

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
BALTIMORE DIVISION**

**PAICE LLC and THE ABELL FOUNDATION,
INC.,**

Plaintiffs,

v.

**HYUNDAI MOTOR COMPANY,
HYUNDAI MOTOR AMERICA, KIA MOTORS
CORPORATION, and KIA MOTORS
AMERICA, INC.**

Defendants.

C.A. No. _____

JURY TRIAL DEMANDED

COMPLAINT

Plaintiffs Paice LLC (“Paice”) and The Abell Foundation, Inc. (“Abell”) (collectively referred to as the “Plaintiffs”), by and through the undersigned attorneys, file this Complaint for patent infringement against Defendants Hyundai Motor Company and Hyundai Motor America (collectively referred to as “Hyundai”) and Defendants Kia Motors Corporation and Kia Motors America, Inc. (collectively referred to as “Kia”), requesting damages and other relief based upon their personal knowledge as to their own facts and circumstances, and based upon information and belief as to the acts and circumstances of others.

THE PARTIES

1. Paice LLC is a Delaware limited liability company with a place of business at 22957 Shady Knoll Drive, Bonita Springs, Florida. Originally established in 1992 by Dr. Alex J. Severinsky, Paice has been engaged in developing innovative hybrid electric technology to promote fuel efficiency, lower emissions, and superior driving performance. Shortly after Paice

was established, it was enrolled and accepted into the University of Maryland's incubator program, which was created to connect promising start-up companies with the local business and technical community.

2. The Abell Foundation, Inc. is a Maryland corporation with a place of business at 111 South Calvert Street, Suite 2300, Baltimore, Maryland. Abell is a non-profit charitable organization dedicated to fighting urban poverty and enhancing the quality of life in Maryland. In addition, Abell is dedicated to promoting national social objectives, such as increasing energy efficiency and producing alternative energy, and invests in companies with innovative technologies in these areas. In 1998, Abell was introduced to Paice through the University of Maryland's incubator program. Recognizing the future promise and benefits of Paice's technology, Abell has invested millions of dollars in support of Paice's innovative technology. As a result of Abell's investment and involvement with Paice, Abell is an equity owner of Paice.

3. On information and belief, Hyundai Motor Company is a Korean company with a place of business at 231 Yangjae-dong, Seocho-gu, Seoul, South Korea 137-938.

4. On information and belief, Kia Motors Corporation is a Korean company with a place of business at 231 Yangjae-dong, Seocho-gu, Seoul, South Korea 137-938.

5. On information and belief, Hyundai Motor America is a California corporation with a place of business at 10550 Talbert Ave., Fountain Valley, CA 92728. Hyundai Motor America is a subsidiary of Hyundai Motor Company and responsible for U.S. operations, such as sales, marketing and distribution, for Hyundai Motor Company.

6. On information and belief, Kia Motors America, Inc. is a California corporation with a place of business at 111 Peters Canyon Rd., Irvine, CA 92606. Kia Motors

America, Inc. is a subsidiary of Kia Motors Corporation and responsible for U.S. operations, such as sales, marketing and distribution, for Kia Motors Corporation.

JURISDICTION AND VENUE

7. This is a civil action for patent infringement arising under the Patent Laws of the United States, Title 35 of the United States Code. Subject matter jurisdiction over the asserted causes of actions before this Court is proper and founded upon 28 U.S.C. §§ 1331 and 1338.

8. This Court has personal jurisdiction over Hyundai because, among other things, Hyundai has infringed and caused infringement of Plaintiffs' patents in Maryland and within this judicial district.

9. This Court has personal jurisdiction over Kia because, among other things, Kia has infringed and caused infringement of Plaintiffs' patents in Maryland and within this judicial district.

10. Venue is proper in this Court under 28 U.S.C. §§ 1391 and 1400(b) because acts of infringement have been committed in this judicial district, injuries complained of herein occurred in this judicial district, and Hyundai and Kia are subject to personal jurisdiction in this judicial district.

PATENTS-IN-SUIT

11. Paice and Abell are co-owners by assignment of all right, title, and interest in and to United States Patent No. 7,237,634 ("the '634 patent"). The '634 patent is entitled "Hybrid Vehicles" and lists Alex J. Severinsky and Theodore Louckes as inventors. The '634 patent issued on July 3, 2007. A true and correct copy of the '634 patent is attached hereto as Exhibit A.

12. Paice and Abell are co-owners by assignment of all right, title, and interest in and to United States Patent No. 7,104,347 (“the ’347 patent”). The ’347 patent is entitled “Hybrid Vehicles” and lists Alex J. Severinsky and Theodore Louckes as inventors. The ’347 patent issued on September 12, 2006. A true and correct copy of the ’347 patent is attached hereto as Exhibit B.

13. Paice and Abell are co-owners by assignment of all right, title, and interest in and to United States Patent No. 7,559,388 (“the ’388 patent”). The ’388 patent is entitled “Hybrid Vehicles” and lists Alex J. Severinsky and Theodore Louckes as inventors. The ’388 patent issued on July 14, 2009. A true and correct copy of the ’388 patent is attached hereto as Exhibit C.

COUNT I

Hyundai’s Infringement of U.S. Patent No. 7,237,634

14. Plaintiffs reallege and incorporate herein by reference the allegations in paragraphs above. As described below, Hyundai has infringed and continues to infringe the ’634 patent.

15. Hyundai has infringed and continues to infringe, for example, at least claim 16 of the ’634 patent under 35 U.S.C. § 271(a), by making, using, offering for sale or selling within the United States, or importing into the United States hybrid vehicles, such as the Hyundai Sonata Hybrid, that infringe the ’634 patent either literally or under the doctrine of equivalents.

16. On information and belief, Hyundai has actual knowledge of Plaintiffs’ patents and was aware of Paice’s previous litigations against Toyota Motor Corporation involving Plaintiffs’ patents, including the ’634 patent. Since as early as 2004, Paice has contacted Hyundai on numerous occasions and has offered to discuss its patented hybrid

technology with Hyundai. Hyundai also received notice of infringement of the '634 patent by virtue of the filing of this Complaint.

17. Hyundai has actively induced and continues to induce the infringement by others, including its customers, of the '634 patent under 35 U.S.C. § 271(b) by, among other things, manufacturing, selling, offering for sale within the United States and/or importing into the United States hybrid vehicles, such as the Hyundai Sonata Hybrid, and providing materials and instructions for operation of the same, with the specific intent and knowledge that the hybrid vehicles, materials and instructions direct, teach, or assist others to infringe the '634 patent by using or operating the hybrid vehicles in a manner that directly infringes the '634 patent.

18. Hyundai has contributed and continues to contribute to the infringement by others, including its customers, of the '634 patent under 35 U.S.C. § 271(c) by, among other things, manufacturing, selling, offering for sale within the United States and/or importing into the United States hybrid vehicles, such as the Hyundai Sonata Hybrid, for use in practicing the patented inventions of the '634 patent, knowing that the hybrid vehicles are especially made or adapted for use in infringement of the '634 patent, embody a material part of the inventions claimed in the '634 patent, and are not staple articles of commerce suitable for substantial non-infringing use.

19. As a result of Hyundai's past and continued unlawful infringement of the '634 patent, Plaintiffs have suffered and will continue to suffer damage. Plaintiffs are entitled to recover damages adequate to compensate for that infringement in an amount that will be ascertained at trial, but in no event less than a reasonable royalty.

20. On information and belief, Hyundai's acts of infringement have been willful and are made with knowledge of Plaintiffs' rights in the '634 patent. Such acts constitute willful

and deliberate infringement, entitling Plaintiffs to enhanced damages and reasonable attorney fees.

COUNT II

Kia's Infringement of U.S. Patent No. 7,237,634

21. Plaintiffs reallege and incorporate herein by reference the allegations in paragraphs above. As described below, Kia has infringed and continues to infringe the '634 patent.

22. Kia has infringed and continues to infringe, for example, at least claim 16 of the '634 patent under 35 U.S.C. § 271(a), by making, using, offering for sale or selling within the United States, or importing into the United States hybrid vehicles, such as the Kia Optima Hybrid, that infringe the '634 patent either literally or under the doctrine of equivalents.

23. On information and belief, Hyundai and Kia are related companies and share information and technology, for example: (a) Hyundai Motor Company and Kia Motors Corporation are both subsidiaries of the Hyundai Kia Automotive Group, which is based in Seoul, South Korea; (b) the Hyundai Sonata Hybrid and the Kia Optima Hybrid share the same hybrid powertrain technology; and (c) Hyundai and Kia share the same U.S. technical center, the Hyundai Kia America Technical Center, Inc., which is the design, technology and engineering arm for the North American models of the Hyundai Kia Automotive Group. Since as early as 2004, Paice has contacted Hyundai, Kia's sister company, on numerous occasions and has offered to discuss its patented hybrid technology with Hyundai. On information and belief, Kia has actual knowledge of Plaintiffs' patents and was aware of Paice's previous litigations against Toyota Motor Corporation involving Plaintiffs' patents, including the '634 patent. Kia also received notice of infringement of the '634 patent by virtue of the filing of this Complaint.

24. Kia has actively induced and continues to induce the infringement by others, including its customers, of the '634 patent under 35 U.S.C. § 271(b) by, among other things, manufacturing, selling, offering for sale within the United States and/or importing into the United States hybrid vehicles, such as the Kia Optima Hybrid, and providing materials and instructions for operation of the same, with the specific intent and knowledge that the hybrid vehicles, materials and instructions direct, teach, or assist others to infringe the '634 patent by using or operating the hybrid vehicles in a manner that directly infringes the '634 patent.

25. Kia has contributed and continues to contribute to the infringement by others, including its customers, of the '634 patent under 35 U.S.C. § 271(c) by, among other things, manufacturing, selling, offering for sale within the United States and/or importing into the United States hybrid vehicles, such as the Kia Optima Hybrid, for use in practicing the patented inventions of the '634 patent, knowing that the hybrid vehicles are especially made or adapted for use in infringement of the '634 patent, embody a material part of the inventions claimed in the '634 patent, and are not staple articles of commerce suitable for substantial non-infringing use.

26. As a result of Kia's past and continued unlawful infringement of the '634 patent, Plaintiffs have suffered and will continue to suffer damage. Plaintiffs are entitled to recover damages adequate to compensate for that infringement in an amount that will be ascertained at trial, but in no event less than a reasonable royalty.

27. On information and belief, Kia's acts of infringement have been willful and are made with knowledge of Plaintiffs' rights in the '634 patent. Such acts constitute willful and deliberate infringement, entitling Plaintiffs to enhanced damages and reasonable attorney fees.

COUNT III

Hyundai's Infringement of U.S. Patent No. 7,104,347

28. Plaintiffs reallege and incorporate herein by reference the allegations in paragraphs above. As described below, Hyundai has infringed and continues to infringe the '347 patent.

29. Hyundai has infringed and continues to infringe, for example, at least claim 7 of the '347 patent under 35 U.S.C. § 271(a), by making, using, offering for sale or selling within the United States, or importing into the United States hybrid vehicles, such as the Hyundai Sonata Hybrid, that infringe the '347 patent either literally or under the doctrine of equivalents.

30. On information and belief, Hyundai has actual knowledge of Plaintiffs' patents and was aware of Paice's previous litigations against Toyota Motor Corporation involving Plaintiffs' patents, including the '347 patent. Since as early as 2004, Paice has contacted Hyundai on numerous occasions and has offered to discuss its patented hybrid technology with Hyundai. Hyundai also received notice of infringement of the '347 patent by virtue of the filing of this Complaint.

31. Hyundai has actively induced and continues to induce the infringement by others, including its customers, of the '347 patent under 35 U.S.C. § 271(b) by, among other things, manufacturing, selling, offering for sale within the United States and/or importing into the United States hybrid vehicles, such as the Hyundai Sonata Hybrid, and providing materials and instructions for operation of the same, with the specific intent and knowledge that the hybrid vehicles, materials and instructions direct, teach, or assist others to infringe the '347 patent by using or operating the hybrid vehicles in a manner that directly infringes the '347 patent.

32. Hyundai has contributed and continues to contribute to the infringement by others, including its customers, of the '347 patent under 35 U.S.C. § 271(c) by, among other things, manufacturing, selling, offering for sale within the United States and/or importing into the United States hybrid vehicles, such as the Hyundai Sonata Hybrid, for use in practicing the patented inventions of the '347 patent, knowing that the hybrid vehicles are especially made or adapted for use in infringement of the '347 patent, embody a material part of the inventions claimed in the '347 patent, and are not staple articles of commerce suitable for substantial non-infringing use.

33. As a result of Hyundai's past and continued unlawful infringement of the '347 patent, Plaintiffs have suffered and will continue to suffer damage. Plaintiffs are entitled to recover damages adequate to compensate for that infringement in an amount that will be ascertained at trial, but in no event less than a reasonable royalty.

34. On information and belief, Hyundai's acts of infringement have been willful and are made with knowledge of Plaintiffs' rights in the '347 patent. Such acts constitute willful and deliberate infringement, entitling Plaintiffs to enhanced damages and reasonable attorney fees.

COUNT IV

Kia's Infringement of U.S. Patent No. 7,104,347

35. Plaintiffs reallege and incorporate herein by reference the allegations in paragraphs above. As described below, Kia has infringed and continues to infringe the '347 patent.

36. Kia has infringed and continues to infringe, for example, at least claim 7 of the '347 patent under 35 U.S.C. § 271(a), by making, using, offering for sale or selling within the

United States, or importing into the United States hybrid vehicles, such as the Kia Optima Hybrid, that infringe the '347 patent either literally or under the doctrine of equivalents.

37. On information and belief, Hyundai and Kia are related companies and share information and technology, for example: (a) Hyundai Motor Company and Kia Motors Corporation are both subsidiaries of the Hyundai Kia Automotive Group, which is based in Seoul, South Korea; (b) the Hyundai Sonata Hybrid and the Kia Optima Hybrid share the same hybrid powertrain technology; and (c) Hyundai and Kia share the same U.S. technical center, the Hyundai Kia America Technical Center, Inc., which is the design, technology and engineering arm for the North American models of the Hyundai Kia Automotive Group. Since as early as 2004, Paice has contacted Hyundai, Kia's sister company, on numerous occasions and has offered to discuss its patented hybrid technology with Hyundai. On information and belief, Kia has actual knowledge of Plaintiffs' patents and was aware of Paice's previous litigations against Toyota Motor Corporation involving Plaintiff's patents, including the '347 patent. Kia also received notice of infringement of the '347 patent by virtue of the filing of this Complaint.

38. Kia has actively induced and continues to induce the infringement by others, including its customers, of the '347 patent under 35 U.S.C. § 271(b) by, among other things, manufacturing, selling, offering for sale within the United States and/or importing into the United States hybrid vehicles, such as the Kia Optima Hybrid, and providing materials and instructions for operation of the same, with the specific intent and knowledge that the hybrid vehicles, materials and instructions direct, teach, or assist others to infringe the '347 patent by using or operating the hybrid vehicles in a manner that directly infringes the '347 patent.

39. Kia has contributed and continues to contribute to the infringement by others, including its customers, of the '347 patent under 35 U.S.C. § 271(c) by, among other things,

manufacturing, selling, offering for sale within the United States and/or importing into the United States hybrid vehicles, such as the Kia Optima Hybrid, for use in practicing the patented inventions of the '347 patent, knowing that the hybrid vehicles are especially made or adapted for use in infringement of the '347 patent, embody a material part of the inventions claimed in the '347 patent, and are not staple articles of commerce suitable for substantial non-infringing use.

40. As a result of Kia's past and continued unlawful infringement of the '347 patent, Plaintiffs have suffered and will continue to suffer damage. Plaintiffs are entitled to recover damages adequate to compensate for that infringement in an amount that will be ascertained at trial, but in no event less than a reasonable royalty.

41. On information and belief, Kia's acts of infringement have been willful and are made with knowledge of Plaintiffs' rights in the '347 patent. Such acts constitute willful and deliberate infringement, entitling Plaintiffs' to enhanced damages and reasonable attorney fees.

COUNT VI

Hyundai's Infringement of U.S. Patent No. 7,559,388

42. Plaintiffs reallege and incorporate herein by reference the allegations in paragraphs above. As described below, Hyundai has infringed and continues to infringe the '388 patent.

43. Hyundai has infringed and continues to infringe, for example, at least claim 1 of the '388 patent under 35 U.S.C. § 271(a), by making, using, offering for sale or selling within the United States, or importing into the United States hybrid vehicles, such as the Hyundai Sonata Hybrid, that infringe the '388 patent either literally or under the doctrine of equivalents.

44. On information and belief, Hyundai has actual knowledge of Plaintiffs' patents and was aware of Paice's previous litigations against Toyota Motor Corporation involving Plaintiffs' patents. Since as early as 2004, Paice has contacted Hyundai on numerous occasions and has offered to discuss its patented hybrid technology with Hyundai. Hyundai also received notice of infringement of the '388 patent by virtue of the filing of this Complaint.

45. Hyundai has actively induced and continues to induce the infringement by others, including its customers, of the '388 patent under 35 U.S.C. § 271(b) by, among other things, manufacturing, selling, offering for sale within the United States and/or importing into the United States hybrid vehicles, such as the Hyundai Sonata Hybrid, and providing materials and instructions for operation of the same, with the specific intent and knowledge that the hybrid vehicles, materials and instructions direct, teach, or assist others to infringe the '388 patent by using or operating the hybrid vehicles in a manner that directly infringes the '388 patent.

46. Hyundai has contributed and continues to contribute to the infringement by others, including its customers, of the '388 patent under 35 U.S.C. § 271(c) by, among other things, manufacturing, selling, offering for sale within the United States and/or importing into the United States hybrid vehicles, such as the Hyundai Sonata Hybrid, for use in practicing the patented inventions of the '388 patent, knowing that the hybrid vehicles are especially made or adapted for use in infringement of the '388 patent, embody a material part of the inventions claimed in the '388 patent, and are not staple articles of commerce suitable for substantial non-infringing use.

47. As a result of Hyundai's past and continued unlawful infringement of the '388 patent, Plaintiffs have suffered and will continue to suffer damage. Plaintiffs are entitled to

recover damages adequate to compensate for that infringement in an amount that will be ascertained at trial, but in no event less than a reasonable royalty.

48. On information and belief, Hyundai's acts of infringement have been willful and are made with knowledge of Plaintiffs' rights in the '388 patent. Such acts constitute willful and deliberate infringement, entitling Plaintiffs to enhanced damages and reasonable attorney fees.

COUNT VI

Kia's Infringement of U.S. Patent No. 7,559,388

49. Plaintiffs reallege and incorporate herein by reference the allegations in paragraphs above. As described below, Kia has infringed and continues to infringe the '388 patent.

50. Kia has infringed and continues to infringe, for example, at least claim 1 of the '388 patent under 35 U.S.C. § 271(a), by making, using, offering for sale or selling within the United States, or importing into the United States hybrid vehicles, such as the Kia Optima Hybrid, that infringe the '388 patent either literally or under the doctrine of equivalents.

51. On information and belief, Hyundai and Kia are related companies and share information and technology, for example: (a) Hyundai Motor Company and Kia Motors Corporation are both subsidiaries of the Hyundai Kia Automotive Group, which is based in Seoul, South Korea; (b) the Hyundai Sonata Hybrid and the Kia Optima Hybrid share the same hybrid powertrain technology; and (c) Hyundai and Kia share the same U.S. technical center, the Hyundai Kia America Technical Center, Inc., which is the design, technology and engineering arm for the North American models of the Hyundai Kia Automotive Group. Since as early as 2004, Paice has contacted Hyundai, Kia's sister company, on numerous occasions and has

offered to discuss its patented hybrid technology with Hyundai. On information and belief, Kia has actual knowledge of Plaintiffs' patents and was aware of Paice's previous litigations against Toyota Motor Corporation involving Plaintiffs' patents. Kia also received notice of infringement of the '388 patent by virtue of the filing of this Complaint.

52. Kia has actively induced and continues to induce the infringement by others, including its customers, of the '388 patent under 35 U.S.C. § 271(b) by, among other things, manufacturing, selling, offering for sale within the United States and/or importing into the United States hybrid vehicles, such as the Kia Optima Hybrid, and providing materials and instructions for operation of the same, with the specific intent and knowledge that the hybrid vehicles, materials and instructions direct, teach, or assist others to infringe the '388 patent by using or operating the hybrid vehicles in a manner that directly infringes the '388 patent.

53. Kia has contributed and continues to contribute to the infringement by others, including its customers, of the '388 patent under 35 U.S.C. § 271(c) by, among other things, manufacturing, selling, offering for sale within the United States and/or importing into the United States hybrid vehicles, such as the Kia Optima Hybrid, for use in practicing the patented inventions of the '388 patent, knowing that the hybrid vehicles are especially made or adapted for use in infringement of the '388 patent, embody a material part of the inventions claimed in the '388 patent, and are not staple articles of commerce suitable for substantial non-infringing use.

54. As a result of Kia's past and continued unlawful infringement of the '388 patent, Plaintiffs have suffered and will continue to suffer damage. Plaintiffs are entitled to recover damages adequate to compensate for that infringement in an amount that will be ascertained at trial, but in no event less than a reasonable royalty.

55. On information and belief, Kia's acts of infringement have been willful and are made with knowledge of Plaintiffs' rights in the '388 patent. Such acts constitute willful and deliberate infringement, entitling Plaintiffs to enhanced damages and reasonable attorney fees.

JURY DEMAND

Pursuant to Federal Rule of Civil Procedure 38, Plaintiffs demand a trial by jury on all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs Paice and Abell respectfully request the following relief:

- 1) A judgment that the '634, '347 and '388 patents have been infringed by Hyundai;
- 2) A judgment that the '634, '347 and '388 patents have been infringed by Kia;
- 3) A judgment that Hyundai's infringement of the '634, '347 and '388 patents has been willful;
- 4) A judgment that Kia's infringement of the '634, '347 and '388 patents has been willful;
- 5) Awarding Paice and Abell damages adequate to compensate for the infringement, pre- and post-judgment interest as allowed by law, costs, and all other damages permitted by 35 U.S.C. § 284, including enhanced damages as a result of Hyundai's willful infringement;
- 6) Awarding Paice and Abell damages adequate to compensate for the infringement, pre- and post-judgment interest as allowed by law, costs, and all other damages permitted by 35 U.S.C. § 284, including enhanced damages as a result of Kia's willful infringement;

- 7) Declaring that this case is an exceptional one under 35 U.S.C. § 285, and awarding Paice and Abell their reasonable attorneys' fees;
- 8) Permanently enjoining Hyundai and its officers, agents, servants, employees, affiliates, representatives, successors and assigns, attorneys, and any others acting in concert with Hyundai, from further infringement, inducement and contributory infringement of the '634, '347 and '388 patents. Alternatively, Paice and Abell request a determination of an ongoing royalty taking into account the parties' changed post-verdict status if Hyundai decides to engage in willful post-verdict infringement;
- 9) Permanently enjoining Kia and its officers, agents, servants, employees, affiliates, representatives, successors and assigns, attorneys, and any others acting in concert with Hyundai, from further infringement, inducement and contributory infringement of the '634, '347 and '388 patents. Alternatively, Paice and Abell request a determination of an ongoing royalty taking into account the parties' changed post-verdict status if Kia decides to engage in willful post-verdict infringement;
- 10) Awarding Paice and Abell such further, necessary and proper relief as this Court may deem just and reasonable.

Dated: February 16, 2012

Respectfully submitted,

FISH & RICHARDSON P.C.

By: /s/ Linda Liu Kordziel

Ruffin B. Cordell (*pro hac vice to be filed*)

Linda Liu Kordziel (MD Bar No. 15212)

Ahmed J. Davis (MD Bar No. 17812)

FISH & RICHARDSON P.C.

1425 K Street, N.W., 11th Floor

Washington, DC 20005

Telephone: 202-783-5070

Facsimile: 202-783-2331

Email: *cordell@fr.com*

Email: *kordziel@fr.com*

Email: *davis@fr.com*

Counsel for Plaintiffs

PAICE LLC and THE ABELL FOUNDATION,
INC.