



June 4th, 2013

RE: Axiom Wins Intellectual Property Lawsuit

Dear Customers and Friends of Axiom,

Several months ago I wrote to you explaining how Axiom has been working hard to extract ourselves from the myriad of litigation issues we became embroiled in over the past several years. The last and most significant legal hurdle was to stop the confusion created in the marketplace by entities allegedly manufacturing the DRX9000 series of devices. This was mainly caused by Mr. Saleem Musullam and Excite Medical, Inc, a USA based organization, and Mr. David Ren, HTRD/RYZUR, Chinese organizations (with the assistance of my former business partner and Axiom's former Officer and Director, Nick Exarhos, considered a co-conspirator by Axiom).

On Saturday, June 1st, 2013 a Federal Judge ruled and found Excite Medical and HTRD/RYZUR have **NO RIGHTS** to manufacture the DRX9000 family of devices, and the legal owner of the intellectual property always was and remains to be Axiom Worldwide, Inc. As the sole founder of Axiom Worldwide, Inc., I am very pleased to share the latest and most significant legal updates following the ruling here in Tampa, Florida:

- The Federal Court found Axiom Worldwide, Inc to be the sole owner of the Intellectual Property (IP) that includes trademarks, copyrights, trade names, logos, trade secrets, drawings, designs, and US FDA 510(k)'s.
- The Court ruled that the Defendants, including Excite Medical and Mr. Saleem Musallam, HTRD/RYZUR have infringed on Axiom Inc.'s IP and engaged in unfair competition, including falsely designating the origin of the products they have manufactured, sold, offered for sale, distributed, or advertised in commerce.
- The Court issued a ***Permanent Injunction*** expressly prohibiting Excite Medical, and others Defendants, including the Chinese defendants, from utilizing ANY of Axiom Inc's IP for the purposes of sales or service for any of Axiom's products such as the DRX 9000, DRX 9500, DRX 9000 C, and the EPS/NVP units.
- Please contact Axiom to learn how this ***Permanent Injunction*** may impact you and your DRX device. I may be reached at **813-321-7414** or via email at- **President@AxiomWorldwide.com**.
- Some issues still remain for trial in June such as the alleged fraud by the Defendants and damages due to Axiom. Axiom has presented testimony to the court and has asked for damages to be awarded in the range of \$10 million to \$149 million US dollars.
- The court also instructed the Clerk to direct the US Patent and Trademark Office to correct their records.

While the above summarizes the most important aspects of this victory and vindication for Axiom Worldwide, what follows is a more detailed account of the issues, the Court's ruling, and the far reaching implications moving forward.

HISTORY

In July 2011, Axiom filed its Verified Complaint seeking declaratory and injunctive relief, as well as damages, against the Defendants. The Defendants included: Mr. David Ren of China, HTRD Group of Hong Kong Limited, (with the assistance of former Axiom Officer and Director Nick Exarhos, considered a co-conspirator by Axiom) Mr. Saleem Musallam and Excite Medical Inc, El Tech USA LLC, (operated by Mr. Ilya Marder for Russia) Mr. Andrew Deweerd, Mr. Harlon Parchment, and Anhui Ryzur Axiom Medical Devices, Ltd., Beijing Rong Da Shun Da Trading Co. Ltd d/b/a Ryzur Medical, Beijing Ryzur Axiom Medical Investment Co. Ltd., and Anhui Ryzur Axiom Medical Equipment Co. Ltd.(Chinese organizations).

Defendant David Ren, a citizen of the People's Republic of China, was a former Axiom sales agent for the licensed distributor for Axiom Inc's Chinese partner company owned by Ms. Li Jing and which continues to have the exclusive rights to Axiom Inc's products in China. El Tech was operating in Russia and causing confusion in the market impacting Axiom's Russian distributor, OOO Axioma, and the Russian distributor's president, Ms. Golovina Tatiana. OOO Axioma is a Russian company with the exclusive legal rights to Axiom Inc's products in Russia. Other countries were also impacted by their actions to include Korea, Mexico, Ecuador, Saudi Arabia, Italy, Spain, Greece and many more.

The complaint was filed for alleged trademark and copyright misappropriation and infringement, unfair competition, breach of confidentiality agreements, providing false information to the United States Patent and Trademark Office (USPTO), and trade interference with Axiom's existing business relationships. The complaint also alleged that the defendants filed false documents with the USPTO and the US FDA, and other US and foreign government agencies in an attempt to fraudulently benefit, assign and utilize Axiom's trademarks and intellectual property illegally, and to put counterfeit machines into commerce.

COURT RULING

As to HTRD, EXCITE MEDICAL, SALEEM MUSULLAM, DAVID REN and RYZUR:

It is undisputed that the trademarks used were the same as Axiom Inc's trademarks, as were the products upon which the trademarks were used. The evidence further shows that HTRD used the trademarks and sold its products in several of the same markets as Axiom Inc., China in particular. Finally, by using Axiom Inc's trademarks, as well as its designs, drawings and other intellectual property, it is apparent that HTRD intended to "derive benefit from the reputation" of Axiom Inc. The Court determined that Axiom Inc. established its claim of direct trademark infringement by Excite Medical, Musallam, Ren, and the Ryzur Defendants and is entitled to a declaratory judgment ruling accordingly.

PERMANENT INJUNCTION

The Court determined that Defendants HTRD, Excite Medical, Saleem Musallam, David Ren, and the Ryzur Defendants have infringed Axiom Inc's trademarks and copyrights and engaged in unfair competition. The Court found that Axiom Inc. is entitled to a permanent injunction prohibiting these Defendants from all future use and infringement of Axiom Inc's trademarks and any further copying and infringement of Axiom Inc's copyrights.

The Court also ruled that Axiom Inc. has established irreparable injury for which monetary damages will not adequately compensate. *“Accordingly, entering a permanent injunction will serve the public interest by protecting consumers from being misled or confused about the source, authenticity, and quality of the devices the Defendants manufacture and sell under Axiom Inc.’s trademarks and copyrights.”*

REMAINDER OF CASE and DAMAGES

There are still some issues to resolve at trial and this is anticipated to be finished in June 2013 with a final court ruling on the balance of issues sometime thereafter. The Judge has scheduled a bench trial to determine the amount of damages, and any remaining counts to include fraud and misappropriation by the Defendants on Axiom Inc. In previous filings, Axiom submitted a range for damages to be awarded between \$10 Million and \$149 Million US dollars for the Court’s consideration.

FUTURE OF AXIOM

Now with the perilous legal issues Axiom faced finally resolved, I am pleased to report that ANY and ALL options are being fully considered. I have already begun to consult with investors, business, regulatory and legal professionals to weigh in on various courses of action for the future of Axiom. Additionally, I will be speaking with a number of you and our respective colleagues within the spinal decompression community to hear your wishes for the future of Axiom. In the interim, I encourage you to reach out to me to learn more or with any questions you may have. Alternatively, if you would like a full and complete copy of the Court’s ‘80’ page Order and ruling against the Defendants, including Mr. Saleem Musallam and Excite Medical and the impact to the DRX community.

Additionally, it is of great importance that you contact me immediately if you suspect anyone is violating Axiom’s Intellectual Property and is in violation of the Federal Court Ordered Permanent Injunction.

I may be reached at **813-321-7414** or via email at President@AxiomWorldwide.com .

In closing, I would like to extend my sincere thanks for your continued support of Axiom Inc. and the DRX family of products. With this ruling, Axiom can begin to refocus on our core values of helping healthcare professionals improve the lives of patients suffering from disc related conditions. I look forward to sharing more news as it becomes available.



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