

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF KANSAS

NATIONAL INSTITUTE FOR STRATEGIC
TECHNOLOGY ACQUISITION AND
COMMERCIALIZATION (NISTAC),
Plaintiff

v.

NISSAN NORTH AMERICA, INC.;
NISSAN MOTOR CO. LTD. ;
FUJI HEAVY INDUSTRIES, LTD;
SUBARU OF AMERICA, INC.;
TOYOTA MOTOR CORPORATION;
TOYOTA MOTOR NORTH AMERICA, INC.;
TOYOTA MOTOR SALES, U.S.A. INC.;
TOYOTA MOTOR ENGINEERING &
MANUFACTURING NORTH AMERICA, INC.;
HONDA MOTOR CO., LTD.;
HONDA NORTH AMERICA INC.; and
AMERICAN HONDA MOTOR CO., INC.;
Defendants

§
§
§
§
§ CASE NO.: 10-1346-SAC-KGS
§ JURY DEMANDED
§
§ DESIGNATION OF PLACE OF
§ TRIAL: Wichita, Kansas
§
§
§
§
§
§
§
§
§
§
§

ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

COMES NOW Plaintiff National Institute for Strategic Technology Acquisition and Commercialization (“NISTAC”) and files this Original Complaint against Defendants Nissan North America, Inc.; Nissan Motor Co. Ltd. (collectively “Nissan Defendants”); Fuji Heavy Industries, Ltd.; Subaru Of America, Inc. (collectively “Subaru Defendants”); Toyota Motor Corporation; Toyota Motor North America, Inc.; Toyota Motor Sales, U.S.A. Inc.; Toyota Motor Engineering & Manufacturing North America, Inc. (collectively “Toyota Defendants”); Honda Motor Co., Ltd.; Honda North America, Inc.; and American Honda Motor Co., Inc. (collectively “Honda Defendants”) and alleges as follows:

I. THE PARTIES

1. Plaintiff **NATIONAL INSTITUTE FOR STRATEGIC TECHNOLOGY ACQUISITION AND COMMERCIALIZATION (“NISTAC”)** is a not-for-profit, (501(c)(3) corporation, organized under the auspices of Kansas State University that maintains its principal place of business at 2005 Research Park Circle, Manhattan, KS 66502.

2. Defendant **NISSAN MOTOR CO., LTD.** is a foreign corporation headquartered and maintaining its principal place of business at 2, Takera-cho, Kanagawa-ku, Yokohama-shi, Kanagawa 220-8623, Japan. This defendant does business in Kansas and can be served with process through its President and CEO, Carlos Ghosh, at 2, Takera-cho, Kanagawa-ku, Yokohama-shi, Kanagawa 220-8623, Japan.

3. Defendant **NISSAN NORTH AMERICA, INC.** is a California Corporation that maintains its principal place of business at P.O. Box 685001, M.S. A-5-C, Franklin, Tennessee 37068-5001. This defendant does business in Kansas and can be served with process through its Registered Agent for Service, CSC Lawyers Incorporating Service, 2730 Gateway Oaks Dr., Ste. 100, Sacramento, California 95833.

4. Defendant **FUJI HEAVY INDUSTRIES, LTD** is a Japanese corporation with its principal place of business in Japan. This defendant does business in Kansas and can be served with process through its president and CEO, Ikuo Mori at 1-7-2 Nishishinjuku, Shinjuku-ku, Tokyo 160-8316 Japan.

5. Defendant **SUBARU OF AMERICA, INC.** is a New Jersey corporation with its principal place of business in New Jersey. This defendant does business in Kansas and can be served can be served with process through its registered agent The Corporation Company, Inc., 112 SW 7th Street, Suite 3C, Topeka, Kansas 66603.

6. Defendants **TOYOTA MOTOR CORPORATION** is a Japanese corporation with its principal place of business in Japan. This defendant does business in Kansas and can be served with process through its president and CEO Akio Toyoda at 1 Toyota-cho, Toyota City, Aichi Prefecture 471-8571, Japan.

7. Defendant **TOYOTA MOTOR NORTH AMERICA, INC.** is a California corporation with its principal place of business in New York. This defendant does business in Kansas and can be served with process through its registered agent C T Corporation System, 818 West Seventh Street, Los Angeles, CA 90017.

8. Defendant **TOYOTA MOTOR SALES, U.S.A. INC.** is a California corporation with its principal place of business in California. This defendant does business in Kansas and can be served with process through its registered agent The Corporation Company, Inc., 112 SW 7TH Street Suite 3C, Topeka, KS 66603.

9. Defendant **TOYOTA MOTOR ENGINEERING & MANUFACTURING NORTH AMERICA, INC.** is a Kentucky corporation with its principal place of business in Kentucky. This defendant does business in Kansas and can be served with process through its registered agent C T Corporation System, 306 W Main St, Suite 512, Frankfort, KY 40601.

10. Defendant **HONDA MOTOR CO., LTD.** is a Japanese corporation with its principal place of business in Japan. This defendant does business in Kansas and can be served with process through its president and CEO, Takanobu Ito at 1-1, 2-chome, Minami-Aoyama, Minato-ku, Tokyo 107-8556, Japan.

11. Defendant **HONDA NORTH AMERICA INC.** is a California corporation with its principal place of business in California. This defendant does business in Kansas and

can be served can be served with process through its registered agent C T Corporation System, 818 West Seventh Street, Los Angeles CA 90017.

12. Defendant **AMERICAN HONDA MOTOR CO., INC.** is a California corporation with its principal place of business in California. This defendant does business in Kansas and can be served can be served with process through its registered agent C T Corporation System, 818 West Seventh Street, Los Angeles CA 90017.

II. JURISDICTION AND VENUE

13. This action arises under the patent laws of the United States, Title 35 of the United States Code. The Court's jurisdiction over this action is proper under the above statutes, including 35 U.S.C. §271 et seq. and 28 U.S.C. §1338.

14. Personal jurisdiction exists generally over Defendants pursuant to 28 U.S.C. §1391 because they have sufficient minimum contacts with the forum as a result of business conducted within the State of Kansas and within this district. Personal jurisdiction also exists specifically over Defendants because of Defendants' conduct in making, using, selling, offering for sell, and/or importing directly or contributorily infringing products or services, and/or by inducement of infringement within the State of Kansas and within this District.

15. Venue is proper in this Court under 28 U.S.C. §§1391(b), (c), and (d), as well as 28 U.S.C., §1400(b) for the reasons set forth above. Furthermore, venue is proper because Defendants have sold automobiles in this District that contain the infringing articles discussed below. Each act of Defendants' conduct in selling the infringing article in this District gives rise to proper venue.

III. BACKGROUND

16. This cause of action asserts infringement of three patents— United States Patent No. 5,239,955 (“the ‘955 patent”), Patent No. 5,313,919 (“the ‘919 patent”), and Patent No. 5,482,637 (“the ‘637 patent”). The patents at issue resulted from work of Ford Motor Company employees and were originally assigned to Ford Motor Company by the inventors. On or about October 31, 2000, Ford assigned the patents at issue to NISTAC. In 2006, NISTAC placed the patents at issue along with additional patents in an Ocean Tomo auction. In preparation for that auction, NISTAC notified multiple automotive companies of the patents and their potential availability as part of the Ocean Tomo auction. The patents at issue were ultimately pulled from the auction and retained by NISTAC.

17. NISTAC is the current owner of all rights, title, and interest in and under the ‘955 patent, which duly and legally issued on August 31, 1993, with Vemulapalli D. N. Rao, Daniel M. Kabat, and David A. Yeager as the named inventors, for an invention in a Low Friction Reciprocating Piston Assembly.

18. NISTAC is the owner as assignee of all rights, title, and interest in and under the ‘919 patent”, which duly and legally issued on May 24, 1994, with Vemulapalli D. N. Rao, Daniel M. Kabat, and David A. Yeager as the named inventors, for an invention in a Low Friction Reciprocating Piston Assembly

19. NISTAC is the owner as assignee of all rights, title, and interest in and under the ‘637 patent, which duly and legally issued on January 9, 1996, with V Durga N. Rao, Daniel M. Kabat, and Brian W. Lizotte as the named inventors, for an invention of an Anti-Friction Coating Composition Containing Solid Lubricants.

20. Defendants Nissan make, use, and sell vehicles throughout the United States, and particularly within this District. One such vehicle is the Titan model pickup. The pistons contained in Titan model pickups contained a solid film lubricant (SFL) coating on all or part of the piston. By way of example only and without limitation, the pistons in at least the 2008 to 2009 model Titan pickups bearing engine code VK56DE contained such an SFL coating. These pistons infringe one or more claims of the patents at issue in this suit.

21. Defendants Subaru make, use, and sell vehicles throughout the United States, and particularly within this District. One such vehicle is the Subaru Forester. The pistons contained in Forester model vehicles contain a solid film lubricant (SFL) coating on all or part of the piston. By way of example only and without limitation, the pistons in at least the 2006 to 2008 model Foresters bearing engine code EJ25 contained such an SFL coating. These pistons infringe one or more claims of the patents at issue in this suit.

22. Defendants Toyota make, use, and sell vehicles throughout the United States, and particularly within this District. One such vehicle is the Corolla. The pistons contained in the Corolla contain a solid film lubricant (SFL) coating on all or part of the piston. By way of example only and without limitation, the pistons in at least the 2005 to 2010 model Corollas bearing engine code 2AZ-FE contained such an SFL coating. These pistons infringe one or more claims of the patents at issue in this suit.

23. Defendants Honda make, use, and sell vehicles throughout the United States, and particularly within this District. One such vehicle is the Honda Fit. The pistons contained in the Fit contain a solid film lubricant (SFL) coating on all or part of the piston. By way of example only and without limitation, the pistons in at least the 2008 to 2009 model

Fit bearing engine code L15A contained such an SFL coating. These pistons infringe one or more claims of the patents at issue in this suit.

IV. CLAIMS

24. Based on the above-described products, Plaintiff asserts several causes of action against the Defendants. These causes of action are detailed as follows.

A. Direct Patent Infringement

25. The allegations of paragraphs 1-24 above are incorporated by reference as if fully set forth herein.

26. Defendants Nissan, Subaru, Toyota, and Honda have infringed and continue to infringe the '955, '919, and the '637 patents by making, using, selling, and/or offering for sale the above-described pistons in vehicles used and sold in Kansas. The SFL coatings on the above-described pistons infringe at least one claim from each of the '955, '919, and '637 patents. Defendants Nissan have sold Nissan Titan pickup trucks, which contain the infringing pistons, in this District. Defendants Subaru have sold Subaru Forester vehicles, which contain infringing pistons, in this District. Defendants Toyota have sold Corolla vehicles, which contain infringing pistons, in this District. Defendants Honda have sold Fit vehicles, which contain infringing pistons, in this District. By way of example only and without limitation, such acts by the Defendants are without authorization and infringe multiple claims of the patents at issue, including claim 20 of the '637 patent, claim 18 of the '955 patent, and claim 3 of the '919 patent.

B. Contributory Patent Infringement

27. The allegations of paragraphs 1-26 above are incorporated by reference as if fully set forth herein.

28. Further and in the alternative, Defendants by the conduct described above are actively offering for sale or selling vehicles containing one or more of the above-described pistons, knowing that those articles are especially made or adapted for a use that infringes at least claims 18 of the '955 patent. Such conduct is in violation of one or more provisions of 35 U.S.C. § 271. Such infringing products are exemplified by, but not limited to, one or more of those pistons identified above. The infringing products are not staple articles of commerce and are not suitable for substantial non-infringing uses.

C. Inducement of Patent Infringement

29. The allegations of paragraphs 1-28 above are incorporated by reference as if fully set forth herein.

30. Further and in the alternative, Plaintiffs believe that Defendants by the conduct described above are inducing infringement of the patents at issue. Such conduct is in violation of one or more provisions of 35 U.S.C. § 271. Defendants make, use, sell, or offer for sale vehicles containing one or more of the above-described pistons in a manner that encourages infringement of the patents at issue. By way of example only and without limitation, Defendants engage in such conduct by specifically making, using, selling, or offering for sale vehicles containing one or more of the above-described pistons in a way that induces infringement of at least claim 18 of the '955 Patent as described above. Such infringing products are exemplified by, but not limited to, those products identified above.

V. INJUNCTION

31. The allegations of paragraphs 1-30 above are incorporated by reference as if fully set forth herein. Defendants will continue to infringe the '955, '919, and '637 patents unless enjoined by this Court. Plaintiff therefore requests that this Court enter an order under

35 U.S.C. § 283 preliminarily and permanently enjoining Defendants from continuing to make, use, or sell vehicles with infringing pistons.

VI. DAMAGES

A. Reasonable Royalty

32. The allegations of paragraphs 1-31 above are incorporated by reference as if fully set forth herein. For the above-described infringement, Plaintiff seeks damages to adequately compensate it for Defendants' infringement of the Patent. Such damages should be no less than the amount of a reasonable royalty under 35 U.S.C. § 284.

B. Enhanced Damages, Attorneys' Fees, and Expenses

33. The allegations of paragraphs 1-32 above are incorporated by reference as if fully set forth herein. Based on the listing of the patents at issue, NISTAC contends that Defendants willfully infringed the '955, '919, and '637 patents. Plaintiff requests that the Court enter a finding of willful infringement and enhanced damages under 35 U.S.C. § 284 up to three times the amount found by the trier of fact.

34. Plaintiff further requests that the Court enter an order finding that this is an exceptional case within the meaning of 35 U.S.C. §285. Pursuant to such an order Plaintiff seeks recovery of its reasonable attorneys' fees and expenses.

V. VICARIOUS LIABILITY

35. The allegations of paragraphs 1-34 above are incorporated by reference as if fully set forth herein. In addition to liability for their own independent conduct, the Defendants are also liable for the conduct of their subsidiaries, affiliates, and related entities under the doctrines of alter ego and single business enterprise, and under applicable state and federal statutes and regulations.

PRAYER FOR RELIEF

NISTAC respectfully requests the following relief:

- a. That the Court declare that the '955, '919, and '637 patents are infringed by Defendants as described herein;
- b. That the Court enter a preliminary and permanent injunction against Defendants' direct infringement of the '955, '919, and '637 patents;
- c. That the Court enter a permanent injunction against Defendants' active inducement of infringement and/or contributory infringement of the '955, '919, and '637 patents;
- d. That the Court award damages to NISTAC to which it is entitled for patent infringement;
- e. That the Court award pre and post-judgment interest on the damages to NISTAC;
- f. That the Court treble all damages and interest for willful infringement;
- g. That the Court award to NISTAC its costs and attorney's fees incurred in this action; and
- h. Such other and further relief as the Court deems just and proper.

JURY DEMAND

Plaintiff requests a jury trial of all issues triable of right by a jury.

DESIGNATION OF TRIAL

Plaintiff hereby designates location of the trial of this matter to be Wichita Kansas.

Dated: 4 October, 2010

Respectfully submitted,

/s/ Andrew W. Hutton
HUTTON & HUTTON LAW FIRM, L.L.C.

Andrew W. Hutton, KS#10264
Deborah B. McIlhenny, KS#18721
8100 E. 22nd St. North, Bldg. 1200
Wichita, Kansas 67226
316.688.1166 (telephone)
316.686.1077 (facsimile)
andy.hutton@huttonlaw.com
debs.mcilhenny@huttonlaw.com