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9
10 **United States District Court**
11 **District of Nevada**

12 DAVID M. SEMAS; METALAST, INC.,

13 Plaintiffs,

14 vs.

15 CHEMETALL US, INC.; BASF CORPORATION;
16 QUALICHEM, INC.; MILES CHEMICAL COMPANY;
17 JOHN SCHNEIDER & ASSOCIATES, INC.; RONATEC
18 C2C; ALBEMARLE CORPORATION; SOUTHERN
19 INDUSTRIAL CHEMICALS; and DOES 1-10,
20 inclusive,

21 Defendants.

Case No.: 3:19-CV-00125-CLB

SECOND AMENDED COMPLAINT

22 Plaintiffs David M. Semas ("Semas") and Metalast, Inc. ("Metalast") allege:

23 **NATURE OF THIS ACTION**

24 1. On February 23, 2021, the Court in *Chemeon Surface Technology, LLC v. Metalast*
25 *International, Inc.*, Case No. 3:15-cv-00294 (D.Nev.) ("*Chemeon Litigation*") considered claims by
26 Chemeon Surface Technology, LLC ("CHEMEON") that CHEMEON and its distributors were
27 legally entitled to refer to CHEMEON (the company) and its products "formerly Metalast."
28 Following years of discovery, motion practice, and a trial on the merits, this Court ruled:

1 | **IT IS FURTHER DECREED** that, beginning June 11, 2015, Dean Meiling,
2 | Madlyon Meiling, and Chemeon had no right to use “Metalast” in commerce,
3 | including, but not limited to, calling itself or its products “formerly Metalast” or
4 | “formerly known as Metalast.”

5 | See Findings of Fact and Conclusions of Law, page 42, lines 19-22 (“*Chemeon* Findings and
6 | Conclusions”). CHEMEON appealed the ruling to the United States Court of Appeals for the
7 | Ninth Circuit, which affirmed the ruling. *Chemeon Surface Technology, LLC v Metalast*
8 | *International, Inc.*, 2022 WL 1797316, Appeal No. 21-15561 (9th Cir. June 2, 2022). A true and
9 | correct copy of the *Chemeon* Findings and Conclusions is attached as Exhibit 1. By this
10 | reference, this Complaint incorporates all founds facts and conclusions of law into this
11 | Complaint.
12 |

13 | After June 11, 2015, the Defendants, without any permission from the registered owner
14 | of the Metalast trademark, advertised, labeled, and sold chemical products as “formerly
15 | Metalast.” The Defendants used the “formerly Metalast” in commerce for several distinct, but
16 | related reasons. First, they traded on the Metalast brand name in order to make money from
17 | the goodwill associated with the Metalast trademark. Second, they tied their product
18 | advertising, labeling, and sales to the Metalast trademark in order to continue selling patented
19 | chemistry as “formerly Metalast” in order to exploit procurement specifications calling for
20 | “Metalast” products, “Mil-Spec” specifications, and to claim that their products complied with
21 | listings in the United States Department of Defense Qualified Product List (QPL) and Qualified
22 | Product Database (QPD). On information and belief, Plaintiffs allege that the QPL/QPD listings
23 | could not be changed without retesting the chemistry, a process that would take years, without
24 | calling the products “formerly Metalast.” Third, they used “formerly Metalast” to identify their
25 | products to end users and potential consumers with the intent to cause confusion, mistake or
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1 deception. Fourth, they used “formerly Metalast” to signal to the markets that the Metalast
2 brand was no longer in use, in order to prevent the Plaintiffs from licensing the Metalast brand
3 and trademark to defendants’ competitors who had the ability to sell patented and non-
4 patented chemistry in competition with Defendants.

5 This action, then, seeks: [a] actual damages suffered by the registered owners of the
6 Metalast trademark; [b] an accounting and disgorgement of Defendant’s profits; [c] up to treble
7 damages and infringer’s profits; [d] costs of suit; and [e] attorney fees, all as allowed by 15
8 U.S.C. § 1117(a). Plaintiffs also seek all remedies under NRS 600.430. Further, Plaintiffs seek
9 exemplary and punitive damages because the Defendants have been guilty of oppression, fraud
10 or malice as defined and used in NRS 42.005. Finally, Plaintiffs will seek all non-monetary
11 remedies as reasonably required to halt illegal misconduct by the Defendants in the further
12 destruction or exploitation of the Metalast trademark.

13 **JURISDICTION AND VENUE**

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16 2. This Court has jurisdiction over the subject matter pursuant to 28 U.S.C. § 1338
17 (trademarks) and 28 U.S.C. § 1331 (federal question) in that the case arises from section 43 of
18 the Lanham Act. With respect to all state claims, the Court has supplemental jurisdiction under
19 28 U.S.C. § 1338(a) and (b), and 28 U.S.C. § 1367(a).

20
21 3. The Court has personal jurisdiction over each Defendant because each of
22 Defendant transacts business in this judicial district, or maintains sufficient minimum contact
23 with this judicial district to meet constitutional requirements for procedural due process.

24
25 4. Under 28 U.S.C. § 1391(b), venue is proper in this judicial district because a
26 substantial part of the events or omissions giving rise to the claims occurred in this judicial
27 district. Further, Defendants moved to transfer this action from the Central District of
28

1 California, where the case was commenced, to this judicial district on grounds that this action
2 is intertwined with *Chemeon Surface Technology, LLC v. Metalast International, Inc.*, Case No.
3 3:15-cv-00294-CLB. (See ECF 22).

4 **THE PARTIES**

5 5. Semas is a California resident.

6
7 6. Semas is the registered owner of the Metalast trademark under all registration
8 numbers on the USPTO's Principal Register.

9 7. Metalast is a Nevada corporation in good standing.

10
11 8. Metalast is the only entity or person authorized by Semas to use the Metalast
12 trademark.

13 9. BASF Corporation ("BASF") is a Delaware corporation registered with the
14 Nevada Secretary of State to transact business in Nevada.

15 10. Chemetall US, Inc. ("Chemetall") is a Delaware corporation registered with the
16 Nevada Secretary of State to transact business in Nevada.

17
18 11. Miles Chemical Company ("Miles") is a California corporation. On information
19 and belief, Plaintiffs allege that Miles has never registered with the Nevada Secretary of State to
20 transact business in Nevada.

21 12. John Schneider and Associates, Inc. ("Schneider") is a Wisconsin corporation. On
22 information and belief, Plaintiffs allege that Schneider has never registered with the Nevada
23 Secretary of State to transact business in Nevada.

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25 13. Ronatec C2C ("Ronatec") is a California corporation. On information and belief,
26 Ronatec has never registered with the Nevada Secretary of State to transact business in
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1 Nevada. On information and belief, Plaintiffs allege that Ronatec C2C NV, LLC is a Nevada
2 limited liability company and an affiliate of Ronatec used to transact business in Nevada.

3 14. Albemarle Corporation ("Albemarle") is a Virginia corporation. On information
4 and belief, Plaintiffs allege that Albemarle was once registered with the Nevada Secretary of
5 State to transact business in Nevada, but withdrew its foreign corporation registration effective
6 December 17, 2007.
7

8 15. Southern Industrial Chemicals ("SIC") is an Alabama corporation. On
9 information and belief, Plaintiffs allege that SIC has never registered with the Nevada Secretary
10 of State to transact business in Nevada.
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12 16. Qualichem, Inc. ("Qualichem") is a Virginia corporation. Qualichem is registered
13 with the Nevada Secretary of State to conduct business in Nevada.

14 17. Chemetall and Qualichem are referenced below as "Manufacturer/Distributors."
15 BASF, Miles, Schneider, Ronatec, Albemarle, SIC are referenced below as "Distributors." The
16 Manufacturer/Distributors and Distributors are also referred to, collectively, as "Defendants."
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18 18. On information and belief, Plaintiffs allege that other individuals and business
19 entities have packaged, marketed, sold, and otherwise handled products labeled or referred to
20 as "formerly Metalast" products. Certain Defendants moved for and obtained a stay of this
21 litigation in part to thwart the discovery of the true identity of these individuals and business
22 entities. Accordingly, Plaintiffs have sued these parties by their fictitious names, as Does 1
23 through 100, inclusive. When Plaintiffs discover the true names, capacities, and conduct of
24 these Doe Defendants, Plaintiffs will seek leave to amend this Complaint to substitute the true
25 names, capacities, and conduct of those Doe Defendants.
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**CREATION OF THE METALAST BRAND AND
REGISTRATION OF THE METALAST WORD MARK**

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3 19. Plaintiff Semas conceived the “Metalast” brand name in 1993. The word does not
4 appear in the dictionary, but is an acronym for “**Metal Engineering Technology ALuminum**
5 **Anodic Surface Treatment.**”

6 20. Semas first put “Metalast” into commerce in the United States in January 1993.

7
8 21. MI-INC and Semas applied to the United States Patent and Trademark Office
9 (“USPTO”) to register the “Metalast” word mark.

10 22. On September 16, 1996, the USPTO registered the “Metalast” word mark, owned
11 by MI-INC, in the Principal Register under Registration No. 2,097,260.

12 23. On November 11, 1997, the USPTO registered the “Metalast” word mark, owned
13 by MI-INC, in the Principal Register under Registration No. 2,112,804.

14 24. On June 21, 2005, the USPTO registered the “Metalast” word mark, owned by MI-
15 INC, in the Principal Register under Registration No. 2,963,106.

16 25. On April 17, 2012, the USPTO registered the “Metalast” word mark, owned by
17 MI-INC, in the Principal Register under Registration No. 4,128,211.

18 26. On May 7, 2013, MI-INC, a company controlled by the David Semas family,
19 executed a Trademark Assignment to transfer ownership to Semas of the “Metalast” word mark
20 under Registration No. 2,097,260, Registration No. 2,112,804, Registration No. 2,963,106, and
21 Registration No. 4,128,211 (the “Assigned Registrations”).
22

23 27. On March 21, 2014, the USPTO recorded the May 7, 2013 Trademark Assignment
24 and acknowledged that Semas had become the record owner of the Assigned Registrations.
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1 35. After MI-LLC achieved certain capitalization benchmarks, MI-LLC began selling
2 chemical products under the Metalast trademark. These initial sales included chemicals
3 purchased from manufacturers, branded and sold as “Metalast” products.

4 36. On or about August 12, 1996, MI-INC and MI-LLC entered into a License
5 Agreement providing MI-LLC the non-exclusive right to use the Metalast trademark to sell
6 goods and services under the Metalast trademark. A true and correct copy of the License
7 Agreement is attached as Exhibit 2.

8 37. The United States Department of Navy (“Navy”) owns certain patents relevant to
9 this case. The Navy also certifies certain products for inclusion in the Department of Defense’s
10 Qualified Products Database (“QPD”) or Qualified Products Listing (“QPL”).
11

12 38. In 2004, MI-LLC obtained a license to practice certain patents owned by the Navy
13 (the “Navy Patents”). The patented chemistry is referred to as an environmentally friendly,
14 non-hexavalent chromium chromate conversion coating and hexavalent free anodic seal, and is
15 widely used in automotive, aircraft, maritime, aerospace, telecommunications industries, and
16 otherwise in the defense industry to protect metal surfaces against corrosion. For more than
17 ten years, this chemistry licensed under the Navy Patents was generally referred to as Metalast
18 TCP-HF, Metalast TCP-HF EPA and Metalast TCP-HF SP.
19

20 39. The Navy also licensed other manufacturers to practice the Navy Patents. Those
21 other licensees sold the patented chemistry under brand names other than Metalast.
22

23 40. Following MI-LLC’s license to practice the Navy Patents, Lockheed Martin
24 Corporation, General Dynamics, Northrup Grumman, Sikorsky, Pratt & Whitney, Delphi, BAE
25 Systems, FLIR Systems, Weber Aircraft, Hughes Network Systems, and other defense
26 contractors and automotive, aircraft, maritime, aerospace, and telecommunications companies
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1 issued technical specifications allowing or requiring the supply or use of “Metalast” products,
2 including Metalast TCP-HF, Metalast TCP-HF EPA and Metalast TCP-HF SP.

3 41. After more than two years of extensive testing and performance validation,
4 Metalast TCP-HF was also also certified in the QPL/QPD.

5 42. Metalast TCP-HF was also certified for military specification or “Mil-Spec.”

6
7 43. In 2006, MI-LLC licensed Chemetall to manufacture Metalast TCP-HF under sub-
8 license to practice the Navy Patents, and to sell and distribute those products to its customers
9 under the Metalast brand and mark. Chemetall sold products directly to its customers and
10 remitted royalties and fifty percent (50%) gross profit participation to MI-LLC for those sales.

11
12 44. MI-LLC licensed Qualichem to manufacture Metalast TCP-HF under sub-license
13 to practice the Navy Patents. MI-LLC would sell Metalast products manufactured by
14 Qualichem, and Qualichem typically drop-shipped those products to MI-LLC customers. MI-
15 LLC would collect the purchase price for these sales, and pay Qualichem for manufacturing,
16 packaging, labeling, and shipping the products.

17
18 45. MI-LLC entered into a private label agreement with SIC to sell SIC chemical
19 products under the Metalast mark in exchange for monetary compensation.

20 46. MI-LLC licensed the other Distributors to resell under the Metalast brand.

21 **THE SALE OF MI-LLC’S ASSETS, AND ATTEMPTS TO HIJACK THE METALAST BRAND**

22
23 47. Dean Meiling (“Meiling”) invested money to become a member of MI-LLC. He
24 later transferred some or all of his membership interests in MI-LLC to his business entity, DSM
25 Partners, Ltd. (“DSM”).

26 48. DSM and other Meiling entities made loans to MI-LLC.
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1 49. On April 16, 2013, DSM filed a state court complaint claiming that MI-LLC had
2 defaulted on the loans, and petitioned for the appointment of a receiver to control MI-LLC's
3 assets. *DSM Partners, Ltd. v. Metalast International, LLC*, Case No. 13-CV-0114 (Douglas County,
4 Nevada)(the "Receivership").

5 50. Late in 2013, Meiling created a new entity called D&M-MI, LLC ("D&M-MI") and
6 transferred DSM's assets (including its claims against by MI-LLC) to the new entity. D&M-MI as
7 substituted in place of DSM Partners as the plaintiff/petitioner in the Receivership. On
8 information and belief, Plaintiff alleges that "D&M" means "Dean and Madylon" Meiling and
9 "MI" means Metalast International.
10

11 51. On November 4, 2013, the Receivership court entered an order approving the
12 sale of MI-LLC assets to D&M-MI in partial satisfaction of MI-LLC's debt owed to Mr. Meiling's
13 entity (the "2013 Asset Sale").
14

15 52. The 2013 Asset Sale included only MI-LLC's assets, and not MI-INC's assets.

16 53. Because MI-LLC owned the license agreements to practice the Navy Patents,
17 those licenses were transferred under the 2013 Asset Sale.
18

19 54. Because MI-LLC never owned the Metalast trademark registrations, those
20 registrations were not transferred in the 2013 Asset Sale.

21 55. Meiling, Chemetall, Qualichem and other Defendants knew QPL/QPD approval
22 was essential to selling chemicals licensed under the Navy Patents. Chemetall and Qualichem
23 had no other QPL or QPD non-hexavalent chromium products to sell. On information and
24 belief, Plaintiff alleges that it would take at least two years for Chemetall, or others to obtain
25 QPL approval for a new chemical. A two-year delay in receiving QPL approval for CHEMEON-
26 branded chemistry would be financially devastating to Chemetall, and CHEMEON. In order to
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1 maintain continuity of the QPL certification of Metalast products, and to avoid any
2 recertification delay, Chemetall, Qualichem, and CHEMEON all participated in efforts to
3 convince the Navy to continue the Metalast certification as “CHEMEON ... (formerly Metalast).”

4 56. Meiling made several initial attempts to hijack the Metalast brand:

5 a. The entity that purchased MI-LLC’s assets changed its name from D&M-
6 MI, LLC to Metalast Surface Technology, LLC (“MST”).

7 b. Even before the 2013 Asset Sale, on or about June 18, 2013, D&M-MI
8 recorded an Amended and Restated Security Agreement with the USPTO. This purported
9 “amendment” was not signed by the debtor, MI-LLC. Through counsel, Meiling, DSM, and D&M-
10 MI knew that the security agreement between MI-LLC and DSM did not create a security
11 interest in the Metalast trademarks. Therefore, DSM’s counsel created a new exhibit describing
12 the collateral and included the trademark registrations. DSM’s counsel then filed the fabricated
13 “amendment” to the security agreement with the USPTO to create the illusion of a collateral
14 assignment of the registrations for the Metalast trademarks. The USPTO correctly rejected the
15 fabricated collateral assignment of the Metalast trademark registrations on grounds that MI-
16 LLC was not the registered owner of the registrations, and therefore MI-LLC could not grant a
17 security interest in those registrations.
18

19 57. On July 14, 2014, Meiling’s entity, MST, commenced an action alleging that MST
20 was the rightful owner of the Metalast trademark registrations and that the transfer of
21 ownership from MI-INC to Semas individually was fraudulent. *Metalast Surface Technology,*
22 *LLC v. Semas*, Case No. BK-N-13-523347 (United States Bankruptcy Court, District of Nevada)
23 (“MST Suit”).
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1 58. On January 27, 2015, the MST Suit was settled, subject to approval by the
2 supervising Bankruptcy Court. On information and belief, Plaintiffs allege that Meiling was
3 willing to settle when it became clear that Semas and MI-INC had always owned the Metalast
4 trademark registrations. In fact, the transcript of the settlement conference confirmed that
5 Semas and MI-INC had always owned the Metalast mark, not that ownership was being
6 transferred from MST to Semas as a term of the settlement.
7

8 59. On March 11, 2015, the supervising Bankruptcy Court approved the settlement
9 of the MST Suit.
10

11 60. Under the terms of the settlement, MST was authorized to continue using the
12 Metalast mark for 90 days after approval of the settlement — or through June 10, 2015.
13

14 61. Following the settlement, MST changed its name to Chemeon Surface Technology,
15 LLC (“CHEMEON”).
16

17 62. On June 3, 2015, just before the 90-day period for MST/CHEMEON to continue
18 using “Metalast” was set to expire, CHEMEON filed another suit entitled *Chemeon Surface
19 Technology, LLC v. Metalast International, Inc.*, Case No. 3:15-cv-00294 (United States District
20 Court, District of Nevada)(“CHEMEON Litigation”).
21

22 63. In the CHEMEON Litigation, CHEMEON did not allege that it owned the Metalast
23 trademark, but claimed that it was legally entitled to call itself “formerly Metalast” and was
24 legally entitled to advertise, label, market, sell, and otherwise refer to its products as “formerly
25 Metalast.”
26

27 64. The CHEMEON Litigation was not merely limited to ownership and use of the
28 Metalast trademark, but was instead conjoined with complaints that Semas and his children
were engaged in fraud, breach of fiduciary duties, breaches of contract, and other torts in the

1 management of MI-LLC. Those claims were unsuccessful, and before trial adjudicated in favor
2 of Semas and his children. The point of the CHEMEON Litigation was to destroy Semas and his
3 family in order to pressure Semas to forfeit the Metalast brand and trademark so that
4 CHEMEON, Chemetall, Qualichem, SIC and other Distributors could continue profiting from the
5 Metalast trademark without paying any compensation for the use of the brand.
6

7 65. Following years of discovery, pretrial motion practice, and a trial on the merits in
8 November 2020, the Court in the CHEMEON Litigation rejected Chemeon's claims that it was
9 entitled to call itself or its products "formerly Metalast."

10 66. In the CHEMEON Litigation, the court decreed that "beginning June 11, 2015,
11 Dean Meiling, Madylon Meiling, and Chemeon had no right to use "Metalast" in commerce,
12 including, but not limited to, calling itself or its products "formerly Metalast" or "formerly
13 known as Metalast." Exhibit 1, p. 42, lines 19-22.
14

15 67. This ruling was affirmed on appeal in *Chemeon Surface Technology, LLC v.*
16 *Metalast International, Inc.*, Appeal No. 21-15561, 2022 WL 177316 (9th Cir. June 2, 2022).
17

18 **SEMAS WARNED THAT HE DID NOT CONSENT TO THE USE OF**
19 **"FORMERLY METALAST" TO SELL GOODS**

20 68. Starting in November 2014, Semas was in discussions with Chemetall
21 representative Julia Murray, about purchasing or licensing the Metalast trademark so that
22 Chemetall could continue selling products under the Metalast brand, and in compliance with
23 Mil-Spec, QPD, QPL, and technical specifications calling for Metalast products.
24

25 69. Ms. Murray initial advised Semas that Chemetall would be very interested in
26 purchasing or licensing the Metalast trademark. At Ms. Murray's request, Semas sent a non-
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28

1 disclosure agreement to continue with the discussion. A true and correct copy of the unsigned
2 NDA is attached as **Exhibit 2**.

3 70. After the January 27, 2015 settlement conference between Semas and Meiling,
4 Chemetall would no longer respond to Semas.

5 71. Following approval of the settlement of the MST Suit, and before the CHEMEON
6 Litigation, on March 25, 2015, Semas also wrote to Murray at Chemetall to advise:
7

8 As you may or may not be aware Dean and Madylon Meiling, the current
9 owners of Metalast Surface Technology, LLC (MST) are now required under
10 federal court order to cease the use of the United States Patent and
11 Trademark Office (USPTO) METALAST trademark, name and brand “in any
12 fashion or matter whatsoever” effective June 9th, 2015 (Sur/Fin 2015). The
13 lingering threat of pending litigation is NOW OVER and the parties are free to
14 pursue their own individual objectives.

15 As the founders and current majority owners of METALAST International, Inc.
16 (MII) the Semas family retains control of all rights to the USPTO METALAST
17 Trademark. There exists today a fortuitous opportunity for Chemetall to gain
18 control of the METALAST brand, with its considerable number of
19 manufacturer specifications, approvals and certifications. This time sensitive
20 proposal insures Chemetall Americas continuity of business and provides an
21 even greater ability for Chemetall Group to open new markets in chromate
22 conversion coatings, corrosion control, galvanizing and in the anodizing
23 sectors.

24 A true and correct copy of the March 25, 2015 email from Semas to Murray on March 25, 2015
25 is attached as **Exhibit 3**.

1 72. On March 27, 2015, Semas contacted defendant SIC with a proposal to use the
2 Metalast brand, noting the settlement confirming that Semas owned the Metalast mark. Semas
3 wrote to SIC Technologies:

4 I'm reaching out to you concerning the ability for SIC Technologies to gain
5 control of the 20-year trusted and specified METALAST brand. This business
6 proposal would result in providing you with the ability to continue to
7 manufacture the complete line of METALAST anodizing chemistries and dyes
8 as you have done for more than a decade, but this time on an exclusive basis
9 under the METALAST banner at even more favorable pricing further
10 increasing your bottom line.

11 *****

12 In summary, there exists an excellent window of opportunity for you and SIC
13 Technologies that can be put into place **IMMEDIATELY**. Considering that you
14 have direct access to METALAST customers it would make the transition
15 smooth and seamless. With an existing network of METALAST distributors
16 your ability to significantly increase market share is virtually guaranteed. ...

17 A true and correct copy of Semas's email to SIC is attached as **Exhibit 4**.

18 73. On or about April 21, 2015, Semas entered into a Mutual Confidentiality and
19 Non-Disclosure Agreement with SurTec International GmbH ("SurTec"). A true and correct
20 copy of Semas's NDA with SurTec is attached as **Exhibit 5**.

21 74. SurTec was and is an operating division of Freudenberg Group, one of the largest
22 and most diversified chemical companies in the metal finishing industry. SurTec is the only one
23 of four Navy TCP licensees granted international license rights. SurTec was and is a direct
24 competitor to Chemetall worldwide, and with all of the domestic Distributors.
25

26 75. Semas was in negotiations with SurTec to license the use of the Metalast
27 trademark to sell Navy TCP and other chemistry.
28

1 76. In order to inform Chemetall, Qualichem, SIC, the Distributors, and the rest of the
2 relevant market about ownership of the Metalast brand and trademark, on April 27, 2015,
3 Semas published a press release in Newswire Today that provides:

4 METALAST Trademark Awarded to Founder and Settlement Agreement
5 Approved by U.S. Federal Court.

6
7 A United States Federal Court approved an agreement between David and
8 Susan Semas and Dean and Madylon Meiling and their Metalast Surface
9 Technology, LLC company, recently renamed Chemeon Surface Technology,
10 LLC was approved on March 11th. The agreement requires the Meilings, or
11 any entity in which they have an interest, or any affiliated or non-affiliated
12 company to stop the use of the METALAST® trademark and name “in any
13 fashion or manner whatsoever” on or before June 9th, 2015.

14 ****

15 Mr. Semas (sierradorado.com) is presently conducting discussions with
16 several prominent chemical companies and other industry leaders to continue
17 offering the trusted METALAST® brand of “green” specialty chemicals to the
18 world market....

19 A true and correct copy of the April 27, 2015 press release is attached as **Exhibit 6**.

20 77. Notwithstanding Semas’s discussions and correspondence with Chemetall,
21 Chemetall made a decision to market and sell its products as “formerly Metalast” without
22 licensing the Metalast trademark from Semas. Chemetall’s decision is confirmed in an email or
23 memorandum from Suresh Patel, Chemetall’s Business Manager, General Industry to
24 “Chemetall Team” that states “The labeling and our TDS sheets and MSDS sheets always will
25 refer to ‘formerly Metalast TCP-HF etc)’” A true and correct copy of Mr. Patel’s email or
26 memorandum is attached as **Exhibit 7**.
27
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1 78. The sales of products as “formerly Metalast” after June 11, 2015 ended Semas’s
2 negotiations to license the Metalast trademark to SurTec.

3 79. From its inception, the CHEMEON Litigation was a matter of public record.
4 CHEMEON and MI-INC both repeatedly published press releases to give the chemical finishing
5 industry notice about the existence of the CHEMEON Litigation and key rulings in the case.
6

7 80. Because the Court’s rulings in the CHEMEON Litigation are a matter of public
8 record, and because Semas was putting the industry on notice that CHEMEON’s
9 characterizations of the Court’s rulings were incorrect, the Defendants could not reasonably
10 rely on CHEMEON’s press releases to shield them from liability for infringement or intentional
11 infringement of the Metalast trademark through the use of “formerly Metalast.”
12

13 81. On March 21, 2017, CHEMEON published a press release entitled: “Federal Court
14 Rejects As Leading to ‘Absurd’ Results, David Semas’ Contention That CHEMEON Cannot
15 Reference ‘Metalast.’” CHEMEON’s press release mischaracterized the pending litigation as
16 follows:
17

18 In July 2015, CHEMEON filed a lawsuit against Mr. Semas, Metalast
19 International, Inc., and other defendants in order to, among other things, stop
20 Mr. Semas from his stated plan to compete with CHEMEON using its
21 intellectual property such as its product specific trademarks and trade secrets.
22 In response, Mr. Semas and his company filed counterclaims seeking to stop
23 CHEMEON from making any use of the term Metalast, such as in truthfully
24 reciting CHEMEON's former association with the term (e.g., "formerly
25 Metalast" and "formerly known as Metalast"). In that proceeding, CHEMEON
26 brought a motion against the defendants for a preliminary injunction
27 preventing use of CHEMEON's intellectual property. Mr. Semas and his
28 company responded with a motion for a preliminary injunction seeking an
order preventing CHEMEON from making any such use of the word Metalast.

1 A true and correct copy of CHEMEON's March 21, 2017 press release is attached as **Exhibit 8**.

2 82. On May 16, 2018, CHEMEON published a press release entitled: "CHEMEON®
3 and its distributors and customers can use the accurate historical reference 'formerly Metalast'
4 to refer to CHEMEON's former 'Metalast' name and products." CHEMEON's press release
5 mischaracterized proceedings and rulings in the CHEMEON Litigation, but nevertheless
6 notified readers that this Court's orders were public record and available online. Indeed,
7 CHEMEON evidently maintained an internet site that contained filings from the CHEMEON
8 Litigation so that interested persons could download those documents without using the
9 Federal Court's PACER system. CHEMEON advised the world:
10

11 While there is a recent Court statement saying that the Court understood that
12 CHEMEON itself, as opposed to its products, was not "formerly Metalast," this
13 statement was incorrect and now the subject of a motion to revise it because
14 (1) CHEMEON was formerly known as Metalast when it had the name
15 Metalast Surface Technology in 2014 and 2015, (2) this fact was not disputed
16 by the parties before the Court, and (3) on November 1, 2016, Judge Du
17 dismissed with prejudice the claims by Mr. Semas and Metalast International,
18 Inc., that CHEMEON's use of the phrase "formerly Metalast" constitutes
19 trademark infringement and that any such use is likely to be confusing or
20 deceiving.

21 Consequently, any suggestion that one may infringe a Metalast trademark or
22 tradename by use of the phrase "formerly Metalast" in reference to
23 CHEMEON or its previously (prior to June 10, 2015) "Metalast" products, has
24 been rejected by Court order – one entered with the consent of the parties,
25 including Mr. Semas and his company, and is therefore final and un-
26 appealable.
27
28

1 | Anyone interested in reviewing these Court orders may procure them from
2 | either the U.S. District Court for the District of Nevada in the matter of
3 | CHEMEON v. Metalast International, Inc., Case 3:15-cv-00294-MMD-VPC, or
4 | on CHEMEON's website at [https://chemeon.com/p/the-companys-name-
5 | change/](https://chemeon.com/p/the-companys-name-change/).

6 | A true and correct copy of CHEMEON's May 16, 2018 press release is attached as **Exhibit 9**.

7 | 83. The web address that CHEMEON published in its May 16, 2018 press release is
8 | no longer available on CHEMEON's site.

9 | 84. On or about December 19, 2018, Plaintiff Semas mailed a legal notice to
10 | Distributors and 2500 metal finishing executives stating:

11 | "Metalast®" is a registered trademark owned by David M. Semas....

12 | The owner of the "Metalast®" USPTO trademark and brand has not licensed or
13 | otherwise consented to the characterization of any other business firm as being
14 | "*formerly Metalast*" or any product or formulation as "*formerly Metalast*." Any
15 | business marketing, distributing, or reselling any product characterized as
16 | "*formerly Metalast*" does so without license or permission, and risks a potential
17 | action for infringement.
18 |

19 | A true and correct copy of Semas's December 19, 2018 legal notice is attached as **Exhibit 10**.
20 | Even though this notice state that Chemetall US, BASF Corporation, Albermarle and others are
21 | being sued for infringement of the Metalast trademark, those Defendants continued
22 | advertising, labeling, and selling products as "*formerly Metalast*."
23 |

24 | 85. On December 19, 2018, possibly in response to Semas's legal notice, CHEMEON
25 | published a press release entitled, "U.S. District Court Has Ruled CHEMEON Can Accurately
26 | Recite Its Former Association With The Term Metalast." Again, CHEMEON had publicly
27 | misrepresented the Court's rulings in the CHEMEON Litigation, and stated, 'CHEMEON's
28 |

1 distributors and customers are therefore free to accurately identify CHEMEON products that
 2 were formerly known as Metalast products – for example, "formerly, before June 9, 2018,
 3 Metalast TCP-HF." A true and correct copy of CHEMEON's December 19, 2018 press release is
 4 attached as **Exhibit 11**.

5 86. Although each CHEMEON press release contains false information, CHEMEON
 6 nevertheless placed each of the Manufacturer/Distributors and Distributors on notice of the
 7 proceeding, and each Defendant had the opportunity to independently review and evaluate the
 8 Court's rulings in the CHEMEON Litigation.
 9

10 87. Following the trial in the CHEMEON Litigation and entry of judgment in favor of
 11 Semas and MI-INC, on March 2, 2021 Semas published a press release warning:
 12

13 David Semas is hopeful that this finally puts to rest Chemeon's six-year quest
 14 to trade on the "Metalast" brand name, and that the chemical industry will no
 15 longer trade on that brand name without license to do so.

16 ATTENTION MANUFACTURERS AND PROCESS AUDITORS: No product or
 17 piece part processed since June 11, 2015 by Chemeon Surface Technology,
 18 LLC or its manufacturing and distribution partners, Chemetall US, Inc. and
 19 QualiChem is a Metalast® specified or approved product. The lawful
 20 Metalast® trademark owner, David M. Semas disclaims any and all liability for
 21 product defects, wrongful death, personal injury or property damage anyway
 22 attributed to any product advertised, represented, distributed or sold as
 23 "formerly Metalast."

24 A true and correct copy of Semas's March 2, 2021 press release is attached as **Exhibit 12**.

25 88. Defendant Chemetall was particularly on notice that Semas did not consent to
 26 the use of "formerly Metalast" to sell goods no later than September 2, 2015, when counsel for
 27 MI-INC and Semas sent a letter to Chemetall (attention Suresh Patel and Julia Murray) taking
 28

1 issue with CHEMEON's September 1, 2015 press release, which incorrectly stated that
 2 CHEMEON previously "owned" the Metalast mark. This letter from Plaintiffs' attorney warned
 3 Chemetall,

4 [CHEMEON's] press release urges Chemeon customers to amend
 5 procurement specifications to change "Metalast" to "Chemeon." Semas and
 6 Metalast International, Inc. will contend that any attempt by Chemeon or any
 7 other party urging others to remove "Metalast" from procurement
 8 specifications constitutes trademark dilution, unfair trade practices, and other
 9 torts.

10 Metalast International, Inc. does not authorize Chemetall to market, label, or
 11 deliver any products denoted "formerly Metalast."

12 ****

13
 14 Therefore, Metalast International, Inc. hereby demands that Chemetall desist
 15 from publishing any marketing materials, [technical data sheets], [safety data
 16 sheets], or other publications that describe any of its products as "formerly
 17 Metalast." Chemetall is free, of course, to avail itself of any procurement
 18 regulations or specifications that allow a supplier to seek approval and
 19 substitution of an "as equal" to a specified Metalast product. But we contend
 20 that Chemetall has no right to bypass that procedure by simply referring to its
 21 products as "formerly Metalast."

22 A true and correct copy of the September 2, 2015 letter from Semas's counsel to Chemetall is
 23 attached as **Exhibit 13**.

24 89. The September 2, 2015 letter to Chemetall specifically noted the pendency of the
 25 CHEMEON Litigation, and said:

26
 27 Clearly, Chemetall is engaged in transactions at the heart of the pending
 28 litigation between Chemeon and Metalast International, Inc. You may expect

1 subpoenaeas for documents and testimony. We intend to seek immediate
2 discovery of documents in these categories: [listing categories]

3 You are hereby notified that the destruction of any of these records, and any
4 other records which you reasonably believe could be relevant to the ongoing
5 disputes, could be deemed a violation of your legal obligations.

6 90. Although the September 2, 2015 letter expressly invited a response from
7 Chemetall, Chemetall never responded.

8 91. The September 2, 2015 letter placed Chemetall on notice that any use of
9 “formerly Metalast” was an infringement of the Metalast trademark. From that point, if not
10 earlier, Chemetall was on inquiry notice to read and evaluate all public filings in the CHEMEON
11 Litigation.

12 92. During August 2015, Semas’s counsel served Chemetall with a subpoena to
13 produce records, including Chemetall’s communications with CHEMEON regarding the use of
14 “formerly Metalast” to sell products.

15 93. On information and belief, Plaintiffs allege that CHEMEON gave further notice to
16 each Defendant about the pendency of the CHEMEON Litigation, and Semas’s claim that no
17 company or person had a right to advertising and sell products as “formerly Metalast.”
18

19 94. All of CHEMEON’s press releases demonstrate the value of the Metalast
20 trademark.

21 95. Defendants’ use of “formerly Metalast” was intended to profit from the Metalast
22 brand and trademark.

23 96. Defendants’ use of “formerly Metalast” was intended to damage the Metalast
24 brand, and make it practically impossible for Semas to license the Metalast trademark.
25
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1 97. In fact, Defendants’ use of “formerly Metalast” damaged the Metalast brand, and
 2 made it practically impossible for Semas to license or sell the Metalast trademark.

3
 4 **THE MANUFACTURER’S USE OF “FORMERLY METALAST” IN QPL/QPD LISTINGS**

5 98. Defendants’ ability to sell CHEMEON chemical products was largely based upon
 6 Mil-Spec certifications, the Department of Defense QPL/QPD listings, and procurement
 7 specifications, many of which referenced “Metalast” products.

8
 9 99. On information and belief, Plaintiffs allege that products previously identified as
 10 “Metalast” could not be listed in the QPL/QPD listings as solely “Chemeon” without re-testing
 11 and certification by the manufacturers — including Chemetall and Qualichem.

12 100. On August 21, 2015, the Department of Navy issued a letter to Chemeon stating:

13
 14 ***Per your request***, this letter is generated to inform you that a name change
 15 for the METALAST products on the Qualified Products List (QPL) for MIL-
 16 DTL-81706 is granted. As CHEMEON will not make changes to formulations
 17 of their licensed products or the manufacturing plants, additional qualification
 18 testing to MIL-DTL-081706B, Chemical Conversion Materials for Coating
 19 Aluminum and Aluminum Alloys will not be required. All METALAST products
 20 names on the QPL will be changed to CHEMEON as follows:

<u>Old Product Name</u>	<u>New Product Name</u>
METALAST TCP-HF	CHEMEON TCP-HF (formerly Metalast)
METALAST TCP-HF EPA	CHEMEON TCP-HF EPA (formerly Metalast)
METALAST TCP-HF SP	CHEMEON TCP-HF SP (formerly Metalast)
METALAST TCP-HF Touch up Pen	CHEMEON TCP-HF Touch-up Pen (formerly Metalast)

1 (Emphasis added). A true and correct copy of the Department of Navy’s letter to CHEMEON is
2 attached as **Exhibit 14**.

3 101. Semas protested this use of “formerly Metalast” in the QPL. A true and correct
4 copy of a March 14, 2016 letter to the Department of Navy is attached as **Exhibit 15**.

5 102. In connection with CHEMEON’s request to change the QPL listing for METALAST
6 TCP-HF (and sub-products) to “CHEMEON TCP-HF (formerly Metalast)” (and for sub-products),
7 CHEMEON issued a press release that states in part:
8

9 The Company, previously known as Metalast Surface Technology, LLC (which
10 acquired all assets of Metalast International, LLC), officially changed its name
11 to CHEMEON Surface Technology, LLC, in March 2015. The esteemed law
12 firm of Holland and Hart LLP has certified that: “CHEMEON is authorized to
13 transact business in its name with all commercial and government entities, to
14 include the United States Government, from and after March 12, 2015.”

15 All QPD/QPL Mil-Spec product certifications for CHEMEON’s products remain
16 intact and in force in all respects (chemical composition, formulation,
17 manufacturing plants, quality control, etc.), and these products remain
18 available for purchase via their corresponding National Stock Numbers
19 (NSN).

20 Similarly, by June 9, 2015, CHEMEON also changed its word mark prefacing
21 its exclusive and proprietary blend of chemistries, technical services, R&D,
22 and training classes to “CHEMEON” from its former mark, “Metalast.”
23 CHEMEON retains its original US Government CAGE Code (71D40) and
24 DUNs Code (079199866).

25 For CHEMEON’s prime contractors, military partners, and others that need
26 further documentation of the Company’s product name changes in order to
27 amend specifications to reflect the CHEMEON name and mark, you are
28

1 invited to provide us with an “amendment letter” that memorializes the name
2 changes and warrants the product’s Mil-Spec, QPD/QPL approval status.

3 A true and correct copy of CHEMEON’s August 12, 2015 Press Release is attached hereto as

4 **Exhibit 16.**

5 103. Following this certification, the QPL/QPD was updated to refer to “Metalast TCP-
6 HF” products as “Chemeon TCP-HF (Formerly Metalast TCP-HF)”.

7 104. Plaintiffs never authorized Defendants to sell products identified as “CHEMEON
8 ... (formerly Metalast)”.

9 105. Plaintiffs never authorized CHEMEON or Defendants to change the QPL/QPD
10 listing to include “formerly Metalast.”

11 106. Plaintiffs never authorized CHEMEON or Defendants to refer to “Chemeon”
12 brand products as “formerly Metalast.”

13 107. Plaintiffs never authorized CHEMEON or Defendants to ask any party to change
14 procurement specifications from “Metalast” to “formerly Metalast.”

15 108. Rather than take any reasonable steps to avoid an infringement of the Metalast
16 trademark, Defendants simply advertised, marketed, labeled, sold, invoiced, and profited from
17 chemical products identified as “formerly Metalast.” This was done intentionally, knowing that
18 the owner of the Metalast trademark had never consented, and despite repeated attempts by
19 Semas to warn the industry, and Chemetall in particular, that this use of his Metalast trademark
20 was not authorized.

21 109. By advertising and selling goods as “formerly Metalast,” Defendants intended to
22 capitalize on the Metalast brand and mark.
23
24
25
26
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1 110. By selling products advertised and labeled “formerly Metalast,” Defendants in
2 fact capitalized on the Metalast brand and mark by hijacking the mark, and enjoyed revenues
3 and profits as a result.

4 111. By advertising and selling products as “formerly Metalast,” in order to increase
5 their own profits, Defendants intended to monopolize any marketing of competing products
6 under the Metalast brand and trademark.

7 112. Even after Plaintiffs commenced this suit, Defendants continued to advertise,
8 market, label, sell, and invoice for products identified as “formerly Metalast.”
9

10 113. The Defendants knew, or with reasonable investigation would have learned, that
11 Semas did not authorize the use of “formerly Metalast” to label, market, sell, or describe their
12 products.
13

14 114. Even after notice that Semas, as the owner of the Metalast trademark, did not
15 consent to the use of “formerly Metalast” to sell products, Defendants continued the willful
16 infringement of the Metalast trademark.
17

18 115. On information and belief, Plaintiffs allege, that Defendants continued selling
19 “formerly Metalast” products even after February 23, 2021, when the Court entered the
20 Findings and Conclusions.

21 116. Defendant Distributors have acted with actual malice, with an intention to harm
22 Plaintiffs.
23

24 117. Defendant Distributors have acted with legal malice, with a reckless disregard
25 for the legal rights of the registered owner of the Metalast trademark.
26
27
28

1 118. Defendant Distributors have acted fraudulently, by representing that their
2 products are “formerly Metalast” knowing that the owner of the Metalast trademark did not
3 consent to such use of the Metalast trademark.

4 **INFRINGEMENTS OF THE METALAST TRADEMARK**

5 119. Since June 11, 2015, Defendants have, without any license from the owner of the
6 Metalast trademark, advertised, marketed, labeled, and sold products under the Metalast
7 trademark.

8 120. Defendants have intentionally and knowingly confused consumers by labelling,
9 advertising, marketing, distributing, and/or selling contains of goods that purport to contain
10 the product "Chemeon TCP-HF formerly Metalast TCP-HF."
11

12 121. On information and belief, Plaintiffs allege that containers labeled as "formerly
13 Metalast" were not MI-LLC product inventory, but were instead new goods manufactured by
14 Chemetall, Qualichem, or Southern Industrial Chemicals. The representation that Distributors'
15 product packages contained "formerly Metalast TCP-HF" or "formerly Metalast AA-200"
16 products was a false designation of origin, a false and misleading description of fact, and a false
17 and misleading representation of fact that is likely to cause confusion, mistake, and/or
18 deception as to the Defendants' affiliation, connection, or association with the Semas-created
19 "Metalast" brand name.
20
21

22 122. At all relevant times, pursuant to 15 U.S.C. § 1072, Defendants had actual or
23 constructive notice of the ownership of the Metalast trademark through the USPTO's principal
24 register.
25
26
27
28

1 123. At all relevant times, Defendants had notice of the MST Litigation and CHEMEON
2 Litigation, and were on inquiry notice to investigate the evidence and legal arguments in the
3 public record.

4 124. On or about December 19, 2018, Plaintiff Semas mailed a legal notice to
5 Distributors and 2500 metal finishing executives stating:
6

7 "Metalast®" is a registered trademark owned by David M. Semas....

8 The owner of the "Metalast®" USPTO trademark and brand has not licensed or
9 otherwise consented to the characterization of any other business firm as being
10 "*formerly Metalast*" or any product or formulation as "*formerly Metalast*." Any
11 business marketing, distributing, or reselling any product characterized as
12 "*formerly Metalast*" does so without license or permission, and risks a potential
13 action for infringement.

14 125. Not later than December 19, 2018, all Defendants were on notice that the use of
15 "*formerly Metalast*" to label, market, distribute, or sell products was not authorized by
16 Plaintiffs.
17

18 126. Not later than September 15, 2015, Chemetall was on actual notice that the use
19 of "*formerly Metalast*" to label, market, distribute, or sell products was not authorized by
20 Plaintiffs.
21

22 127. At all times since June 11, 2015, all Defendants have been on actual, constructive,
23 and/or inquiry notice that any use of "*formerly Metalast*" in commerce was considered by the
24 owner of the Metalast trademark to be an infringement of the Metalast Trademark.

25 128. Defendants' use of the Metalast trademark constitutes a knowing, intentional,
26 and willful infringement, with the intent to wrongfully benefit from the false association with
27 the Metalast brand and trademark.
28

1 129. An award of the profits enjoyed by Defendants from the sale of products
2 identified as “formerly Metalast” is required to “take all the economic incentive out of
3 trademark infringement.”

4 **THE INTENTIONAL ATTEMPTS TO RUIN THE VALUE OF THE METALAST TRADEMARK**

5 130. Even while the Defendants were profiting by tying their CHEMEON products to
6 the Metalast brand by advertising, labeling, and selling products as “formerly Metalast,” they
7 were also destroying the value of ownership of the Metalast trademark: by flooding the market
8 with products advertised, labeled, and sold as “formerly Metalast,” the Defendants signaled that
9 Metalast as a brand was now “former” and no longer was used to sell products.
10

11 131. By hijacking the Metalast brand by referring to CHEMEON and products as
12 “formerly Metalast” Defendants signaled to the market that no products would ever be sold as
13 Metalast products.
14

15 132. In order to further destroy Metalast as a brand, CHEMEON published an email to
16 “customers, distributors, and friends” that “The Company previously known as Metalast
17 Surface Technology, LLC (and earlier as Metalast International LLC) officially changed its name
18 to Chemeon Surface Technology LLC.” This statement was incorrect because Chemeon was
19 never known as “Metalast International LLC.” At trial in the CHEMEON litigation, Meiling
20 explained that CHEMEON’s statement “was worded this way just because people often thought
21 of it that way. I agree with you that we brought the assets. We did not buy the company.” See
22 Exhibit 1, page 12, lines 5-10 (quoting testimony of Dean S. Meiling, a principal owner of
23 CHEMEON).
24

25 133. CHEMEON, Chemetall, Qualichem, SIC, and other Defendants all knew, or through
26 their corporate legal departments and outside counsel should have known, that Semas owned
27
28

1 the Metalast trademark, that CHEMEON did not own MI-LLC and was never called MI-LLC, and
2 that CHEMEON and the Defendants had no right to call any products “formerly Metalast.”

3 134. Defendants intentionally ignored the public record, gambling that the CHEMEON
4 Litigation attacking Semas and his children so diminished Semas’s resources that he would
5 never be able to bring an action to remedy the unlicensed, unauthorized, and illegal use of
6 “formerly Metalast” to profit from Semas’s trademark ownership confirmed in the January
7 2015 settlement.
8

9
10 **First Claim for Relief**
11 **(Trademark Infringement under 15 U.S.C. § 1114)**

12 135. By this reference, Plaintiffs hereby incorporate all prior allegations of this
13 Second Amended Complaint into this Claim for Relief.

14 136. Without license, consent, or other authorization from the owner of the Metalast
15 trademark, Chemetall manufactured, advertised, labeled, sold, and distributed products
16 identified as “formerly Metalast” in order to indicate that those products enjoyed the same
17 origin and qualities of Metalast products, and would comply with QPL/QPD listings, Mil-Spec,
18 and other procurement specifications for Metalast products.
19

20 137. Without license, consent, or other authorization from the owner of the Metalast
21 trademark, Qualichem manufactured, advertised, labeled, and shipped products to CHEMEON
22 customers identified as “formerly Metalast” in order to indicate that those products enjoyed
23 the same origin and qualities of Metalast products, and would comply with QPL/QPD listings,
24 Mil-Spec, and other procurement specifications for Metalast products.
25

26 138. Without license, consent, or other authorization from the owner of the Metalast
27 trademark, SIC manufactured, advertised, labeled, sold, and distributed products identified as
28

1 “formerly Metalast” in order to indicate that those products enjoyed the same origin and
2 qualities of Metalast products, and would comply with QPL/QPD listings, Mil-Spec, and other
3 procurement specifications for Metalast products.

4 139. Without license, consent, or other authorization from the owner of the Metalast
5 trademark, the remaining Distributors advertised, labeled, sold, and distributed products
6 identified as “formerly Metalast” in order to indicate that those products enjoyed the same
7 origin and qualities of Metalast products, and would comply with QPL/QPD listings, Mil-Spec,
8 and other procurement specifications for Metalast products.
9

10 140. In connection the the sale, offering for sale, distribution, packaging, and sale of
11 goods in interstate commerce, Defendants intentionally and knowingly reproduced,
12 counterfeited, and imitated the Metalast mark on containers that falsely purported to contain a
13 product that was "formerly Metalast."
14

15 141. The Defendants' use of the phrase "formerly Metalast" in connection with the
16 sale, offering for sale, distribution, and advertising of goods was calculated to deceive
17 consumers by representing that they were purchasing chemicals that were identified in
18 procure specifications and enjoyed QPL/QPD and other Mil-Spec certifications.
19

20 142. The Defendants' use of the phrase "formerly Metalast" in connection with the
21 sale, offering for sale, distribution, and advertising of goods is likely to cause consumer
22 confusion and mistake.
23

24 143. The Defendants' continued and knowing use of the Metalast mark without
25 license, consent, or other authorization constitutes intentional infringement of the Metalast
26 mark in violation of Lanham Act Section 32, 15 U.S.C. § 1114.
27
28

1 152. Defendants have intentionally and knowingly confused consumers by
2 representing, implicitly or expressly, that products described as "formerly Metalast" products
3 satisfy technical procurement specifications calling for "Metalast" products.

4 153. Representations that products inside containers marked as "formerly Metalast"
5 constitutes a false designation of origin, a false and misleading description of fact, and a false
6 and misleading representation of fact that is likely to cause confusion, mistake, and/or
7 deception as to Defendants' affiliation, connection, or association with the Metalast brand and
8 trademark, or the sponsorship, or approval by the Owner of the Metalast trademark of
9 Defendants' packaging, advertising, labeling, or sale of products designated as "formerly
10 Metalast."
11

12 154. The continued and knowing use of the Metalast trademark without Plaintiffs'
13 consent or authorization constitutes the willful infringement, false designation of origin, and
14 unfair competition in violation of Lanham Act Section 43(a), 15 U.S.C. § 1125(a).
15

16
17 **Third Claim for Relief**
18 **(Trademark Dilution under 15 U.S.C. § 1125(c))**

19 155. By this reference, Plaintiffs hereby incorporate all prior allegations of this
20 Second Amended Complaint into this Claim for Relief.

21 156. The Metalast brand and trademark is "famous" within the meaning of the
22 Lanham Act for at least the following reasons:
23

24 A. The Metalast trademark has been advertised and publicized for decades
25 throughout the United States, including all states, in connection with the marketing
26 and sale of chemical products;
27
28

1 B. The Metalast trademark has an extremely high degree of recognition in
2 the metal finishing industries, as evidenced by the references to Metalast branded
3 products in defense, aerospace, and other technical procurement specifications;

4 C. The Metalast trademark is unique and dissimilar from all other brands
5 and trademarks in the metal finishing and other relevant industries that consume
6 chemicals;

7 D. The Metalast trademark is, and for decades has been, registered on the
8 USPTO's principal register.
9

10 E. The Metalast trademark is so famous in the chemical market that the
11 United States Navy has tied the name "Metalast" to chemicals licensed under the
12 Navy's license to Chemeon to practice Navy-owned patents.
13

14 157. Defendants have tarnished and impaired the distinctiveness of the Metalast
15 trademark and caused harm to the Metalast brand's reputation in violation of 15 U.S.C.
16 § 11258(c).
17

18 158. Defendants have flooded the market with goods bearing the Metalast trademark
19 even though the Plaintiff owner of the Metalast brand and trademark has no association,
20 connection, or affiliation with those goods, and thereby impaired and detracted from the
21 Metalast trademark's distinctiveness.
22

23 159. Defendants unauthorized use of the Metalast trademark to sell goods harms the
24 Metalast reputation because the Defendants do not follow Plaintiffs' instruction or meet
25 Plaintiffs' standards in the manufacturer and distribution of goods marketed as "formerly
26 Metalast."
27
28

1 160. The use of "formerly Metalast" is especially damaging to the Metalast reputation
2 when the goods are used in anti-corrosion metal finishing applications, which are vital to
3 human safety and wearability of critical military, automotive, aircraft, aerospace, and marine
4 machines.

5 161. The Defendants' use of the Metalast brand and trademark constitutes intentional
6 and willful infringement and dilution of the Metalast trademark, in violation of 15 U.S.C. §
7 1125(c).
8

9 162. As a direct and proximate result of the trademark infringements, Plaintiffs have
10 been forced to hire lawyers to bring this Claim for Relief, and are entitled to recover reasonable
11 attorney fees.
12

13 **Fourth Claim for Relief**
14 **(Trademark Infringement - NRS 600.430)**

15 163. By this reference, Plaintiffs hereby incorporate all prior allegations of this
16 Second Amended Complaint into this Claim for Relief.
17

18 164. Defendants have infringed on the Metalast trademark under NRS Chapter 600.

19 165. Pursuant to NRS 600.430(2)(b), Plaintiffs are entitled to recover "all profits
20 derived from the wrongful acts of the defendant and all damages suffered by reason of these
21 acts."
22

23 166. Pursuant to NRS 600.430(2)(c), Plaintiffs are entitled to recover "treble damages
24 on all profits derived from the willful and wrongful acts of the defendant and treble damages
25 on all damages suffered by reason of these acts."
26

27 167. Defendants have acted with fraud, malice, and oppression as defined in NRS
28 42.001.

1 168. Defendants should be punished with an award of exemplary and punitive
2 damages pursuant to NRS 42.005.

3 169. Pursuant to NRS 600.340(3), Plaintiffs are entitled to recover attorney fees and
4 costs.

5
6 **Fifth Claim for Relief**
7 **(Unfair Business and Trade Practices)**

8 170. By this reference, Plaintiffs hereby incorporate all prior allegations of this
9 Second Amended Complaint into this Claim for Relief.

10 171. Defendants have violated California's Unfair Competition Law, California
11 Business and Professions Code Section 17200, et. seq.

12 172. Defendants have engaged in deceptive trade practices by, among other things,
13 engaging in on or more of the following acts defined in NRS 598.0915:

- 14
- 15 1. Knowingly passed off goods for sale as those of another person;
 - 16 2. Knowingly made a false representation as to the source, sponsorship, approval,
17 or certification of goods for sale;
 - 18 3. Knowingly made a false representation as to affiliation, connection, association
19 with or certification by another person;
 - 20 4. Knowingly made a false representation as to... the sponsorship, approval, status,
21 affiliation or connection of a person therewith;
 - 22 5. Disparaged the goods, services or business of another person by false or
23 misleading representation of fact;
 - 24 6. Knowingly made any other false representation in a transaction.
- 25
26
27
28

1 173. Plaintiff Semas is older than 60 years, and is an “elderly person” as defined in
2 NRS 598.0933.

3 174. Plaintiff Semas has suffered actual damage, in an amount not less than \$75,000,
4 caused by Defendants’ deceptive trade practices, as defined in NRS Chapter 598.

5 175. Under NRS 598.0977, Plaintiff Semas is entitled to bring a civil action to recover
6 damages caused by Defendants’ deceptive trade practices.

7 176. Under NRS 41.600(2)(e), Plaintiffs Semas and Metalast, Inc. are entitled to bring
8 a civil action to recover damages caused by Defendants’ deceptive trade practices.

9 177. Defendants have acted with fraud, malice, and oppression as defined in NRS
10 42.001.

11 178. Defendants should be punished with an award of exemplary and punitive
12 damages pursuant to NRS 42.005.

13 179. Under NRS 598.0977 and 41.600, Plaintiffs are entitled to recover reasonable
14 attorney fees to bring and maintain this claim.

15
16
17
18 **Sixth Claim for Relief**
19 **(Unjust Enrichment)**

20 180. By this reference, Plaintiffs hereby incorporate all prior allegations of this
21 Second Amended Complaint into this Claim for Relief.

22 181. By using the Metalast trademark in the sale of goods, Defendants have received a
23 benefit from Plaintiffs.

24 182. Defendants have appreciated the benefit of using the Metalast trademark to
25 market and sell goods, and have profited from the sale of goods described as "Metalast" or
26 "formerly Metalast."
27
28

1 183. Defendants could have negotiated a license from Semas to market and sell
2 products under the Metalast mark, but instead elected to hijack that mark and enjoy profits
3 from usurping the goodwill attached to the mark without paying a reasonable royalty.

4 184. Under the circumstances, it would be inequitable for Defendants to retain the
5 benefits without paying Plaintiffs the value of the benefits received.
6

7 185. Plaintiffs are entitled to restitution of the value of the benefit enjoyed by
8 Defendants as a result of selling goods under the Metalast trademark, including the use of the
9 phrase "formerly Metalast."
10

11 **Seventh Claim for Relief**
12 **(Declaratory Relief)**

13 186. By this reference, Plaintiffs hereby incorporate all prior allegations of this
14 Second Amended Complaint into this Claim for Relief.

15 187. In the CHEMEON Litigation, the Court determined that the use of "formerly
16 Metalast" in commerce was not permitted under the Settlement Agreement.
17

18 188. Plaintiffs contend that the argument in the CHEMEON Litigation that the use of
19 "formerly Metalast" in commerce was not reasonable, and that any reliance by Distributors on
20 this contention was unreasonable.

21 189. Because Defendants have employed the very same lawyers who argued, in the
22 CHEMEON Litigation, that the use of "formerly Metalast" to sell products is not an infringement
23 of the Metalast trademark, Plaintiffs are informed and believe and on that basis allege that the
24 Defendants will make the same argument in this case.
25

26 190. Under Rule 57, Federal Rules of Civil Procedure, the Declaratory Judgment Act
27 (28 U.S.C. § 2201), this Court has subject matter jurisdiction to declare whether the
28

1 Distributors' use of "formerly Metalast" in commerce constitutes an infringement, false
2 designation of origin, and/or dilution of the Metalast trademark.

3 191. Plaintiffs seek entry of a decree that the use of "formerly Metalast" in commerce
4 constitutes an infringement, false designation of origin, and/or dilution of the Metalast
5 trademark.
6

7 **Request for Relief**

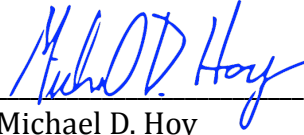
8 Plaintiffs request the following relief:

- 9 1. Compensatory damages in an amount to be proved at trial;
- 10 2. An accounting and disgorgement of the Distributors' profits derived from selling
11 products, without license from Semas, as "formerly Metalast;"
- 12 3. Treble damages under NRS 600.430(2)(c);
- 13 4. Treble damages as allowed under federal law;
- 14 5. Exemplary or punitive damages in an amount to be proved at trial;
- 15 6. Restitution of the value of benefits appreciated by Defendants;
- 16 7. Costs of suit allowed by applicable law;
- 17 8. Reasonable attorney fees;
- 18 9. A decree that the use of "formerly Metalast" in commerce constitutes an
19 infringement of the Metalast trademark;
- 20 10. Injunctive relief to halt any ongoing infringement of the Metalast trademark,
21 continuing dilution of the Metalast trademark, continuing consumer confusion or false
22 designation of origin, or further or ongoing torts under state law; and
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27 (continues)
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1 11. Any additional relief in favor of Plaintiffs that the Court deems just and proper
2 under the circumstances.

3 Dated June 13, 2024

HOY CHRISSINGER VALLAS, PC

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7 Michael D. Hoy
8 Attorneys for Plaintiffs David M. Semas and
9 Metalast, Inc.
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HOY | CHRISSINGER | VALLAS

Certificate of Service

I certify that I am an employee of Hoy Chrissinger Vallas, PC and that on June 13, 2024, I filed a true and correct copy of the foregoing **Second Amended Complaint** with the Clerk of the Court through the CM/ECF system, which sent electronic notice of this filing to:

Joshua Michael Halen (jmhalen@hollandhart.com)

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Rew R. Goodenow (rgoodenow@parsonsbehle.com)

s/s Shondel Seth

Employee of Hoy Chrissinger Vallas, PC

Table of Exhibits

1	1	Findings of Fact and Conclusions of Law, Chemeon Surface Technology, LLC v. Metalast International, Inc., Case No. 3:15-cv-00294-CLB, ECF No. 627 (02/23/2021)
2	2	Unsigned Mutual Confidentiality and Non-Disclosure Agreement between David M. Semas and Chemetall North America (11/07/2014)
3	3	Email David M. Semas to Julia Murray (Chemetall) (03/25/2015)
4	4	Email David M. Semas to Wayne Chandler (SIC Technologies)(3/27/2015)
5	5	Signed Mutual Confidentiality and Non-Disclosure Agreement between David M. Semas and SurTec International GmbH (04/21/2015)
6	6	Semas press release: METALAST Trademark awarded to Founder and Settlement Agreement Approved by U.S. Federal Court (Newswire Today, 04/27/2015)
7	7	Undated email, Suresh Patel (Chemetall) “Dear Chemetall team... “The labeling and our TDS sheets and MSDS sheets always will refer to “formerly Metalast TCP-HFetc....)”
8	8	CHEMEON press release: Federal Court Rejects As Leading To “Absurd” results, David Semas’s Contention that CHEMEON cannot Reference “Metalast” (3/27/2017)
9	9	CHEMEON press release: CHEMEON ® and its distributors and customers can use the accurate historical reference “formerly Metalast” to refer to CHEMEON’s former “Metalast” name and products. (05/16/2018)
10	10	Semas legal notice warning about trademark infringement lawsuit (12/20/2018)

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11	CHEMEON press release: U.S. District Court Has Ruled CHEMEON Can Accurately Recite Its Former Association With The Term Metalast (12/19/2018)
12	Semas press release: U.S. District Court Issues Final Ruling in Favor of Metalast ® Trademark Founder David M. Semas and Rules Against Chemeon (3/2/2021)
13	Letter, Michael Hoy to Suresh Patel and Julie Murray, Chemetall North America (09/02/2015)
14	Letter, Thomas Rudowsky (US Department of Navy) to Dean Meiling (CHEMEON Surface Technology)(8/21/2015)
15	Letter, Michael Hoy to Thomas G. Rudowsky (US Department of Navy) (3/14/2016)
16	CHEMEON press release: CHEMEON confirms that all QPD/QPL Mil-Spec product certifications for CHEMEON's products remain intact through recent company name change (8/12/2015)