

October 4, 2010

### **Federal District Court Issues Contempt Order: Perma-Liner InnerSeal Lining System in Violation of Injunction**

LMK Enterprises, Inc. won a major victory last week when a federal court ruled that the InnerSeal cured-in-place pipe lining systems from Perma-Liner Industries, Inc. infringed LMK's patent rights and were in violation of the court's earlier injunction.

LMK initially filed suit against Perma-Liner in 2008 for infringement of U.S. Patent 6,039,079. After Perma-Liner admitted that use of its InnerSeal system infringed the valid patent, the court entered an injunction to prohibit further acts of infringement. LMK asked the court to enforce the injunction in November of 2009, and the court found that Perma-Liner's continued sale of the InnerSeal system was in violation of the injunction. Perma-Liner defended on the basis that it had modified its InnerSeal system so as not to infringe. The court disagreed.

On September 30, 2010, the Federal District Court for the Middle District of Florida entered a contempt order, finding that Perma-Liner's sales of both the original and modified versions of the InnerSeal system were in violation of the injunction. The court also retained jurisdiction for entry of an order awarding monetary sanctions, including the award of attorney's fees and court costs.

"This ruling is a tremendous victory for LMK and its licensed installers," said Larry Kiest, President and founder of LMK. "We have worked hard to promote our patented technology in the industry, and we are very gratified and pleased with the court's ruling."

LMK Enterprises is a technology provider for renewing underground pipelines without excavation or disruption to traffic and the environment by deploying a structural lining within a pipeline in accordance with ASTM F2561-06 Standard Practice. LMK licenses its patent rights and know how to contractors and municipalities throughout North America and Europe. For more information visit [www.performanceliner.com](http://www.performanceliner.com)