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Attorneys for Plaintiff CTC Global Corp.

**UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

CTC GLOBAL CORPORATION, a
Delaware Corporation,

Plaintiff,

v.

MERCURY CABLE & ENERGY, INC.,
d/b/a Mercury Cable & Energy, LLC, a
Nevada corporation; ENERGY
TECHNOLOGY INTERNATIONAL
COMPANY, INC., a Cook Islands
corporation; RONALD MORRIS, an
individual; TODD HARRIS, an individual;
EDWARD SKONEZNY, an individual;
and DOES 1-10,

Defendants.

CASE NO. SACV 09-cv-00261 DOC
(MLGx)

Hon. David O. Carter
Courtroom 9

**CTC GLOBAL CORP.'S THIRD
AMENDED COMPLAINT FOR
PATENT INFRINGEMENT**

DEMAND FOR JURY TRIAL

1 Plaintiff CTC Global Corp. (“CTC”), files this Third Amended Complaint
 2 against defendants Mercury Cable & Energy, Inc. d/b/a Mercury Cable & Energy,
 3 LLC (“Mercury”), Energy Technology International Company, Inc., Ronald
 4 Morris, Edward Skonezny, Todd Harris, and Does 1-10 (collectively,
 5 “Defendants”), and demanding a trial by jury, alleges as follows:

6 **JURISDICTION AND VENUE**

7 1. This is an action for patent infringement arising under the patent laws
 8 of the United States, Title 35 of the United States Code. This Court has original
 9 jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331
 10 and 1338(a).

11 2. Venue is proper in this Court under 28 U.S.C. §§ 1391(b) and (c), and
 12 1400(b).

13 **THE PARTIES**

14 3. Plaintiff CTC is a corporation organized and existing under the laws
 15 of the State of Delaware and having its principal place of business at 2026 McGaw
 16 Avenue, Irvine, California 92614, within this judicial district.

17 4. Defendant Mercury is, upon information and belief, a corporation
 18 organized under the laws of the State of Nevada, and doing business as Mercury
 19 Cable & Energy, LLC, and having a principal place of business at 32545B Golden
 20 Lantern, Dana Point, California 92629, and doing business in this judicial district,
 21 including business related to the claims asserted in this Complaint.

22 5. Defendant Energy Technology International Company, Inc. is, upon
 23 information and belief, a corporation organized under the laws of the Cook Islands,
 24 is merely an alter ego of Defendant Mercury, and is doing business in this judicial
 25 district, including business related to the claims asserted in the Third Amended
 26 Complaint.

27 6. Plaintiff alleges on information and belief that Defendant Ronald
 28 Morris is the Chief Executive Officer, a director, and a principal shareholder of

1 Defendant Mercury. On information and belief, Defendant Ronald Morris directs,
2 conducts, controls or ratifies the actions of Mercury, including directing,
3 conducting, controlling or ratifying the unauthorized infringement of United States
4 Patent No. 7,368,162 (the “‘162 Patent”), United States Patent No. 7,211,319 (the
5 “‘319 Patent”) (collectively, the “Asserted Patents”), as set forth below. For
6 example, on information and belief, Defendant Morris, in his capacities as a
7 member of Mercury’s board of directors and as its CEO, has approved of and
8 directed at least the manufacturing of Mercury’s infringing HVCRC core in
9 Kentucky by Diversified Composites for Defendants and the infringing use of
10 Mercury’s HVCRC core for research and testing at the University of Southern
11 California.

12 7. On information and belief, Defendant Ronald Morris is a resident of
13 this judicial district and is also doing business in this judicial district, including
14 business related to the claims asserted in this Complaint.

15 8. Plaintiff alleges on information and belief that Defendant Edward
16 Skonezny directs, conducts, controls or ratifies the actions of Mercury, including
17 directing, conducting, controlling or ratifying the unauthorized infringement of the
18 ‘162 Patent and the ‘319 Patent as set forth below. On information and belief,
19 Defendant Skonezny, despite knowing that CTC’s ACCC® core was patented,
20 formulated, advocated and pursued a plan to take over CTC’s proprietary
21 technology and infringe CTC’s patents, as is alleged in more detail below, and
22 joined with the other Defendants in founding Mercury for that purpose.

23 9. On information and belief, Defendant Edward Skonezny is a resident
24 of this judicial district, and is also doing business in this judicial district, including
25 business related to the claims asserted in this Complaint.

26 10. Plaintiff alleges on information and belief that Defendant Todd Harris
27 is the president, director, and a principal shareholder of Defendant Mercury and
28 further alleges on information and belief, that Defendant Todd Harris directs,

conducts, controls or ratifies the actions of Mercury, including directing,
 conducting, controlling or ratifying the unauthorized infringement of the ‘162
 Patent and the ‘319 Patent, as set forth below. For example, on information and
 belief, Defendant Harris, in his capacities as a member of Mercury’s board of
 directors and as its president, has approved of and directed at least the
 manufacturing of Mercury’s infringing HVCRC core in Kentucky by Diversified
 Composites for Defendants and the infringing use of Mercury’s HVCRC core for
 research and testing at the University of Southern California.

11. On information and belief, Defendant Todd Harris is a resident of this
 judicial district, and is also doing business in this judicial district, including
 business related to the claims asserted in this Complaint.

12. Plaintiff alleges that on information and belief that the Defendants
 have repeatedly abused the corporate structure in an effort to hide evidence
 concerning their business dealings, including conduct related to the claims asserted
 in this Complaint. Specifically, Defendants have formed multiple “shell”
 corporate entities solely to escape liability for their wrongful conduct. These shell
 corporations, which include Belizean and Cook Islands corporations, include at
 least the following entities:

- a. Mercury Cable & Energy, Inc.,
- b. Mercury Cable & Energy, LLC,
- c. Mercury Composite Company Ltd.,
- d. Energy Technologies International LLC,
- e. Energy Technology International Company, Inc.,
- f. Mercury (Huizhou) Composites,
- g. Global Energy Technologies Ltd.,
- h. Advanced Technology Holdings Ltd., and
- i. Winter Composites, LLC.

13. On information and belief, the corporate entities listed above are

1 “shells” that are mere alter egos of the Defendants. In particular, Plaintiff alleges
2 on information and belief that the Defendants have given little respect to the
3 separate identify of the above corporations, including, for example, a disregard of
4 corporate formalities. In addition, recognition of the corporate form here would
5 either sanction a fraudulent intent to evade liability, or promote injustice to CTC.

6 14. For example, at his deposition in another case, Defendant Ronald
7 Morris was generally unable to explain even basic facts regarding these
8 corporations. Morris testified that he was the CEO and a board member of
9 Mercury, but could not name either the secretary or treasurer of Mercury. He
10 testified that he could not recall either the chairman of the Mercury board or the
11 date of the last Mercury board meeting. Morris recalled that he was previously an
12 officer or director of ETI, thought he “possibly” might still be, but could not recall
13 his role or title. He could not recall who was the president of ETI. He thought he
14 “could have been” the president of Global Technologies at formation, but could not
15 recall and did not know who was the current president.

16 15. Similarly, Defendant Todd Harris, at his deposition in the other case,
17 was unable to provide basic information regarding Mercury’s numerous
18 corporations. Harris claimed to be the president of ETI, but did not know the vice-
19 president or secretary/treasurer, or even if ETI had a vice-president or
20 secretary/treasurer. Harris could not describe the business or role of Global
21 Technologies. He thought that Mercury probably has had board meetings, but not
22 on a regular basis, and he did not know if minutes were kept.

23 16. On information and belief, Defendants’ creation and manipulation of
24 these shell entities is intended to enable them to evade enforcement of CTC’s
25 intellectual property rights – whether by injunction or money judgment – by
26 concealing assets, placing them offshore, and allowing the Defendants to
27 ostensibly shift assets and infringing activities from one entity to another in
28 whatever manner will best disrupt CTC’s enforcement activities.

1 17. On information and belief, because of Defendants' abuse of the
2 corporate structure, it is appropriate to pierce the corporate veil and hold
3 Defendants liable for any and all wrongful conduct of the shell corporations behind
4 that they have sought to hide, including liability for the claims for patent
5 infringement alleged in this Complaint.

6 18. Since its formation by founding principals Ron Morris, Ed Skonezny,
7 and Todd Harris, Mercury's entire business plan and technology was taken and
8 copied directly from CTC. Mercury's products and specifically its HVCRC
9 Conductor and composite core includes all patented features of CTC's patented
10 ACCC® Conductor and composite core. Mercury designs, makes, uses, tests,
11 imports, provides, supplies, distributes, sells, licenses, installs, strands, markets
12 and/or instructs third parties to import, supply, distribute, use, test, strand and/or
13 install the HVCRC Conductor and composite core in the United States. As a
14 result, Mercury is liable for direct infringement, indirect infringement and willful
15 infringement of the Asserted Patents.

16 19. On information and belief, Defendants Skonezny and Morris had
17 knowledge of the claimed subject matter of the Asserted Patents since at least
18 November 6, 2003, the publication date of PCT/US03/12520 from which the
19 Asserted Patents claim priority, and at least since March 3, 2009, after the Asserted
20 Patents issued and when this lawsuit was filed. After obtaining knowledge of the
21 Asserted Patents and their claimed subject matter, Defendants continued to design,
22 make, use import, provide, supply, distribute, sell, offer for sale license, strand
23 and/or install the HVCRC Conductor and composite core and instruct third parties
24 to import, supply, distribute, use, test, strand and/or install the HVCRC Conductor
25 and composite core in the United States. As a result, Defendants (1) knew or
26 should have known their actions would induce and contribute to direct
27 infringement; and (2) by their actions, they actually induced and contributed to
28 direct infringement of third parties. Defendants Skonezny and Morris knew that

CTC's ACCC® core was patented but nonetheless decided to form a company for the sole purpose of manufacturing and replicating the ACCC® core in direct competition with CTC. Thereafter, as founders and leaders of Mercury, the Defendants Skonezny and Morris pursued a plan to take over CTC's proprietary technology and infringe the Asserted Patents, as described in detail below.

20. Plaintiff is ignorant of the true names and capacities of the defendants sued herein under the fictitious names Does One through Ten, inclusive (the "Doe Defendants"). Upon information and belief, the Doe Defendants are involved with Defendants and/or the activities alleged herein, but Plaintiffs have been unable to identify the names of the Doe Defendants from public records or other information available to Plaintiff. Accordingly, Plaintiff has sued the Doe Defendants by their fictitious names. Plaintiff will seek leave to amend the Complaint to allege the true names and capacities of the Doe Defendants when ascertained.

21. Plaintiff is informed and believed and, on that basis, alleges that the Doe Defendants, and each of them, are responsible in some manner, by their acts and omissions, for the matters alleged herein. Plaintiff is further informed and believes and, on that basis, alleges that the Doe Defendants, and each of them, at all material times herein alleged, were the agents, servants or employees of the other Defendants.

22. Upon information and belief, at all times relevant herein, Defendants were the agents of each other, and in doing the things alleged herein, each defendant was acting within the course and scope of its, his or her agency and was subject to and under the supervision of the other defendants.

Factual Background

A. Plaintiff CTC Global Corporation.

23. Plaintiff CTC Global Corporation ("CTC") provides innovative energy efficient products and renewable energy products to the electrical utility industry. CTC offers electrical transmission conductors and associated hardware.

1 CTC's conductors use advanced composite materials that result in energy efficient
2 conductors for electrical transmission systems. CTC's products, including,
3 specifically, its electrical transmission conductors, benefit from the proprietary and
4 patented technologies that result in products that CTC believes have substantial
5 economic benefits over similar, more traditional products.

6 **B. CTC's Patented Composite Core.**

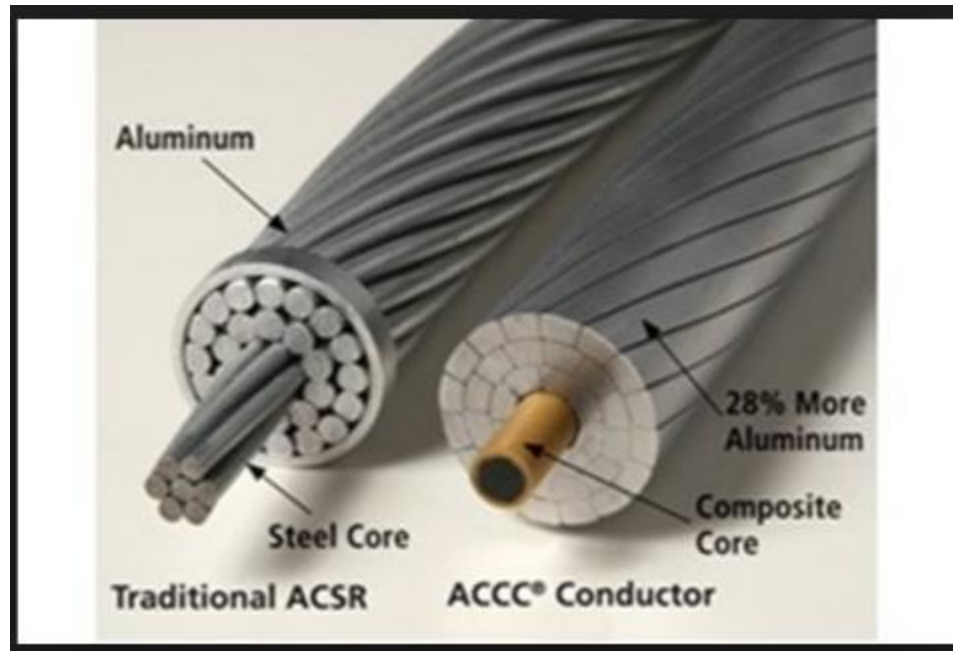
7 24. For over 100 years, bare overhead electrical transmission cables
8 around the world have used the same technology: strands of steel wire comprising
9 a central "core" that provides the strength necessary to hang the cables between
10 towers, with aluminum wire stranded around the core to conduct electricity. This
11 type of cable is referred to as Aluminum Conductor Steel Reinforced ("ACSR").
12 This dated design has serious limitations. For example, the steel core used in this
13 design is heavy and expands from the heat caused by electrical resistance when
14 electricity flows through the aluminum conductor.

15 25. Once heated, the steel core expands and causes the ACSR cable to sag
16 significantly. ACSR cable must therefore be strung on tall, expensive towers and
17 at high tension. The use of high tension towers require that a significant portion of
18 the investment in a transmission grid is made for these towers. In a typical new
19 transmission project, the conductor represents approximately 20% of the cost while
20 the towers represent 80% of the cost. Due to this cost, the towers are usually
21 constructed to the minimum allowable strength and tensioning required by the
22 engineered conductor design when originally built.

23 26. When ACSR cables sag, they may still hit trees or other objects
24 causing power outages and other problems, including devastating fires. The heat
25 caused by electrical resistance also limits how much electricity may be transmitted
26 through ACSR cables.

27 27. To overcome the significant drawbacks of the dated steel core ACSR
28 conductor, CTC pioneered and patented a new overhead electrical transmission

1 cable called ACCC® conductor. CTC's ACCC® conductor replaces the steel core
 2 of traditional ACSR cable with a high strength, lightweight, and sag-resistant
 3 composite "core." Trapezoidal shaped conductive aluminum wire is then typically
 4 stranded about this innovative composite core. Because CTC's patented composite
 5 core utilizes lightweight fibers, *e.g.*, carbon and glass, that are stronger and lighter
 6 than steel, the composite core in the ACCC® conductor is smaller, which allows
 7 more aluminum to be stranded as compared to the ACSR for increased electrical
 8 capacity and reduced line losses. The figure below illustrates the advantages of
 9 CTC's patented overhead conductor with its innovative composite core over a
 10 traditional steel-core ACSR conductor:



28. As shown above, CTC's patented ACCC® conductor has
 approximately 28% more conductive aluminum area than the traditional ACSR,
 which allows the ACCC® conductor to transmit electricity with between 30% and
 36% less line losses than with ACSR using a traditional steel core. The ACCC®
 composite core also expands far less than the old steel core when heated so sag
 problems are avoided. The patented ACCC® core can also operate at higher

1 temperatures, thereby providing increased electrical transmission.

2 29. CTC manufactures the patented ACCC® core in Irvine, California.
3 This composite core is then “stranded” with the aluminum conductor by companies
4 with whom CTC has distribution and stranding relationships.

5 30. CTC has invested tens of millions of dollars in technology,
6 equipment, testing, certification and market development to prove to the
7 conservative utility community that its technology is safe, efficient and capable of
8 delivering exceptional benefits. As a result of these extraordinary efforts, CTC has
9 already successfully deployed more than 9,000 km of the patented ACCC®
10 composite core in the U.S., Central America, South America, Europe, China,
11 Africa and Indonesia.

12 **C. Defendants Learn of CTC and its Patented ACCC® Composite**
13 **Core Technology.**

14 31. Both CTC and its patented ACCC® core are well known to
15 Defendants. Indeed, Defendants Ed Skonezny and Ron Morris contracted with
16 CTC to sell the ACCC® conductor and the ACCC® core technology to aluminum
17 cable manufacturers and electricity providers in China.

18 32. During the nearly five years that they contracted with CTC, Mr.
19 Skonezny and Mr. Morris repeatedly visited CTC’s facility and its secure
20 pultrusion manufacturing area and had access to intimate details regarding the
21 process by which CTC manufactured the patented ACCC® core.

22 33. When their business relationship with CTC ended, Skonezny and
23 Morris entered into a Settlement Agreement obligating them not to compete with
24 CTC and to not use CTC’s confidential information to which they had access for
25 almost five years:

26 [Skonezny and Morris] agree: (1) that they will maintain the
27 confidential nature of any information they have learned about the
28 Debtor’s business and products; and (2) that they shall not solicit any

business partner, customer or affiliate of the Debtor (a) to violate any business arrangement with the Debtor, or (b) in any manner that would directly or indirectly assist any person or company in competition with the business of the Debtor, or (c) that would cause harm to the Debtor. Furthermore, the ACTS Parties agree (i) that they will not represent any competing bare overhead electrical cable products in China, and (ii) that they will not interfere with the business of the Debtor in any manner.

D. After Leaving CTC, Defendants Copy CTC's Patented ACCC® Composite Core Technology.

34. Shortly after executing the Settlement Agreement with CTC, Defendants Ron Morris and Ed Skonezny determined they were going to compete with CTC, notwithstanding their obligations under the Settlement Agreement. They approached Defendant Todd Harris for the express purpose of forming a company whose sole goal was to manufacture its own version of CTC's patented ACCC® core in direct competition with CTC. For Mr. Morris and Mr. Skonezny, this was a material breach of the Settlement Agreement they all had just signed.

35. On information and belief, upon forming their company – which later came to be called Mercury – to directly compete with CTC in the manufacture of CTC's patented ACCC® core, the individuals that made up the Mercury team – including Defendants Ron Morris, Ed Skonezny, and Todd Harris – immediately took steps to copy CTC's patented ACCC® core.

36. Defendants also sought out Brian Brittsan, who had been the Acting Chief Operations Officer of CTC until February of 2006. Upon leaving CTC, Mr. Brittsan immediately began communicating with Defendants regarding their plans to compete with CTC and manufacture their own version of CTC's patented ACCC® core. For example, in March 2006, immediately after he had left CTC, Brittsan exchanged numerous e-mails with Defendant Ron Morris and Defendant

1 Edward Skonezny discussing CTC and the patented ACCC® core, as well as
2 Mercury’s own attempts to exploit that technology. In one email between Mr.
3 Brittsan and Mr. Skonezny, Brittsan proclaimed that “[t]he only thing I can tell you
4 regarding the [CTC] patents is that I know how to make the core(!!)” **Ex. E**
5 (emphasis in original).

6 37. Defendants also targeted CTC’s current and former suppliers and
7 business partners in an effort to gain additional information regarding the highly-
8 technical process required to fabricate CTC’s patented core.

9 38. On information and belief, by 2009 Defendant had misappropriated
10 CTCs proprietary technology and was manufacturing in cooperation with the other
11 defendants a virtual clone of CTC’s patented composite core.

12 **E. Defendants Used CTC Third Party Vendors to Copy CTC**
13 **Technology.**

14 39. In a March 16, 2006 email between Brian Brittsan (CTC’s former
15 Chief Operations Officer) and Defendant Edward Skonezny, Mr. Skonezny
16 discusses the importance of gaining control of CTC’s patents:

17 Now the interesting part – who owns the technology?? Can CTC ever get a
18 patent? If not why? And if they can where is the correspondence between
19 them and the FPO??

20 **Ex. E.**

21 40. In his response to this email, Mr. Brittsan confirms the importance of
22 CTC’s patented composite core technology, stating: “I’ve always said that
23 irrespective of management ACCC will be commercialized – *it’s too valuable not*
24 *to be.*”

25 *Id.* (emphasis added).

26 41. Defendants approached Mike Andrews, the Executive Vice President
27 and Group President at General Cable. At the time, General Cable was still
28 stranding the conductive aluminum wire sheath around the outside of the CTC’s

1 patented composite core to create a finished conductor wire.

2 42. On information and belief, Defendants urged Mike Andrews and
3 General Cable to raise the costs required for CTC to conduct business.

4 43. For example, in the same March 16, 2006 email discussed above, Mr.
5 Brittsan also discusses the importance of General Cable and Mike Andrews to the
6 plot to destroy CTC and obtain CTC's patents:

7 The only thing I can tell you regarding the [CTC] patents is that I know how
8 to make the core (!!)- [Mike] Andrews [of General Cable] calls me nearly
9 everyday [sic] - lots to discuss.

10 **Ex. E.**

11 44. In another email from that same day, Mr. Brittsan again discusses the
12 involvement of General Cable and Mike Andrews in the plot to destroy CTC and
13 steal its patents:

14 [Mike] Andrews will be calling shortly as he is looking for an update on
15 what actions I am going to take with [CTC]. If *Mike had a magic wand he*
16 *would negotiate a core manufacturing license that would kick in on CTC's*
17 *default*. If he had such a license he would look to me to ramp up the
18 [Mercury] team to build core for GCC [General Cable]. Confidentially, the
19 Chairman [of General Cable], Kenny has OK'ed \$1M *to help get some*
20 *[patent] rights* on the heels of BW's [Benton Wilcoxon, the former CEO of
21 CTC] indictment or CTC bankruptcy.

22 **Ex. F**

23 45. Later that same month, Mr. Brittsan sent another email to Defendant
24 Edward Skonezny, again discussing Mr. Andrews' and General Cable's complicity
25 and cooperation in the plot to take CTC's patented technology:

26 Andrews is serious about his intentions. Today GCC raised the price [for
27 stranding] to CTC **50%!!!** I think the ambulance driver just changed
28 directions from the hospital to the morgue. [emphasis in original]

1 **Ex. G.**

2 46. The next day, Mr. Brittsan sent yet another email to Defendant
3 Edward Skonezny with additional details regarding the plot between General Cable
4 and Defendants to “kill” CTC, noting that “[Mike] Andrews [of General Cable] has
5 \$1M to help set up manufacturing for core *on the heels of a dead CTC*. It’s not
6 much but it’s good to know.” **Ex. H** (emphasis added).

7 47. Mr. Skonezny responds that “[s]eems we have to kill the core maker
8 [CTC] to result in a new one. If GC [General Cable] would put in a million, [we]
9 can easily find more. Need to check to see how we can do that and what the
10 interest level is JV [joint venture] with GC [General Cable].” *Id.* (emphasis added)

11 48. Mr. Brittsan responds back, noting again that the plan is to steal the
12 patented technology:

13 [Mike] Andrews [of General Cable] is highly motivated so much so
14 that he is telling AEP on Thursday that there is no “going concern”
15 contingency between GCC and CTC. This will stop all future orders
16 [from CTC] industry wide as utilities will have confidence they can
17 get the product for repairs in the future. *I believe that as soon as*
18 *[CTC’s patented] technology rolls out of the dead hand of CTC*
19 *there is going to be a dog pile over the technology* and the group
20 aligned with GCC [General Cable] will be best positioned to win and
21 we are ones [sic] best aligned. (Hi Ron [Morris])

22 *Id.* (emphasis added)

23 49. Eventually, Defendants and General Cable entered into an exclusive
24 arrangement for stranding Mercury’s clone of CTC’s patented core, thus “freezing
25 out” CTC. Because of the improper and unfair tactics of General Cable and
26 Defendants, CTC was forced to cut all ties with General Cable and seek out an
27 alternative supplier for stranding the ACCC® core. And despite its past
28 relationship with CTC and its exposure to CTC’s proprietary technology, General

1 Cable began working exclusively with Defendants stranding and selling the
2 infringing clone of CTC's patented core.

3 50. In addition to General Cable, Defendants also approached Jordana
4 Electric. Like virtually all of the suppliers targeted by Defendants, Jordana
5 Electric had previously worked with CTC as a manufacturers' representative
6 assisting the certification and sale of CTC's patented product. Defendants once
7 again requested that Jordana provide the identical services for Defendants. On
8 information and belief, by early 2010, Defendants had succeeded in convincing
9 Jordana to do so.

10 FIRST CAUSE OF ACTION

11 (As to all Defendants: Infringement of U.S. Patent No. 7,368,162)

12 51. CTC repeats, realleges and incorporates by reference, as though fully
13 set forth herein, the allegations contained in all preceding and subsequent
14 paragraphs. CTC also incorporates by reference PLAINTIFF CTC GLOBAL
15 CORP.'S DISCLOSURE OF ASSERTED CLAIMS AND INFRINGEMENT
16 CONTENTIONS served on January 4, 2017 on Defendants.

17 52. CTC is the owner, by proper assignment, of United States Patent No.
18 7,368,162 (the "162 Patent"). The '162 Patent was duly and legally issued by the
19 United States Patent Office on May 6, 2008, is valid, subsisting and in full force
20 and effect. A copy of the '162 Patent is attached to the Complaint as **Exhibit A**.
21 A copy of the reexamination certificates issued by the U.S. Patent Office for the
22 '162 patent is attached to the Complaint as **Exhibit B**.

23 53. Upon information and belief, Defendants have directly infringed,
24 contributed to the infringement of, and actively induced infringement of the '162
25 Patent (and the reexamined claims of the '162 Patent as issued by the U.S. Patent
26 Office in the reexamination certificates for the '162 Patent) by, directly and
27 through their agents, unlawfully and wrongfully designing, making, using, testing,
28 importing, providing, supplying, distributing, selling, licensing, stranding,

1 installing and/or marketing the HVCRC Conductor and composite core and
2 instructing third parties to import, supply, distribute, use, test, strand and/or install
3 the HVCRC Conductor and composite core in the United States. The HVCRC
4 Conductor and composite core embody one or more claims of the ‘162 Patent
5 without permission or license from CTC, and Defendants will continue to do so
6 unless enjoined by this Court.

7 54. Specifically and by way of example, Defendants and their HVCRC
8 Conductor infringe at least claims 1-3, 8-10, 20, 21, 26, 27, 29, 33-37, 39, 40, 51,
9 53, 54, 58, 59, 60, 63-65, 66 and 67 of the ‘162 Patent as described in PLAINTIFF
10 CTC GLOBAL CORP.’S DISCLOSURE OF ASSERTED CLAIMS AND
11 INFRINGEMENT CONTENTIONS served on January 4, 2017 on Defendants.

12 55. In addition, on information and belief, Defendants have held meetings
13 in San Juan Capistrano, California, with prospective customers, including with
14 representatives of Solar Point Africa, Ltd., which Defendants have offered to sell
15 the infringing HVCRC Conductor to those customers. As a further indication of
16 infringing sales activities in the United States, Defendants have issued a press
17 release indicating that General Cable “has the exclusive right to purchase
18 Defendants’ HVCRC product line in The [sic] United States and Canada.” In
19 another press release, Defendants indicated that they had signed a strategic
20 partnership “for the introduction into the U.S. and Canadian markets of Mercury’s
21 HVCRC products stranded by General Cable.”

22 56. All such making, using, testing, importing, providing, supplying,
23 distributing, selling, offering for sale, licensing, stranding and/or marketing the
24 HVCRC Conductor and composite core constitutes infringement under 35 U.S.C. §
25 271(a).

26 57. Defendants had knowledge of the claimed subject matter of the ‘162
27 Patent since at least November 6, 2003, the publication date of PCT/US03/12520
28 from which the ‘162 Patent claims priority, and at least since March 3, 2009, after

1 the '162 Patent issued and when this lawsuit was filed.

2 58. After obtaining knowledge of the '162 Patent and its claimed subject
3 matter, Defendants continued to design, make, use import, provide, supply,
4 distribute, sell, offer for sale license, strand and/or install the HVCRC Conductor
5 and composite core and instruct third parties to use, test, import, provide, supply,
6 distribute, strand and/or install the HVCRC Conductor and composite core in the
7 United States. Defendants solicit customers and vendors to purchase, use, test,
8 and/or strand the HVCRC Conductor and composite core in the United States. In
9 addition, Defendants describe and advertise the benefits of the HVCRC Conductor
10 and composite core to its customers and vendors through its website, which
11 includes marketing and instructional materials. By following these materials and
12 Defendants' instructions, customers and vendors can, are intended to, and do
13 practice at least claims 1-3, 8-10, 20, 21, 26, 27, 29, 33-37, 39, 40, 51, 53, 54, 58,
14 59, 60, 63-65, 66 and 67 of the '162 Patent. These activities constitute
15 infringement under 35 U.S.C. § 271 (b) and (c) and constitute willful infringement
16 of the '162 Patent.

17 59. Defendants' continuing infringement has inflicted harm and, unless
18 restrained by this Court, will continue to inflict great and irreparable harm upon
19 CTC. CTC has no adequate remedy at law. CTC is entitled to preliminary and
20 permanent injunctions enjoining Defendants from engaging in further acts of
21 infringement.

22 60. As a direct and proximate result of the foregoing acts of Defendants,
23 CTC has suffered, and is entitled to, monetary damages in an amount not yet
24 determined. CTC is also entitled to its costs of suit and interest.

25 61. Upon information and belief, Defendants have notice and knowledge
26 of the '162 Patent, and of CTC's rights therein.

27 62. Upon information and belief, Defendants' acts were in conscious and
28 willful disregard for CTC's rights, and the resulting damage to CTC is such as to

warrant the trebling of damages to provide just compensation.

SECOND CAUSE OF ACTION

(As to all Defendants: Infringement of U.S. Patent No. 7,211,319)

63. CTC repeats, realleges and incorporates by reference, as though fully set forth herein, the allegations contained in all preceding and subsequent paragraphs. CTC also incorporates by reference PLAINTIFF CTC GLOBAL CORP.'S DISCLOSURE OF ASSERTED CLAIMS AND INFRINGEMENT CONTENTIONS served on January 4, 2017 on Defendants.

64. CTC is the owner, by proper assignment, of United States Patent No. 7,211,319 (the "319 Patent"). The '319 Patent was duly and legally issued by the United States Patent Office on May 1, 2007, is valid, subsisting and in full force and effect. A copy of the '319 Patent is attached to the Complaint as **Exhibit C**. A copy of the reexamination certificates issued by the U.S. Patent Office for the '162 patent is attached to the Complaint as **Exhibit D**.

65. Upon information and belief, Defendants have directly infringed, contributed to the infringement of, and actively induced infringement of the '319 Patent (and the reexamined claims of the '319 Patent as issued by the U.S. Patent Office in the reexamination certificates for the '319 Patent) by, directly and through their agents, unlawfully and wrongfully designing, making, using, testing, importing, providing, supplying, distributing, selling, licensing, stranding, installing and/or marketing the HVCRC Conductor and composite core and instructing third parties to import, supply, distribute, use, test, strand and/or install the HVCRC Conductor and composite core in the United States. The HVCRC Conductor and composite core embody one or more claims of the '319 Patent without permission or license from CTC, and Defendants will continue to do so unless enjoined by this Court.

66. Specifically and by way of example, Defendants and their HVCRC Conductor infringe at least claims 1, 3-6, 9, 12-15, 20-23, 25-27, 29, 30, 32, 33, 36,

1 38, 40, 41, 44, 47, 48, 52, 54, 55, 59-62 64-67, 68 and 69-71 of the ‘319 Patent as
2 described in PLAINTIFF CTC GLOBAL CORP.’S DISCLOSURE OF
3 ASSERTED CLAIMS AND INFRINGEMENT CONTENTIONS served on
4 January 4, 2017 on Defendants.

5 67. In addition, on information and belief, Defendants have held meetings
6 in San Juan Capistrano, California, with prospective customers, including with
7 representatives of Solar Point Africa, Ltd., which Defendants have offered to sell
8 the infringing HVCRC Conductor to those customers. As a further indication of
9 infringing sales activities in the United States, Defendants have issued a press
10 release indicating that General Cable “has the exclusive right to purchase
11 Defendants’ HVCRC product line in The [sic] United States and Canada.” In
12 another press release, Defendants indicated that they had signed a strategic
13 partnership “for the introduction into the U.S. and Canadian markets of Mercury's
14 HVCRC products stranded by General Cable.”

15 68. All such making, using, testing, importing, providing, supplying,
16 distributing, selling, offering for sale, licensing, stranding and/or marketing the
17 HVCRC Conductor and composite core constitutes infringement under 35 U.S.C. §
18 271(a).

19 69. Defendants had knowledge of the claimed subject matter of the ‘319
20 Patent since at least November 6, 2003, the publication date of PCT/US03/12520
21 from which the ‘319 Patent claims priority, and at least since March 3, 2009, after
22 the ‘319 Patent issued and when this lawsuit was filed.

23 70. After obtaining knowledge of the ‘319 Patent and its claimed subject
24 matter, Defendants continued to design, make, use import, provide, supply,
25 distribute, sell, offer for sale license, strand and/or install the HVCRC Conductor
26 and composite core and instruct third parties to use, test, import, provide, supply,
27 distribute, strand and/or install the HVCRC Conductor and composite core in the
28 United States. Defendants solicit customers and vendors to purchase, use, test,

1 and/or strand the HVCRC Conductor and composite core in the United States. In
2 addition, Defendants describe and advertise the benefits of the HVCRC Conductor
3 and composite core to its customers and vendors through its website, which
4 includes marketing and instructional materials. By following these materials and
5 Defendants' instructions, customers and vendors can, are intended to, and do
6 practice at least claims 1, 3-6, 9, 12-15, 20-23, 25-27, 29, 30, 32, 33, 36, 38, 40, 41,
7 44, 47, 48, 52, 54, 55, 59-62 64-67, 68 and 69-71 of the '319 Patent. These
8 activities constitute infringement under 35 U.S.C. § 271 (b) and (c) and constitute
9 willful infringement of the '319 Patent.

10 71. Defendants' continuing infringement has inflicted harm and, unless
11 restrained by this Court, will continue to inflict great and irreparable harm upon
12 CTC. CTC has no adequate remedy at law. CTC is entitled to preliminary and
13 permanent injunctions enjoining Defendants from engaging in further acts of
14 infringement.

15 72. As a direct and proximate result of the foregoing acts of Defendants,
16 CTC has suffered, and is entitled to, monetary damages in an amount not yet
17 determined. CTC is also entitled to its costs of suit and interest.

18 73. Upon information and belief, Defendants have notice and knowledge
19 of the '319 Patent, and of CTC's rights therein.

20 74. Upon information and belief, Defendants' acts were in conscious and
21 willful disregard for CTC's rights, and the resulting damage to CTC is such as to
22 warrant the trebling of damages to provide just compensation.

23 **PRAYER FOR RELIEF**

24 **WHEREFORE**, CTC respectfully demands that this Court:

25 A. Enter judgment that Defendants have infringed the '162 and '319
26 patents;

27 B. Enter an order preliminarily and permanently enjoining Defendants,
28 their members, managers, officers, agents, affiliates, employees, and any others

1 acting in concert with any of them, from directly or indirectly infringing the ‘162
2 and ‘319 patents;

3 C. Enter an order precluding Defendants from servicing, repairing, or
4 providing parts or components for any materials that infringe any claim of the ‘162
5 Patent or the ‘319 Patent.

6 D. Award CTC damages resulting from Defendants’ patent infringement
7 pursuant to 35 U.S.C. § 284;

8 E. Find that Defendants’ patent infringement has been willful and
9 increase the damages awarded to CTC three times the amount assessed pursuant to
10 35 U.S.C. § 284;

11 F. Find this to be an exceptional case and award CTC attorneys’ fees,
12 pursuant to 35 U.S.C. § 285;

13 G. Enter an order requiring Defendants to identify, locate, recall and
14 destroy all materials which infringe any of the ‘162 Patent or ‘319 Patent;

15 H. Enter an order requiring each Defendant to file with the Court and
16 serve upon CTC’s counsel within thirty (30) days after entry of the order of
17 injunction, a report setting forth the manner and form in which each Defendant has
18 complied with the injunction;

19 I. Award CTC prejudgment interest and post judgment interest on the
20 damages and award CTC costs; and

21 J. Award CTC such other and further relief as the Court deems just and
22 appropriate.

23
24 Dated: January 27, 2017

VENABLE LLP

25 By: /s/ Tamany Vinson Bentz

26 Tamany Vinson Bentz
27 Alper Ertas
28 Matthew J. Busch
Attorneys for CTC Global Corp.

DEMAND FOR JURY TRIAL

Pursuant to Federal Rule of Civil Procedure 38(b) and Local Rule 38-1, CTC Global Corporation hereby demands trial by jury on all issues triable in this action.

Dated: January 27, 2017

VENABLE LLP

By: /s/ Tamany Vinson Bentz

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