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9 *Attorneys for Plaintiff*  
10 IMAX CORPORATION

11 UNITED STATES DISTRICT COURT  
12 CENTRAL DISTRICT OF CALIFORNIA

13  
14 IMAX CORPORATION, a Canadian  
15 Corporation,  
16 Plaintiff,  
17 vs.  
18 GDC TECHNOLOGY (USA) LLC, a  
19 California Limited Liability Company;  
20 GDC TECHNOLOGY LIMITED, a  
21 British Virgin Islands company; GDC  
22 TECHNOLOGY LIMITED, a Cayman  
23 Islands company,  
24 Defendants.

CV 13-04640 -DDP  
(MRWx)  
COMPLAINT FOR:  
TRADE SECRET  
MISAPPROPRIATION  
PURSUANT TO CAL. CIV.  
CODE § 3426, et seq. AND  
COMMON LAW;  
UNJUST ENRICHMENT;  
UNFAIR COMPETITION  
UNDER CAL. BUS. & PROF.  
CODE § 17200 et seq.  
DEMAND FOR JURY TRIAL

PAID  
JUN 26 2013  
Clerk  
District Court  
COURT 462

1 Plaintiff IMAX Corporation (“IMAX”) states the following for its Complaint  
2 against Defendants GDC Technology (USA), LLC, GDC Technology Limited  
3 (BVI), and GDC Technology Limited (Cayman) (collectively, “GDC” or  
4 “Defendants”).

### 5 NATURE OF THE CASE

6 1. IMAX has filed this action to stop GDC’s illegal commercial exploitation  
7 of IMAX’s trade secret large format digital theatre projection system and film  
8 conversion technologies. Former IMAX employee, Gary Tsui, stole this  
9 proprietary technology from IMAX, then surreptitiously provided it to film  
10 companies in China, including a company now called China Giant Screen, for  
11 which he is the “Chief Engineer.” China Giant Screen uses IMAX’s trade secrets  
12 under the name “China Film Giant Screen” (“CFGS”). Defendant GDC is now  
13 knowingly and actively using IMAX’s trade secrets through, among other things,  
14 its relationship with CFGS, in its efforts unfairly to compete globally with IMAX.

15 2. Prior to this filing, IMAX delivered an unambiguous cease and desist  
16 letter to GDC which was ignored. Indeed, GDC is actively touting its CFGS-based  
17 large format film projection systems and conversion technology that, as described  
18 herein, IMAX is informed and believes were derived from and incorporate the trade  
19 secrets stolen by Tsui. Significantly, as a part of its current Initial Public Offering  
20 (“IPO”), GDC has stated that its large format film technologies are dependent on  
21 CFGS and that IPO proceeds will be used for “geographical expansion to existing  
22 and new markets, research and development including on our new business  
23 initiatives such as private digital cinema and China Film Giant Screen.” Unabated,  
24 Defendants will be the knowing participants in this high tech piracy, to their  
25 financial benefit and IMAX’s detriment.

26 3. The illegal activities at issue here began several years ago. In 2009,  
27 IMAX discovered that Tsui had stolen its proprietary and trade secret information  
28 relating to IMAX’s core projection and conversion technologies, including software

1 source code. While employed by IMAX, but unbeknownst to it, Tsui formed his  
2 own company in competition with IMAX, and used IMAX's trade secrets to  
3 compete against – and beat out – IMAX on a bid for a significant project in China.

4 4. Following Tsui's trail from Ontario, Canada to Beijing, China (and now  
5 to Los Angeles), IMAX conducted its own investigations into Tsui's activities and,  
6 after finding incriminating information, IMAX initiated lawsuits against Tsui in  
7 both Canada and China. Through those suits, IMAX uncovered voluminous,  
8 conclusive proof of Tsui's retention and theft of IMAX's confidential and  
9 proprietary trade secrets, including CDs containing the source code for IMAX's  
10 2D/3D conversion process and re-mastering technology, as well as the repeated use  
11 of IMAX's trade secrets to form companies in Canada and China in direct  
12 competition with IMAX. Based on that evidence, IMAX has obtained  
13 extraordinary relief from two foreign tribunals, including a rarely granted, multi-  
14 site search and seizure order, a contempt order, and ultimately an arrest warrant  
15 issued by the Canadian court, and a broad search and seizure order issued by the  
16 Beijing court and executed by several Chinese judges. Tsui remains an  
17 international fugitive, and his plan to profit unlawfully from the technology stolen  
18 from IMAX has now touched U.S. soil with Defendant GDC's efforts to market  
19 CFGS with the benefit of public funding.

#### 20 **PARTIES**

21 5. Plaintiff IMAX Corporation ("Plaintiff") is a Canadian corporation  
22 having a principal place of business located at 2525 Speakman Drive, Sheridan  
23 Science and Technology Park, Mississauga, Ontario, Canada L5k 1B1.

24 6. Upon information and belief, Defendant GDC Technology (USA), LLC  
25 is a California limited liability company having a principal place of business  
26 located at 1016 W. Magnolia Blvd., Burbank, California 91506. Upon information  
27 and belief, GDC Technology (USA), LLC is a wholly-owned subsidiary of GDC  
28 Technology Limited, a company incorporated in the British Virgin Islands.



1 12. IMAX maintains a multi-million dollar Research and Development  
2 program to develop and improve its state of the art projection and film conversion  
3 technologies, and it employs dozens of engineers and other technical experts to  
4 work on these projects. Among the core technologies that play a key role in  
5 IMAX's market competition, and to which IMAX expends significant funds to  
6 market and develop, are:

7 • The IMAX Image Enhancer Technology: IMAX developed an Image  
8 Enhancer which is a combination of proprietary hardware and software that allows  
9 images from two projectors used in its LF projection system to be superimposed to  
10 a sub-pixel resolution, reducing the pixilation artifacts and increasing light levels by  
11 up to 100 percent and contrast levels up to 30 percent. This is a critical feature to  
12 enable the projector to project images at optimal light levels which result in high  
13 resolution images.

14 • The IMAX 2D to 3D Conversion Technology: This is a software-  
15 based post-production process that converts images shot on a regular motion picture  
16 camera to 3D using a combination of IMAX proprietary software.

17 • The IMAX DMR Film Conversion Technology: This proprietary  
18 software is a secure re-mastering process for transforming standard Hollywood  
19 films (35 mm or digital format) into films for exclusive exhibition in IMAX large  
20 format theaters.

21 (Collectively, "IMAX Image Enhancer Technology", "IMAX 2D to 3D Conversion  
22 Technology" and "IMAX DMR Film Conversion Technology" referred to as  
23 "IMAX Trade Secrets").

24 13. The IMAX Trade Secrets are not accessible to the public or any third  
25 party through any public channels, and IMAX has never publicly disclosed such  
26 proprietary information to the public. These technologies are core, critical  
27 components of IMAX's offerings, and the culmination of over four decades of  
28 research and development, which clearly have practical applicability and have

1 brought significant economic benefit to IMAX. In addition, in the competitive  
2 marketplace for providing large format and/or 3D imaging technology to the  
3 cinema industry, there is great economic benefit to IMAX in this proprietary  
4 technical and business information.

5 14. IMAX has taken extensive measures to protect the IMAX Trade Secrets,  
6 including not only contractual measures, but also technological, and procedural  
7 measures. IMAX requires employees to sign Employee Confidentiality and Non-  
8 Competition Agreements in order to protect and keep confidential the IMAX Trade  
9 Secrets. In addition, as per the IMAX Code of Ethics, confidential, trade secret  
10 information, such as the IMAX Trade Secrets, is made available by limiting access  
11 to such information to those employees who have a need to know in order to do  
12 their job, and the access of that information is supervised and monitored by IMAX  
13 to ensure that confidentiality is maintained.

14 15. Based on the foregoing, IMAX alleges that the IMAX Trade Secrets are  
15 entitled to protection under the California Uniform Trade Secrets Act.  
16 Nevertheless, in the event that it is ultimately determined that some or all of the  
17 IMAX Trade Secrets do not qualify for protection under the California Uniform  
18 Trade Secrets Act, IMAX further and separately alleges and therefore pleads in the  
19 alternative that some or all of the IMAX Trade Secrets nonetheless represent  
20 confidential and proprietary information that belongs to IMAX for which GDC  
21 owed contractual, statutory and/or common law duties and legal obligations not to  
22 acquire, use and/or disclose.

23 **Theft of IMAX's Trade Secrets By Former Employee Gary Tsui**

24 16. IMAX employed an individual named Xiaoyu Cui aka Gary Tsui  
25 ("Tsui") as a Software Engineer in its Ontario, Canada headquarters from July 22,  
26 1999, until he was terminated on or about November 26, 2009.

27 17. Tsui's responsibilities at IMAX included, without limitation:  
28

1 (a) developing proprietary high-performing image processing software  
2 and algorithms for LF motion picture production applications and digital cinematic  
3 products;

4 (b) designing and implementing new image processing software products  
5 for the advancement of IMAX image processing technology, including re-mastering  
6 technology;

7 (c) developing software that allows for 3D cloning functions and ensures  
8 the delivery of excellent 3D quality through IMAX's Live Action 3D conversion  
9 process;

10 (d) developing and improving IMAX's DMR software, which allows  
11 conventional films to be converted into LF;

12 (e) developing and managing version control for all of IMAX's image  
13 technology software; and

14 (f) developing an encryption scheme for the IMAX Image Enhancer, by  
15 virtue of which Tsui became extremely knowledgeable as to how the proprietary  
16 Image Enhancer technology works.

17 18. By virtue of his responsibilities and access to other employees, Tsui also  
18 gained knowledge of highly confidential and proprietary business information  
19 regarding products, pricing and market plans.

20 19. At the outset of his employment with IMAX, Tsui executed a  
21 Confidentiality and Non-Competition Agreement, in which he acknowledged that  
22 he would: (a) not disclose IMAX trade secrets and other intellectual property during  
23 or after his employment with IMAX; and (b) not compete with IMAX or any of its  
24 subsidiaries while employed with IMAX and for a specified period from the  
25 conclusion of his employment with IMAX.

26 20. In August 2008, a delegation from Hangzhou, China visited IMAX's  
27 offices in Ontario, Canada for the purpose of conducting due diligence on IMAX's  
28 technology in anticipation of IMAX's response to a Request for Proposal to build a

1 large format 3D theater at a science and technology museum in Hangzhou. During  
2 that tour, Tsui acted as a translator for the Hangzhou delegation, which included an  
3 individual named Allan Qiang (“Qiang”).

4 21. Months later, Tsui gave notice of his resignation from IMAX on  
5 November 2, 2009, but was to continue to work at IMAX to transition his  
6 responsibilities through the end of November. On November 24, 2009, IMAX  
7 learned that the Hangzhou Project was awarded to Jiangsu Sunway Digital, Inc.  
8 (“Sunway”), an entity unknown in the industry at that time, which had submitted a  
9 bid 13 percent lower than IMAX’s bid.

10 22. IMAX subsequently learned that Sunway was established on July 2,  
11 2009, by *Tsui and Qiang*, while Tsui was still employed by IMAX. IMAX is  
12 informed and believes that it was impossible for Sunway to have independently  
13 developed the necessary technology (technology that took IMAX over four decades  
14 to create) to complete the Hangzhou Project in the four short months between when  
15 the company was formed and when it won the Hangzhou bid. Given the timing and  
16 the extensive access to IMAX’s trade secrets by Tsui during his employment and  
17 during his formation of Sunway, the technology used by Sunway to win the  
18 Hangzhou project was, upon information and belief, derived from IMAX’s  
19 proprietary technology and trade secrets.

20 23. Given Tsui’s obvious misappropriation of IMAX’s trade secrets and  
21 unlawful competition with IMAX, IMAX terminated Tsui’s employment on or  
22 about November 26, 2009.

23 24. After his termination, forensic searches of Tsui’s IMAX computer  
24 revealed abundant evidence of his creation of Sunway and his rampant use of  
25 IMAX’s trade secrets for his personal gain. Immediately after his termination from  
26 IMAX, IMAX learned that Tsui concealed two computer hard drives in Ontario,  
27 then fled to China. Those hard drives, which were later retrieved by Qiang, were  
28



1 assumed to contain highly confidential and proprietary information relating the  
2 IMAX Trade Secrets.

3 **IMAX Sues Tsui in Canada and China and Uncovers Overwhelming**  
4 **Evidence of Tsui's Theft and Use of IMAX's Trade Secrets.**

5 25. Shortly after Tsui fled to China, IMAX initiated a lawsuit against Tsui,  
6 Qiang and their related companies in Ontario, Canada on December 8, 2009,  
7 through which IMAX sought an injunction to: (a) prohibit Tsui from disclosing or  
8 using IMAX's confidential and proprietary information; (b) prohibit Tsui from  
9 competing with IMAX; and (c) requiring Tsui to preserve all information,  
10 documents and other property of IMAX. The Ontario Superior Court of Justice  
11 awarded the injunctive relief sought by IMAX in its entirety on December 22, 2009.

12 26. Tsui ignored the entry of this Order, fled to China, and continued to use  
13 the IMAX Trade Secrets in violation of the Order.

14 27. In fact, in 2012, evidence was uncovered in the Ontario litigation  
15 confirming that Tsui was continuing to use the Trade Secrets under a variety of  
16 different business names.

17 28. This evidence indicates that, in early January 2012, Tsui's Sunway  
18 business had morphed into a joint venture called "DMAX: Digital MAX"  
19 ("DMAX"). Upon information and belief, "DMAX" was renamed "China Giant  
20 Screen" after IMAX successfully prosecuted a trademark infringement action  
21 against it. That company, however named, uses CFGS which utilizes the stolen  
22 Trade Secrets and intended to serve as a competitive alternative to IMAX's large  
23 format screen technologies.

24 29. In addition to DMAX and CFGS, Tsui also founded Beijing Cubic  
25 Pictures Technology, Inc., that provides 2D to 3D film conversion using, upon  
26 information and belief, the IMAX Trade Secrets.

27 30. In January 2012, the Ontario Court of Justice found Tsui in contempt of  
28 its prior injunction, and again ordered Tsui to stop competing with IMAX, and to

1 return the company's property, including proprietary and confidential information.  
2 Once again, Tsui disregarded this order.

3 31. Further, based on the overwhelming evidence uncovered in that lawsuit,  
4 the Ontario court granted IMAX an "Anton Pillar" Order, a rarely granted remedy  
5 that is the equivalent of a criminal search and seizure order. Under this order,  
6 Tsui's residences and offices in Ontario were searched in July 2012, and additional  
7 evidence was uncovered demonstrating Tsui's theft of the IMAX Trade Secrets, use  
8 of those Trade Secrets to compete directly with IMAX while he was still employed  
9 with IMAX, and disclosure of those Trade Secrets to third parties for the purpose of  
10 unfairly competing with IMAX.<sup>1</sup>

11 32. On April 30, 2013, a warrant was issued for Tsui's arrest based on his  
12 refusal to comply with the court's prior orders, and his continued unlawful use of  
13 the IMAX Trade Secrets. If Tsui returns to Canada, he will be immediately  
14 apprehended and incarcerated. The Ontario action is to proceed to trial in 2013;  
15 although, as part of the Ontario court's contempt order, all of Tsui's defenses have  
16 been summarily stricken by the court.

17 33. Given Tsui's disregard of the Ontario court's orders, and his continued  
18 use of the IMAX Trade Secrets in China, IMAX filed a lawsuit against Tsui in  
19 Beijing, China on February 16, 2013. Based on evidence provided to the Beijing  
20 court, an Evidence Preservation Order was granted by the court, a rare form of  
21 relief that provides for broad search and seizure of evidence by court officials.

22 34. The execution of this order revealed overwhelming evidence of Tsui's  
23 theft and continued possession and use of IMAX's Trade Secrets, including  
24 numerous CDs that contained highly confidential and proprietary source code used  
25 in connection with the IMAX 2D to 3D Conversion Technology and the IMAX  
26 DMR Film Conversion Technology.

27 \_\_\_\_\_  
28 <sup>1</sup> Other materials found on the premises were destroyed intentionally in violation fo  
the court's order by Tsui's relatives in the presence of law enforcement personnel.

1           35. IMAX is informed and believes that China Giant Screen has participated  
2 in the defense of Tsui in China, who has conceded to the Chinese court that he is  
3 the “Chief Engineer” of that company.

4                           **GDC Partners With Tsui to Use IMAX’s Trade**  
5                           **Secrets in the United States**

6           36. On its website, www.gdc-tech.com, Defendant GDC represents that it “is  
7 currently the largest supplier of digital cinema servers throughout Asia and the  
8 second largest provider of digital cinema servers worldwide, serving its customers  
9 through offices in the US, Mexico, Spain, Hong Kong, Japan, Singapore, China and  
10 India.” It claims to deliver and install “digital cinema servers, projection and 3D  
11 systems worldwide.”

12           37. In June 2013, IMAX first became aware that GDC had partnered with  
13 China Film Group to develop and sell CFGS systems in the United States and  
14 internationally. Specifically, GDC has represented the following in recent publicly  
15 distributed materials:

- 16           (a)    “We [GDC] have been selected by the China Film Group, the largest  
17 film distributor in China, to provide film mastering and exhibition  
18 technologies for the China Film Giant Screen format.”
- 19           (b)    “We [GDC] have also leveraged our relationship with China Film  
20 Giant Screen to exhibit content in the China Film Giant Screen large-  
21 screen format. The China Film Giant Screen format is one of a few  
22 large-screen formats used by Hollywood studios. As of March 31,  
23 2013, China Film Giant Screen had deployed 24 units of our digital  
24 cinema servers on their large-screen format systems in China.”
- 25           (c)    “Our [GDC’s] close interaction with leaders of the digital cinema  
26 industry has allowed us to develop a number of proprietary  
27 technologies that have improved the audiovisual experience, enhanced  
28

1 the security of content delivery, reduced content delivery costs and  
2 simplified exhibition, including . . . film mastering and exhibition  
3 technologies for China Film Giant Screen, one of a few large-screen  
4 formats used by Hollywood blockbusters, in 2012 . . . .”

5 (d) “We [GDC] also recently entered into contracts for licensing and  
6 reselling China Film Giant Screen systems in Asia (excluding China)  
7 on an exclusive basis and in the rest of the world on a non-exclusive  
8 basis. We expect to be able to derive revenue both from initial  
9 equipment sales and sharing of box office revenue for movies in the  
10 China Film Giant Screen large-screen format beginning in the second  
11 half of 2013 or in 2014 . . . .”

12 38. In separate materials, GDC markets its ability to provide – specifically in  
13 connection with the giant screen format – “unique image and projector alignment  
14 technologies” and “unique content mastering technologies.” Upon information and  
15 belief, these “unique image” and “unique content mastering” technologies refer to  
16 IMAX’s highly confidential and proprietary DMR Film Conversion Technology.  
17 As alleged above, Chinese court officials recovered source code for IMAX’s 2D to  
18 3D Conversion Technology and DMR Film Conversion Technology from Tsui in  
19 2013 in connection with the execution of a search and seizure order. In these same  
20 materials, GDC also markets its ability to provide “projector alignment  
21 technologies” in connection with “giant screen format,” which, upon information  
22 and belief, refers to IMAX’s proprietary and highly confidential Image Enhancer  
23 Technology, which serves as a critical feature of IMAX’s projection system  
24 technology. Further, in these materials, GDC announces its intention to “Become a  
25 Leader in the Large Screen Format Market Segment” through, upon information  
26 and belief, its relationship with CFGS, using IMAX’s Trade Secrets.

27 39. Given the conclusive evidence of Tsui’s theft of IMAX’s Trade Secrets,  
28 the nature of China Giant Screen’s “large screen format” technologies including

1 CFGS, the fact that Tsui is China Giant Screen’s “Chief Engineer,” and the  
2 impossibly short time to market for CFGS which could not have been achieved but  
3 for the theft, IMAX is informed and believes that GDC is now using the IMAX  
4 Trade Secrets in the CFGS or large format film technologies that it is now  
5 marketing.

6 40. On June 18, 2013, IMAX sent GDC a letter informing GDC of Tsui’s  
7 theft of the IMAX Trade Secrets, improper use of the IMAX Trade Secrets, and  
8 intentional interference with IMAX’s economic relations. IMAX also informed  
9 GDC of the lawsuits it filed against Tsui in Canada and China, including the  
10 injunction and warrant for Tsui’s arrest issued by the Canadian court and the search  
11 and seizure order issued by the Chinese court (and the abundance of evidence  
12 obtained therefrom), and provided GDC pleadings from both actions. This letter  
13 also informed GDC that:

14 “It is material and critical that GDC know that its partner, CFGS, has  
15 built technology on the basis of confidential and proprietary  
16 information and trade secrets wrongfully taken from IMAX by [Tsui,  
17 one of IMAX’s former employees, who is now the Chief Engineer at  
18 CFGS.”

19 41. To date, GDC has provided no response to this letter, and continues to  
20 aggressively market its relationship with CFGS and its ability to exhibit CFGS’  
21 large-format and technologies, which undoubtedly are derived from the IMAX  
22 Trade Secrets.

23 **FIRST CAUSE OF ACTION**

24 **(For Violation of California Uniform Trade Secrets Act, Cal. Civ. Code**  
25 **§§ 3426, *et seq.*, and Common Law Misappropriation)**

26 42. IMAX hereby incorporates Paragraphs 1 through 41, inclusive, by  
27 reference as though fully set forth herein.

28

1 43. IMAX has developed, and is the owner of, the IMAX Trade Secrets.  
2 IMAX has at all times owned and possessed the IMAX Trade Secrets.

3 44. The IMAX Trade Secrets are proprietary to IMAX, are not generally  
4 known to the public or others who can obtain economic value from their disclosure  
5 or use, and IMAX derives independent economic value from the fact that the IMAX  
6 Trade Secrets are not generally known.

7 45. At all relevant times, IMAX has used and is using regular and reasonable  
8 efforts to protect the confidentiality of the IMAX Trade Secrets and is maintaining  
9 them as trade secrets. The information in question was a trade secret at the time of  
10 the misappropriation.

11 46. At all relevant times, IMAX has derived an economic benefit and  
12 leadership position in its industry by vigilantly protecting the IMAX Trade Secrets  
13 and not permitting or allowing such information to be accessed or used by anyone  
14 without an express or implied duty and obligation to IMAX to maintain the secrecy  
15 thereof. These efforts by IMAX include the confidentiality and non-compete  
16 agreements that IMAX requires individuals, including Tsui, to execute upon their  
17 employment, as well as the lawsuits IMAX has filed against Tsui in Canada and  
18 China in order to protect the IMAX Trade Secrets and maintain their secrecy.

19 47. IMAX is informed and believes, and thereon alleges, that prior to June  
20 2013, and continuing today, GDC wrongfully acquired, disclosed and/or used the  
21 IMAX Trade Secrets, by virtue of its relationship with CFGS and its "Chief  
22 Engineer," Tsui, against whom there is overwhelming evidence of theft and  
23 continued use of the IMAX Trade Secrets.

24 48. At the time the IMAX Trade Secrets were misappropriated and/or used,  
25 GDC knew that the IMAX Trade Secrets were, in fact, trade secrets, and were  
26 owned and protected by IMAX, and/or that GDC acquired the IMAX Trade Secrets  
27 improperly by or through people who had a duty to maintain the confidentiality of  
28 the IMAX Trade Secrets.

1           49. The conduct of GDC as alleged herein, constitutes a violation of the  
2 California Uniform Trade Secrets Act, California Civil Code section 3426 *et seq.*

3           50. As a direct and proximate result of GDC's above-described conduct, acts,  
4 and omissions, IMAX has suffered and/or will suffer numerous harms, including  
5 but not limited to, lost revenues and profits, damaged relations with current and  
6 prospective customers, and material and continuing loss of value of its trade secrets.

7           51. As a direct and proximate result of GDC's above-described conduct, acts,  
8 and omissions, Defendants have been unjustly enriched by misappropriating the  
9 IMAX Trade Secrets and by using the IMAX Trade Secrets to unfairly compete  
10 with IMAX in the large format motion picture industry. Defendants have been able  
11 to avoid or significantly minimize the normal costs and expenses associated with  
12 launching a new business enterprise in this industry.

13           52. As a direct and proximate result of GDC's above-described conduct,  
14 IMAX has been damaged in an amount to be proven at trial. The misappropriation,  
15 acquisition, use and/or disclosure of the IMAX Trade Secrets was a substantial  
16 factor in causing IMAX's injury and harm.

17           53. GDC, by engaging in the conduct alleged herein, has acted intentionally,  
18 willfully, and maliciously, and in conscious disregard of IMAX's rights and  
19 interests, and with the purpose of injuring IMAX and depriving it of its rights. As a  
20 result, IMAX is entitled to an award of exemplary or punitive damages, in an  
21 amount to be determined at trial.

22           54. Pursuant to California Civil Code sections 3426.3 and 3426.4, IMAX  
23 also seeks enhanced damages and to recover its attorneys' fees and costs incurred as  
24 a result of GDC's misappropriation of its trade secrets.

25           55. Pursuant to California Civil Code section 3426.2, IMAX seeks permanent  
26 injunctive relief to enjoin and restrain GDC's unlawful conduct. GDC's wrongful  
27 misappropriation and use of the IMAX Trade Secrets will, unless and until enjoined  
28 and restrained by order of this Court, cause great and irreparable injury to IMAX's

1 business by destroying the confidential and proprietary nature of the IMAX Trade  
2 Secrets and making that information available to IMAX's competitors. Injunctive  
3 relief is also appropriate to avoid the necessity of a multiplicity of legal proceedings  
4 to restrain GDC from further unlawful conduct for which IMAX has no adequate  
5 remedy at law.

6  
7 **SECOND CAUSE OF ACTION**  
8 **(Unjust Enrichment)**

9 56. IMAX hereby incorporates Paragraphs 1 through 55, inclusive, by  
10 reference as though fully set forth herein.

11 57. GDC was the recipient of proprietary information and valuable trade  
12 secrets owned by IMAX. GDC received property belonging to or provided by  
13 IMAX.

14 58. GDC misappropriated and/or used the IMAX Trade Secrets in a way that  
15 caused it to receive a valuable benefit through its actions that GDC would not have  
16 otherwise received. In this way, GDC profited and benefitted from the receipt and  
17 improper use of GDC's proprietary information.

18 59. As a result of its improper actions, GDC was unjustly enriched at the  
19 expense of IMAX and as a benefit to GDC.

20 60. Under principles of equity and good conscience, GDC should not be  
21 permitted to retain the proprietary information and IMAX Trade Secrets, and  
22 IMAX should be compensated for the loss of the benefit they provided in an  
23 amount to be proven at trial.

24 **THIRD CAUSE OF ACTION**  
25 **(Violation of Statutory Unfair Competition Law**  
26 **Bus. & Prof. Code §§ 17200 *et seq.*)**

27 61. IMAX hereby incorporates Paragraphs 1 through 60, inclusive, by  
28 reference as though fully set forth herein.



1 62. By virtue of the misconduct described herein, GDC has engaged in  
2 unlawful, unfair and/or fraudulent business acts and practices in violation of  
3 California Business and Professions Code sections 17200 et seq.

4 63. GDC has acted in a way to restrain competition or the free exercise of  
5 business activity.

6 64. GDC's acts were unlawful because they were in violation of the  
7 California Uniform Trade Secrets Act, because they involved misappropriation  
8 and/or unlawful use of the IMAX Trade Secrets, and because they constitute an  
9 unfair attempt to gain a competitive edge against IMAX. Such unlawful restraint  
10 on trade is evidence of unfair competition.

11 65. GDC's conduct is unfair, as the harm to IMAX outweighs the utility of  
12 the conduct to GDC. The harm caused by GDC's conduct is immoral, unethical,  
13 oppressive, and offends public policy.

14 66. As a proximate result of such unlawful, unfair and/or fraudulent business  
15 acts and practices, IMAX has lost money and property, including its intellectual  
16 property, and GDC has enjoyed unlawful profits, in a sum not yet fully ascertained,  
17 but well in excess of the jurisdictional limits of this Court. IMAX seeks the remedy  
18 of disgorgement and restitution for illicit profits obtained by GDC, from their  
19 misappropriation of the IMAX Trade Secrets, and intellectual and other property,  
20 and their other unlawful, unfair and/or fraudulent business acts and practices.

### 21 **PRAAYER FOR RELIEF**

22 WHEREFORE, as a result of the foregoing, IMAX respectfully prays for  
23 relief against GDC as follows:

- 24 (a) actual damages in the amount caused by GDC to be proven at trial;  
25 (b) monetary damages in an amount by which GDC was unjustly enriched  
26 and will be unjustly enriched;  
27 (c) reasonable royalties for the use of trade secrets pursuant to Civil Code  
28 3426.3(b);

- 1 (d) exemplary damages pursuant to Civil Code 3426.3(c);
- 2 (e) awarding compensatory and punitive damages in an amount to be
- 3 determined at trial, with interest, at the maximum amount permitted by law;
- 4 (f) attorneys' fees, costs, disbursements in prosecuting this action, as well
- 5 as interest, to the extent permitted by law;
- 6 (g) declaratory and permanent injunctive relief as the Court may deem
- 7 necessary and proper;
- 8 (h) such other and further relief as this Court deems just and proper.

9 Dated: June 26, 2013

MANATT, PHELPS & PHILLIPS LLP  
CHAD S. HUMMEL  
SHARI MULROONEY WOLLMAN  
ERIN C. WITKOW

12 By   
13 Attorneys for Plaintiff  
14 IMAX CORPORATION

**DEMAND FOR JURY TRIAL**

PLEASE TAKE NOTICE that pursuant to Fed. R. Civ. P. 38(b) and L.R. 38-1, Plaintiff IMAX Corporation hereby demands a trial by jury on all issues triable by a right to a jury trial in the above-captioned action.

Dated: June 26, 2013

MANATT, PHELPS & PHILLIPS LLP  
CHAD S. HUMMEL  
SHARI MULROONEY WOLLMAN  
ERIN C. WITKOW

By   
Attorneys for Plaintiff  
IMAX CORPORATION

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**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET**

**I. (a) PLAINTIFFS** ( Check box if you are representing yourself  )  
IMAX CORPORATION, a Canadian Corporation

**DEFENDANTS** ( Check box if you are representing yourself  )  
GDC TECHNOLOGY (USA) LLC, a California Limited Liability Company; GDC TECHNOLOGY LIMITED, a British Virgin Islands company; GDC TECHNOLOGY LIMITED, a Cayman Islands company

(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.)

Chad S. Hummel (Bar No. CA 139055)  
MANATT, PHELPS & PHILLIPS, LLP  
11355 W. Olympic Boulevard  
Los Angeles, California 90064  
Tel: (310) 312-4000

(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.)

**II. BASIS OF JURISDICTION** (Place an X in one box only.)

1. U.S. Government Plaintiff  
 2. U.S. Government Defendant  
 3. Federal Question (U.S. Government Not a Party)  
 4. Diversity (Indicate Citizenship of Parties in Item III)

**III. CITIZENSHIP OF PRINCIPAL PARTIES-For Diversity Cases Only**  
(Place an X in one box for plaintiff and one for defendant)

- |   |                                       |                            |   |                            |                                       |
|---|---------------------------------------|----------------------------|---|----------------------------|---------------------------------------|
|   | <b>PTF</b>                            | <b>DEF</b>                 |   | <b>PTF</b>                 | <b>DEF</b>                            |
| Citizen of This State                   | <input type="checkbox"/> 1            | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business in this State     | <input type="checkbox"/> 4 | <input checked="" type="checkbox"/> 4 |
| Citizen of Another State                | <input type="checkbox"/> 2            | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5            |
| Citizen or Subject of a Foreign Country | <input checked="" type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation  | <input type="checkbox"/> 6 | <input type="checkbox"/> 6            |

**IV. ORIGIN** (Place an X in one box only.)

1. Original Proceeding  
 2. Removed from State Court  
 3. Remanded from Appellate Court  
 4. Reinstated or Reopened  
 5. Transferred from Another District (Specify)  
 6. Multi-District Litigation

**V. REQUESTED IN COMPLAINT: JURY DEMAND:**  Yes  No (Check "Yes" only if demanded in complaint.)

**CLASS ACTION under F.R.Cv.P. 23:**  Yes  No **MONEY DEMANDED IN COMPLAINT: \$ 75,000+**

**VI. CAUSE OF ACTION** (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)  
28 U.S.C. § 1332(a); Action for trade secret misappropriation, unjust enrichment and unfair competition between a citizen of a foreign country, on the one hand, and a citizen of this state and citizens of a foreign country, on the other hand, concerning an amount in controversy in excess of \$75,000, exclusive of interest and costs.

**VII. NATURE OF SUIT** (Place an X in one box only).

OTHER STATUTES	CONTRACT	REAL PROPERTY CONT.	IMMIGRATION	PRISONER PETITIONS	PROPERTY RIGHTS
<input type="checkbox"/> 375 False Claims Act	<input type="checkbox"/> 110 Insurance	<input type="checkbox"/> 240 Torts to Land	<input type="checkbox"/> 462 Naturalization Application	<b>Habeas Corpus:</b>	<input type="checkbox"/> 820 Copyrights
<input type="checkbox"/> 400 State Reapportionment	<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 245 Tort Product Liability	<input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 463 Alien Detainee	<input type="checkbox"/> 830 Patent
<input type="checkbox"/> 410 Antitrust	<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 290 All Other Real Property	<b>TORTS</b>	<input type="checkbox"/> 510 Motions to Vacate Sentence	<input type="checkbox"/> 840 Trademark
<input type="checkbox"/> 430 Banks and Banking	<input type="checkbox"/> 140 Negotiable Instrument	<b>TORTS</b>	<b>PERSONAL PROPERTY</b>	<input type="checkbox"/> 530 General	<b>SOCIAL SECURITY</b>
<input type="checkbox"/> 450 Commerce/ICC Rates/Etc.	<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<b>PERSONAL INJURY</b>	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 535 Death Penalty	<input type="checkbox"/> 861 HIA (1395ff)
<input type="checkbox"/> 460 Deportation	<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 371 Truth in Lending	<b>Other:</b>	<input type="checkbox"/> 862 Black Lung (923)
<input type="checkbox"/> 470 Racketeer Influenced & Corrupt Org.	<input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Vet.)	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 540 Mandamus/Other	<input type="checkbox"/> 863 DIWC/DIWW (405 (g))
<input type="checkbox"/> 480 Consumer Credit	<input type="checkbox"/> 153 Recovery of Overpayment of Vet. Benefits	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 550 Civil Rights	<input type="checkbox"/> 864 SSID Title XVI
<input type="checkbox"/> 490 Cable/Sat TV	<input type="checkbox"/> 155 Franchise	<input type="checkbox"/> 330 Fed. Employers' Liability	<b>BANKRUPTCY</b>	<input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 865 RSI (405 (g))
<input type="checkbox"/> 850 Securities/Commodities/Exchange	<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 340 Marine	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 560 Civil Detainee Conditions of Confinement	<b>FEDERAL TAX SUITS</b>
<input checked="" type="checkbox"/> 890 Other Statutory Actions	<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<b>FORFEITURE/PENALTY</b>	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)
<input type="checkbox"/> 891 Agricultural Acts	<input type="checkbox"/> 195 Contract Product Liability	<input type="checkbox"/> 350 Motor Vehicle	<b>CIVIL RIGHTS</b>	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	<input type="checkbox"/> 871 IRS-Third Party 26 USC 7609
<input type="checkbox"/> 893 Environmental Matters	<input type="checkbox"/> 196 Franchise	<input type="checkbox"/> 355 Motor Vehicle Product Liability	<input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 690 Other	
<input type="checkbox"/> 895 Freedom of Info. Act	<b>REAL PROPERTY</b>	<input type="checkbox"/> 360 Other Personal Injury	<input type="checkbox"/> 441 Voting	<b>LABOR</b>	
<input type="checkbox"/> 896 Arbitration	<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 362 Personal Injury-Med Malpractice	<input type="checkbox"/> 442 Employment	<input type="checkbox"/> 710 Fair Labor Standards Act	
<input type="checkbox"/> 899 Admin. Procedures Act/Review of Appeal of Agency Decision	<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 365 Personal Injury-Product Liability	<input type="checkbox"/> 443 Housing/Accommodations	<input type="checkbox"/> 720 Labor/Mgmt. Relations	
<input type="checkbox"/> 950 Constitutionality of State Statutes	<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability	<input type="checkbox"/> 444 American with Disabilities-Employment	<input type="checkbox"/> 740 Railway Labor Act	
		<input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 445 American with Disabilities-Other	<input type="checkbox"/> 751 Family and Medical Leave Act	
		<input type="checkbox"/> 448 Education	<input type="checkbox"/> 446 American with Disabilities-Other	<input type="checkbox"/> 790 Other Labor Litigation	
			<input type="checkbox"/> 448 Education	<input type="checkbox"/> 791 Employee Ret. Inc. Security Act	

FOR OFFICE USE ONLY: Case Number:

**CV13-04640**

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA**  
**CIVIL COVER SHEET**

**VIII(a). IDENTICAL CASES:** Has this action been previously filed in this court and dismissed, remanded or closed?  NO  YES

If yes, list case number(s): \_\_\_\_\_

**VIII(b). RELATED CASES:** Have any cases been previously filed in this court that are related to the present case?  NO  YES

If yes, list case number(s): \_\_\_\_\_

**Civil cases are deemed related if a previously filed case and the present case:**

- (Check all boxes that apply)  A. Arise from the same or closely related transactions, happenings, or events; or  
 B. Call for determination of the same or substantially related or similar questions of law and fact; or  
 C. For other reasons would entail substantial duplication of labor if heard by different judges; or  
 D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

**IX. VENUE:** (When completing the following information, use an additional sheet if necessary.)

(a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named plaintiff resides.

Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

<b>County in this District:*</b>	California County outside of this District; State, if other than California; or Foreign Country
	Canada

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named defendant resides.

Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

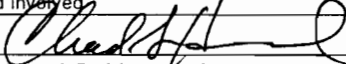
<b>County in this District:*</b>	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	Hong Kong

(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** claim arose. **NOTE: In land condemnation cases, use the location of the tract of land involved.**

<b>County in this District:*</b>	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

\*Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

**Note:** In land condemnation cases, use the location of the tract of land involved.

**X. SIGNATURE OF ATTORNEY (OR SELF-REPRESENTED LITIGANT):**  DATE: June 26, 2013  
 Chad S. Hummel

**Notice to Counsel/Parties:** The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet).

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405 (g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))