. BMI is a corporation formed under the laws of the State of Ohio in the United States of America. [BMI EXHIBIT 18]

- 41. BMI operates as a tax-exempt organization pursuant to section 501 (c) (3) of the Internal Revenue Code under employer identification number (EIN) 31-4379427. [BMI EXHIBIT 18]
- 42. BMI runs its national operations in the United States of America from its headquarters location at 505 King Avenue, Room A-353, Columbus, OH 43201-2696. [BMI EXHIBIT 18]
- 43. BMI's principal officer is Dr. Jeffrey Wadsworth who serves as President and Chief Executive Officer. [BMI EXHIBIT 18]
- 44. BMI is an entity engaged in commerce.
- 45. BMI represents one of the largest private scientific contractor and intellectual property sales organizations in the world. [BMI EXHIBIT 18]
- 46. In 1969, Franklin County Probate Judge Richard Metcalf questioned whether BMI was operating as a non-profit charitable organization. [BMI EXHIBIT 17]
- 47. Ohio State Attorney General Paul W. Brown then sued BMI. [BMI EXHIBIT 17]
- 48. In 1975, BMI paid out approximately \$80 million in penalties. [BMI EXHIBIT 17]
- 49. The Internal Revenue Service (IRS) then questioned whether BMI should keep its taxexempt status. [BMI EXHIBIT 17]
- 50. BMI lost its tax exempt status and paid tens of millions of dollars in back taxes. [BMI EXHIBIT 17]
- In 1997, BMI entered into an agreement with Ohio Attorney General Betty Montgomery to devote more of their revenues to charitable contributions to regain their tax-exempt status. [BMI EXHIBIT 17]
- 52. In 2001, BMI regained their non-profit 501(c) (3) status. [BMI EXHIBIT 17]
- 53. BMI now operates under the supervision of the Attorney General of the State of Ohio and must comply with the Ohio statues and laws governing non-profit corporations.
- 54. In 2012, BMI's reported assets were \$1,273,610,617 (as of 2013/09). [BMI EXHIBIT 18]
- 55. In 2012, BMI's reported income was \$5,246,838,271 (in year ending 2013/09). [BMI EXHIBIT 18]
- 56. BMI has active contracts with the Department of Health and Human Services including their subordinate agency the FDA. [BMI EXHIBITS 4 & 18]
- 57. BMI acquires and maintains a large portfolio of patented ideas and other intellectual property for public sale by license and other means. [BMI EXHIBIT 18]
- 58. BMI uses their stable of scientists and engineers to patent inventions and reduce these ideas to practice creating trade secrets and then sells the resulting intellectual property to the highest government or private sector bidders through license or other means. [BMI EXHIBIT 19]
- 59. BMI is also supported by a venture-capital fund called Battelle Ventures that funds spinoff companies that use BMI intellectual property to make profits. [BMI EXHIBIT 20]
- 60. BMI sells off these successful spin off companies that use their intellectual property to the highest government and commercial bidders as a source of revenue. [BMI EXHIBIT 20]
- 61. BMI is commercially engaged in the sale of predictive analytic and other software tools for food defense and food safety and across other industry verticals.

(http://www.battelle.org/our-work/consumer-industrial/consumer-products/foodbeverage)

- 62. A sampling of these BMI commercial tools include PRIA<sup>™</sup>, Smart Vision<sup>™</sup>, Way Finder, EluciData<sup>™</sup> and many others. [BMI EXHIBIT 21]
- 63. Mr. Joseph Scimeca of Cargill Corporation, during a briefing to the membership of GMA on April 12, 2015, publicly revealed that GMA is working directly with BMI to develop predictive analytic and other computer software tools to address economically motivated adulteration, i.e., food fraud. [BMI EXHIBIT 1]
- 64. Mr. Colin Barthel is a former employee of BMI who worked under contract to support the FDA food defense team as they produced Food Defense Plan Builder. [BMI EXHIBIT 22]
- 65. Following the FDA completion and publication of Food Defense Plan Builder Mr. Colin Barthel was hired as an employee by the FDA to become a member of the Food Defense Team. [BMI EXHIBIT 22]
- 66. BMI requires that an annual ethical training course be completed and signed by each employee with respect to Section 501 (c) (3) of the Internal Revenue Service Code compliance requirements, limitations and prohibitions including improper private benefit and other conflict of interest related matters. [BMI EXHIBIT 18]
- 67. BMI is an entity engaged in commerce that also solicits and lets contracts for lobbying congressional and state officials and conducting scientific research, testing and evaluation.
  [BMI EXHIBIT 18]
- 68. Over the period 1989 to Q-2 2014, BMI contributed \$776, 857 to political action committees. [BMI EXHIBIT 23]
- 69. Over the period 1989 to Q-2 2014, BMI spent \$8,970,000 on lobbying. [BMI EXHIBIT 23]
- 70. In 2012 alone, BMI spent \$739,740 on lobbying efforts that included the Department of Health and Human Services, the parent agency of the FDA. [BMI EXHIBIT 18]
- 71. The United States issues patents through the United States Patents and Trademarks Office (USPTO) which are valid in the United States and its territories. [[BMI EXHIBIT 7]
- 72. BMI is subject to the patent laws of the United States, including but not limited to, Title 35 U.S. Code- Patents. [BMI EXHIBIT 7]
- 73. BMI is subject to the Uniform Trade Secrets Act (UTSA). [BMI EXHIBIT 8]
- 74. BMI is subject to the U.S. Economic Espionage Act of 1996. [BMI EXHIBIT 9]
- 75. BMI is subject to 18 U.S. Code §§ 1832-1839- Theft of Trade Secrets. [BMI EXHIBIT 10]
- 76. BMI is subject to 18 U.S.C. § 1030- The "Computer Crimes" Statute. [BMI EXHIBIT 11]
- 77. BMI is subject to 18 U.S.C. §§ 1341, 1343- Mail and Wire Fraud. [BMI EXHIBIT 12]
- 78. BMI is subject to 18 U.S.C. §§ 1961-68- The Federal Racketeer Influenced and Corrupt Organizations Act (RICO). [BMI EXHIBIT 13]
- 79. BMI is subject to 18 U.S.C. §§ 2311-33- The National Stolen Property Act. [BMI EXHIBIT 14]
- 80. BMI is subject to 18 U.S.C. § 1029- Fraud in Connection with Access Device, i.e., use of computers and the internet. [BMI EXHIBIT 15]
- BMI is subject to 15 U.S.C. §§ 1–7- Sherman Antitrust Act (Sherman Act, 26 Stat. 209) [BMI EXHIBIT 16]

- 82. BMI is subject to 15 U.S. Code §§ 12, 13, 14-19, 20, 21, 22-27- Clayton Act. [BMI EXHIBIT 16]
- 83. BMI is subject to 15 U.S.C §§ 41-58, as amended (Federal Trade Commission Act of 1914). [BMI EXHIBIT 16]
- 84. Over the period 2003 to 2013 JOHN H. HNATIO patented his ideas arising from a program of doctoral research at The George Washington University that involved the use of predictive analytics across all industry verticals including agriculture. [BMI EXHIBIT 24]
- 85. On October 28, 2003, JOHN H. HNATIO applied to the USPTO for a patent (Application No. US 10/694,024) based on his doctoral research. [BMI EXHIBIT 25]
- 86. In August 2006, JOHN H. HNATIO's doctoral dissertation was published and registered with USPTO as copyrighted material belonging to JOHN H. HNATIO. [BMI EXHIBIT 26]
- On June 12, 2007, JOHN H. HNATIO submitted USPTO Patent Application No. US 11/808,580 claiming preference to his 2003 invention disclosure. [BMI EXHIBIT 27]
- 88. On January 24, 2012, USPTO Patent No. US 8103601 B2 issued (with priority to Application No. US 11/808,580) with Affiant listed as inventor. [BMI EXHIBIT 28]
- 89. As JOHN H. HNATIO reduced his inventions to practice he generated, and protected from disclosure, a large body of trade secret information. [BMI EXHIBITS 24 & 30]
- 90. Affiant's body of trade secrets was not easily reverse engineered. [BMI EXHIBIT 24, 29 & 30]
- 91. Affiant's body of trade secrets was not widely known nor made available to government entities except under U.S. Code Title 18 § 1905. [BMI EXHIBITS 24, 29 & 30]
- 92. Affiant's body of trade secrets was not widely known nor made available to commercial or any public entities except pursuant to confidentiality agreements. [BMI EXHIBITS 31 & 32 ]
- 93. No examples in the prior art of Projectioneering LLC-owned patented ideas and trade secrets have provided the same result as the Affiant's invention.
- 94. The results of Projectioneering LLC-owned patented ideas and trade secrets are superior to any pre-existing methods, processes and techniques. [BMI EXHIBIT 33]
- 95. There exist no examples in the prior art to suggest Affiant's invention, or prior art teaches away from Affiant's invention.
- 96. Projectioneering LLC patents and trade secrets are not objectively baseless.
- 97. Projectioneering and FoodQuestTQ LLC do not have subjective knowledge that Projectioneering LLC-owned patents or trade secrets are invalid.
- 98. In 2003, when Affiant filed his first invention disclosure with the United States Patent and Trademarks Office (USPTO) there was skepticism that predictive analytic methods would be created in the near or midterm future, i.e., ten (10) to twenty (20) years. [BMI EXHIBIT 34]
- 99. Prior to Affiant's invention disclosures and subsequent patents there were failures in creating predictive analytic systems that accomplish the same result as the Affiant's invention. [BMI EXHBIT 35]
- 100. The Affiant's invention represented an unexpected result. [BMI EXHIBIT 36]
- 101. The market for predictive analytics is expected to grow from \$1.70 billion in 2013 to \$5.24 billion in 2018. [BMI EXHIBIT 37]

- 102. Under common law, liability for trade secret misappropriation is the acquisition by another by improper conduct or unfair means together with the use or disclosure by such person to the trade secret owner's detriment. [BMI EXHIBIT 38]
- 103. Under the Uniform Trade Secrets Act (UTSA) the misappropriation of trade secrets means the acquisition of a trade secret of another by a person who knows or has reason to know that the trade secrets were acquired by improper means. [BMI EXHIBIT 8]
- 104. Under the Uniform Trade Secrets Act (UTSA) BMI derives no liability protection from the use of Projectioneering LLC owned misappropriated trade secrets because BMI was sufficiently noticed. [BMI EXHIBIT 39]
- 105. Under the Uniform Trade Secrets Act (UTSA) trade secrets are misappropriated through the unauthorized use of trade secrets; the acquisition of trade secrets through improper means; and by breaches of contracts of confidence. [BMI EXHIBIT 8]
- 106. BMI works under contract for FDA and with GMA. [BMI EXHIBIT 1]
- 107. BMI serves as a support contractor to the FDA. [BMI EXHIBIT 4]
- 108. Knowledge of Projectioneering LLC-owned and misappropriated trade secret information was known by BMI through linkages with their regulatory suitor, i.e., FDA. [BMI EXHIBITS 22, 24, 30 & 40]
- 109. BMI was made aware of the Projectioneering-owned trade secrets being exercised by FoodQuestTQ LLC through their contractual and other links with their regulatory suitor, i.e., FDA. [BMI EXHIBITS 1, 4, 22, 39, 40 & 41]
- 110. On December 12, 2012, GMA hosted a meeting at their Washington, D.C. Headquarters offices on behalf of the FDA to unveil the FDA's Food Defense Planner tool to GMA's major food producing members. [BMI Exhibit 22]
- 111. BMI under contract to FDA made arrangements for and participated in the meeting. [BMI Exhibit 22]
- 112. Projectioneering LLC trade secrets misappropriated by FDA and BMI were revealed by FDA and BMI to GMA and their member companies at the meeting. [BMI EXHIBIT 22]
- 113. BMI did not acquire the Projectioneering LLC-owned trade secret information from other persons with a right to disclose the trade secret information. [EXHIBIT 22]
- 114. Projectioneering LLC-owned patents and trade secrets are inextricably intertwined so that the BMI processes represent a direct subset of the Projectioneering and FoodQuestTQ LLC process. [BMI EXHIBIT 30]
- 115. The misappropriation of Projectioneering-owned patented ideas and trade secret information took the form of negative know-how resulting from the involvement of BMI as a contractor to FDA. [BMI EXHIBIT 1]
- 116. BMI facilitated, on behalf of the FDA, a directed pass-through contract to a private commercial vendor to develop their Food Defense Plan builder tool. [BMI EXHIBIT 4]
- 117. BMI served as an "alternative vendor" that derived knowledge and processes from the Projectioneering LLC owned information used by the FDA thereby tainting the alternative vendor's process as the poisoned fruit of the initial misappropriation. [BMI EXHIBITS 1 & 4]
- 118. The degree of difference between the elements and components of BMI's development of predictive analytic tools for the food, beverage and products companies and across other

industry verticals demonstrates that BMI tools perform the same or similar functions, in the same or similar way, arriving at the same or similar result as do Projectioneering LLC's owned patented ideas and trade secret information. [BMI EXHIBITS 1, 21 & 30]

- 119. No matter what modifications or improvements BMI has made to Projectioneering LLC patented ideas and trade secrets, BMI development of predictive analytic tools is derived from Affiant's patented ideas and trade secrets making the fruit of the poisoned tree also poisoned. [EXHIBITS 21 & 30]
- 120. BMI was well-noticed of the trade secret status of the Projectioneering LLC- owned information as the result of the dispute between FoodQuestTQ LLC and the FDA and was, or should have been aware of public notices to the effect. [EXHIBIT 22]
- 121. Over the period May 2013, to May 2015, FoodQuestTQ LLC issued 15 public notifications to 754 food companies advising them that the use of the duplicated FDA tools represented patent infringement and the unauthorized use of stolen Projectioneering LLC owned trade secrets. BMI was aware, or should have been aware, of these notifications. [BMI EXHIBITS 39, 40 & 41]
- 122. Thirty (30) GMA member companies represented on the GMA Board of Directors were the direct recipients of these FoodQuestTQ LLC public notifications. BMI was aware, or should have been aware, of these notifications. [BMI EXHIBIT 41]
- 123. FoodQuestTQ LLC took proactive measures to protect Projectioneering-owned trade secret information as confidential prior to its misappropriation by BMI.
- 124. Projectioneering LLC-owned trade secret information was clearly marked by FoodQuestTQ LLC as containing proprietary information.
- 125. Projectioneering-owned trade secret information shared with the FDA by FoodQuestTQ LLC was done so pursuant to 18 USC § 1905. [BMI EXHIBIT 31]
- 126. Projectioneering LLC-owned trade secret information was shared by FoodQuestTQ LLC with the commercial sector pursuant to confidentiality agreements. [BMI EXHIBIT 32]
- 127. FoodQuestTQ and Projectioneering LLC efforts to protect their trade secret information were reasonable under the circumstances. [EXHIBITS 31 & 32]
- 128. Projectioneering and FoodQuestTQ LLC exercise no monopoly over the predictive analytics market in the agricultural nor any other industry vertical.
- 129. Projectioneering LLC has protectable ownership rights in Affiant's patents. [BMI EXHIBITS 25, 27 & 28]
- 130. Projectioneering LLC has protectable ownership rights in Affiant generated trade secret information. [BMI EXHIBIT 29]
- 131. The use of Affiant's patented ideas and trade secret information by BMI gives significant economic advantage to BMI as a direct competitor of FoodQuestTQ LLC.
- 132. The Supreme Court decision in *eBay v. MercExchange* (2006) allows for the presumption of irreparable harm as a "lesson of ... historical practice" that can be applied "when the circumstances of the case bear substantial parallels to litigation the courts have confronted before."
- 133. Projectioneering and FoodQuestTQ LLC have suffered the most severe types of irreparable harm including: loss of overall market share, which cannot be recouped; loss of customer goodwill due to loss of a line of its business and even its entire business.

Page &

- 134. BMI has disclosed Projectioneering LLC-owned trade secrets in concert with their federal regulatory suitor, i.e., the FDA resulting in significant economic damages to Projectioneering and FoodQuestTQ LLC.
- 135. Projectioneering LLC-owned patented ideas and trade secrets represent novel predictive analytic ideas, methods and techniques.
- 136. The applications of predictive analytics include Agriculture, Banking and Financial Services, Insurance, Healthcare, Environment and Government, Consumer Goods and Retail, Manufacturing, Transportation and Logistics, Travel and Hospitality, Telecommunication and IT, Media and Entertainment, Sports and Energy & Utilities and Oil & Gas. (http://www.marketsandmarkets.com/PressReleases/predictive-analytics.asp)
- 137. The predictive analytics market is estimated to grow from \$1.70 billion in 2013 to \$5.24 billion in 2018 at a CAGR of 25.2% from 2013 to 2018. [EXHIBIT 37]
- 138. The current value of predictive analytics for the agricultural vertical alone is estimated at \$4.0 billion each year.
- 139. In 2011, the ability of FoodQuestTQ LLC to penetrate the emerging predictive analytics market in agriculture alone was estimated by an independent market analyst at \$183,000,000 over five (5) years. [BMI EXHIBIT 45]
- 140. The very same Projectioneering LLC-owned patented ideas and trade secrets that represent novel predictive analytic ideas, methods and techniques have application across all of the above industry verticals. [BMI EXHIBIT 44]
- 141. The Sherman Act outlaws "every contract, combination, or conspiracy in restraint of trade," and any "monopolization, attempted monopolization, or conspiracy or combination to monopolize." [EXHIBIT 16]
- 142. The Federal Trade Commission Act bans "unfair methods of competition" and "unfair or deceptive acts or practices." [EXHIBIT 16]
- 143. The Clayton Act prohibits mergers and acquisitions where the effect "may be substantially to lessen competition, or to tend to create a monopoly." [EXHIBIT 16]
- 144. The Clayton Act authorizes private parties to sue for triple damages when they have been harmed by conduct that violates either the Sherman or Clayton Act. [EXHIBIT 16]
- 145. BMI has unjustly enriched itself as the result of using Projectioneering and FoodQuestTQ LLC misappropriated ideas, i.e., patents, and trade secrets for the commercial sale of predictive analytics applications across the energy, healthcare, material sciences, transportation, national security, public safety and communications critical infrastructures. This unjust enrichment is \$3,245,250,000 [BMI EXHIBIT 42]
- 146. The disclosure of Projectioneering-owned trade secrets by BMI with their federal regulatory suitor, i.e., FDA, has resulted in severe personal duress and pain and suffering to members of Projectioneering and FoodQuestTQ LLC.
- 147. Punitive damages against BMI for personal duress, pain and suffering to the members of Projectioneering and FoodQuestTQ LLC and their stockholders are \$31,675,000. [BMI EXHIBIT 43]

148. Total damages to Projectioneering LLC as the consequence of BMI use and dissemination of Projectioneering LCC owned novel predictive analytic ideas, i.e. patents, methods and techniques, i.e., trade secrets, is \$9,830,775,000. [BMI EXHIBIT 46]

Affiant incorporates by reference the affidavit of truth served to the FDA under the Uniform Commercial Code dated April 29, 2015. The affidavit of truth and all exhibits can be directly accessed on the World Wide Web at <u>http://www.jpgis.org</u>

Affiant incorporates by reference the affidavit of truth served to the President of the GMA under the Uniform Commercial Code dated May 13, 2015. The affidavit of truth and all exhibits can be directly accessed on the World Wide Web at <u>http://www.jpgis.org</u>

Affiant also incorporates by reference a comprehensive report of investigation of the misappropriation of Projectioneering LLC-owned intellectual property by the FDA that includes a computer library of documentary evidence. The report dated November 28, 2014, entitled, "The Case of FoodQuestTQ" and all exhibits can be directly accessed on the World Wide Web at <a href="http://www.jpgis.org">http://www.jpgis.org</a>

I solemnly affirm under the penalties of perjury and upon personal knowledge that the contents of the foregoing paper are true to the best of my knowledge and belief.

JOHN H. HNATIO Affiant and President of Projectioneering LLC

County of: Frederick State of: Maryland

Witnesseth the above signature affixed to this document on this day of May 26, 2015

Notary Signature and Official Seal on this day of May 26, 2015

 $^{\text{age}}10$ 

LIST OF EXHIBITS

- 1. Briefing presented by Dr. Joseph Scimeca of Cargill Corporation on behalf of GMA and its member companies on April 12, 2015, at a meeting of the GMA.
- 2. Official web site of FoodQuestTQ LLC.
- 3. Official web site of the FDA.
- 4. Sample FDA commercial contract.
- 5. Procurement and procurement integrity laws applying to the FDA.
- 6. GMA 2013 income tax filing pursuant to section 501 (c) 6 of the Internal Revenue Service Code.
- 7. Title 35 USC–Patents.
- 8. Uniform Trade Secrets Act (UTSA).
- 9. U.S. Economic Espionage Act of 1996.
- 10. Title 18 USC §§ 1832-1839- Theft of Trade Secrets.
- 11. Title 18 USC § 1030- Computer Crimes.
- 12. Title 18 USC §§ 1341, 1343- Mail Fraud.
- 13. Title 18 USC §§ 1961-68- Federal Racketeer Influenced Corruption Act (RICO).
- 14. Title 18 USC §§ 2311-33- The National Stolen Property Act.
- 15. Title 18 USC § 1029- Fraud in Connection with Access Device, i.e., computers and internet access.
- 16. Antitrust Law
- 17. BMI's troubled history.
- 18. BMI 2012 IRS Form 990[ин1]
- 19. BMI licenses for sale.
- 20. BMI is also supported by a venture-capital fund called Battelle Ventures that funds spinoff companies that use BMI intellectual property to make profit.
- 21. A sampling of these commercial tools include PRIA<sup>™</sup>, Smart Vision<sup>™</sup>, Way Finder, EluciData<sup>™</sup> and many others.
- 22. FBI report on FoodQuestTQ LLC
- 23. Over the period 1989 to Q-2 2014, BMI contributed \$776, 857 to political action committees.
- 24. Analysis of patent infringement and misappropriation of Projectioneering LLC-owned trade secrets by BMI, GMA and its member companies.
- 25. JOHN H. HNATIO's October 28, 2003, USPTO patent application.
- 26. JOHN H. HNATIO's copyrighted doctoral dissertation.
- 27. JOHN H. HNATIO's June 12, 2007, USPTO patent application.
- 28. JOHN H. HNATIO's January 24, 2012, USPTO final patent issue.
- 29. JOHN H. HNATIO's body of misappropriated trade secrets.
- 30. FoodQuestTQ patent and trade secret analysis.
- 31. Title 18 USC § 1905- Protection of industry business confidential information by the U.S. Government.
- 32. Representative examples of FoodQuestTQ confidentiality agreements.

- 33. Statement by Jody Menikheim, Food Defense Team, U.S. Food and Drug Administration (FDA) as to the superiority of FoodQuestTQ products.
- 34. Expressions of skepticism as to the future of artificial intelligence and the prediction of future states.
- 35. Major failures in artificial intelligence and the prediction of future states.
- 36. The unexpected results of JOHN H. HNATIO's patents and trade secrets.
- 37. Size of today's predictive analytics market.
- 38. Common law liability for the misappropriation of trade secrets.
- 39. Notifications to GMA member companies not to use Projectioneering LLC misappropriated trade secrets.
- 40. U.S. Food and Drug Administration (FDA) publication of Projectioneering LLC-owned trade secrets.
- 41. Listing of thirty (30) GMA companies with representatives sitting on the GMA Board of Directors that received FoodQuestTQ LLC notifications describing the stolen trade secrets and cautioning against their unauthorized use.
- 42. Calculation of unjust enrichment by BMI.
- 43. Calculation of punitive damages for duress of Projectioneering and FoodQuestTQ LLC employees and stockholders.
- 44. Applications and 2011 projected Projectioneering LLC market for predictive analytics across all industry verticals.
- 45. Independent analysis of FoodQuestTQ LLC food safety and defense markets.
- 46. Calculation of total damages to Projectioneering and FoodQuestTQ LLC by BMI.