

Kelley Drye Client Nano-Proprietary, Inc., is Granted Preliminary Injunction in License Agreement Dispute

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The United States District Court for the Northern District of Illinois has granted preliminary injunction for Nano-Proprietary, Inc. (OTCBB:NNPP) in litigation against the German inventor Till Keesmann. The case involves valuable carbon nanotube cathode patents for use in the flat panel display industry. Nano-Proprietary licensed the patents on an exclusive basis from Keesmann in 2000, but Keesmann attempted to terminate that license last year. Judge Wayne Andersen's order, issued yesterday, enjoins Keesmann from terminating the license pending a final outcome in the litigation. The order granting preliminary injunction finds that Nano-Proprietary is likely to prevail on its claims that Keesmann had no right to terminate the license, and that it must remain in effect because Nano-Proprietary performed its duties.

Last month, the Chicago federal court also granted Nano-Proprietary's motion to amend its complaint against Keesmann and name additional parties. According to the amended complaint, Keesmann entered into separate arrangements with a group of German investors shortly after Nano-Proprietary brought a lawsuit against the Japanese camera manufacturer Canon Inc. in the Western District of Texas. The German investors are affiliated with a German capital fund called IP Bewertungs AG ("IPB"). After Keesmann attempted to terminate Nano-Proprietary's license in March 2006, the IPB investors approached Canon about licensing Keesmann's patents, according to the amended complaint.