

09CV2191

JUDGE COAR

MAGISTRATE JUDGE BROWN

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

Methode Electronics, Inc.	:	
7401 West Wilson Avenue	:	
Chicago, IL 60706,	:	
	:	
PLAINTIFF	:	
	:	Civil Action No.
v.	:	Jury Trial Demanded
	:	
Delphi Automotive Systems LLC	:	
5725 Delphi Drive	:	
Troy, Michigan 48098	:	
	:	
and	:	
	:	
Marian, Incorporated	:	
1011 E. St. Clair Street	:	
Indianapolis, Indiana 46202,	:	
	:	
DEFENDANTS.	:	

COMPLAINT

Plaintiff, Methode Electronics, Inc. (“Methode”), by and through its undersigned counsel, brings this complaint for patent infringement against defendants Delphi Automotive Systems LLC (“Delphi”) and Marian, Inc. (“Marian”), and alleges as follows:

PARTIES, JURISDICTION, AND VENUE

1. Methode is a Delaware corporation with its principal place of business at 7401 West Wilson Avenue, Chicago, Illinois. Methode is the assignee and owner of U.S. Patent No. 5,975,568, entitled “Sensor Pad for Controlling Airbag Deployment and Associated Support” (“the Speckhart Patent”).

2. Defendant Delphi is a Delaware corporation with its principal place of business at 5725 Delphi Drive, Troy, Michigan. Delphi does business in this judicial district and throughout the state of Illinois.

3. Defendant Marian is an Indiana corporation with a principal place of business at 1011 E. St. Clair Street, Indianapolis, Indiana. Marian has a place of business in this judicial district and does business throughout the state of Illinois.

4. Jurisdiction is proper in this Court under 28 U.S.C. §§ 1331 and 1338(a), as this case arises under the patent laws of the United States, 35 U.S.C. §§ 271 and 281.

5. Venue is proper in this Court under 28 U.S.C. §§ 1391 and 1400.

FACTS

6. Methode incorporates by reference the allegations of paragraphs 1 through 5 as though fully set forth herein.

7. In 1997, Delphi's predecessor, Delco Electronics Corporation ("Delco"), approached Methode's predecessor, American Components, Inc. ("ACI"), and requested that ACI develop a weight sensing pad suitable for use in a vehicle restraint system. Despite its attempts, Delco had been unable to develop a suitable weight sensing pad.

8. In response to Delco's request, ACI engaged Dr. Frank Speckhart, a professor at the University of Tennessee, to work with Mr. Scott Baker, Vice President of ACI, on the weight sensing pad.

9. To meet Delco's requirements, Dr. Speckhart and Mr. Baker, working together, invented a weight sensing pad with hexagonal cells formed by spot welding. Their invention is described and claimed in the Speckhart Patent.

10. The success of the Speckhart-Baker invention led Delco to enter into a multi-year agreement with ACI whereby ACI was the exclusive supplier of the weight sensing pads to Delco.

11. Subsequently, Plaintiff Methode acquired assets of ACI, including the Speckhart Patent and assets related to the weight sensing pads.

12. After Methode acquired the Speckhart Patent and assets related to the weight sensing pads in 2001, Delphi continued to purchase weight sensing pads from Methode on an exclusive basis through a second successive multi-year agreement with Methode. In this agreement, Methode provided Delphi with year over year price decreases, which applied over the term of the agreement even though material costs increased dramatically.

13. Methode's weight sensing pad is a critical component to Delphi's PODS system for complying with federal safety mandates. Since contract inception, Methode has produced and shipped in excess of 25 million weight sensing pads to Delphi.

14. In 2008, the term of the second agreement ended. Rather than negotiating in good faith with Methode, Delphi instead threatened to find a new source for the weight sensing pads. After many years of price decreases, economic factors, including material price increases and unanticipated and dramatic volume reductions, caused Methode to increase the price of the weight sensing pads.

15. During the negotiations for the 2008 agreement with its associated price increase, Defendant Delphi requested, for the first time in its seven year course of dealing with Plaintiff Methode, the tooling drawings for the weight sensing pads. When Methode requested assurances that Delphi would respect the Speckhart Patent, Delphi subsequently sued Methode in Michigan state court to obtain the tooling drawings for the weight sensing pads.

16. Defendant Delphi expressly acknowledged in its state court complaint that it demanded the tooling drawings so that Delphi could make arrangements for an alternative source for the weight sensing pads.

17. On information and belief, Delphi provided specimens and samples of the weight sensing pads and other technical information about the weight sensing pads to Marian.

18. On information and belief, Marian has used this information to manufacture infringing weight sensing pads for Delphi for the commercial purpose of entering a contract with Delphi to provide Delphi with infringing weight sensing pads.

19. Since Delphi succeeded Delco and Methode acquired ACI, Delphi has been aware of the Speckhart Patent and, on information and belief, has never sought an alternative supplier for the weight sensing pads until its relationship with Marian, as such an alternative supply agreement would result in an infringement of the Speckhart Patent.

20. On information and belief, Delphi is currently testing infringing weight sensing pads manufactured by Marian for the commercial purpose of qualifying the infringing Marian weight sensing pads in vehicle restraint systems offered for sale by Delphi.

21. On information and belief, Marian will continue to manufacture infringing weight sensing pads and will sell those infringing weight sensing pads to Delphi, and Delphi will use and sell the infringing weight sensing pads to its own customers.

COUNT I
PATENT INFRINGEMENT BY DELPHI

22. Methode incorporates by reference the allegations of paragraphs 1 through 21 as though fully set forth herein.

23. On November 29, 1999, the Speckhart Patent was duly and legally issued. A true and correct copy of the Speckhart Patent is appended hereto as Exhibit A.

24. The claims of the Speckhart Patent are directed, *inter alia*, to a weight sensing pad for an automobile.

25. Methode is the owner by assignment of the Speckhart Patent, its subject matter, and the rights of recovery flowing therefrom.

26. On information and belief, Delphi has manufactured and used, and continues to have manufactured and continues to use, weight sensing pads in the United States without authorization from Methode.

27. On information and belief, Delphi has offered for sale, or intends to offer for sale and sell, weight sensing pads throughout the United States without authorization from Methode.

28. On information and belief, Delphi's weight sensing pads infringe, literally or by equivalents, one or more valid and enforceable claims of the Speckhart Patent.

29. Delphi has infringed, and continues to infringe, directly or indirectly, the Speckhart Patent by, *inter alia*, practicing or inducing or contributing to others practicing one or more valid and enforceable claims of the Speckhart Patent.

30. As a direct and proximate result of Delphi's acts of infringement of the Speckhart Patent, Methode has suffered injury and damages for which it is entitled to relief, including, but not limited to, monetary damages.

31. On information and belief, Delphi has knowingly, willfully, and deliberately infringed the Speckhart Patent in conscious disregard of Methode's rights, making this case exceptional within the meaning of 35 U.S.C. § 285 and justifying treble damages pursuant to 35 U.S.C. § 284.

32. On information and belief, Delphi will continue to infringe the Speckhart Patent, causing immediate and irreparable harm unless this Court enjoins and restrains its activities.

33. On information and belief, the infringement by Delphi has deprived, and will further deprive, Methode of revenue which Methode would have made or would enjoy in the future; has injured Methode in other respects; and will cause Methode added injury and damage in the future unless Delphi is enjoined from infringing the Speckhart Patent.

COUNT II
PATENT INFRINGEMENT BY MARIAN

34. Methode incorporates by reference the allegations of paragraphs 1 through 33 as though fully set forth herein.

35. On information and belief, Marian has manufactured and continues to manufacture weight sensing pads in the United States without authorization from Methode.

36. On information and belief, Marian has offered for sale, and/or intends to offer for sale and sell, weight sensing pads throughout the United States without authorization from Methode.

37. On information and belief, Marian's weight sensing pads infringe, literally or by equivalents, one or more valid and enforceable claims of the Speckhart Patent.

38. Marian has infringed, and continues to infringe, directly or indirectly, the Speckhart Patent by, *inter alia*, practicing or inducing or contributing to others practicing one or more valid and enforceable claims of the Speckhart Patent.

39. As a direct and proximate result of Marian's acts of infringement of the Speckhart Patent, Methode has suffered injury and damages for which it is entitled to relief, including, but not limited to, monetary damages.

40. On information and belief, Marian has knowingly, willfully, and deliberately infringed the Speckhart Patent in conscious disregard of Methode's rights, making this case

exceptional within the meaning of 35 U.S.C. § 285 and justifying treble damages pursuant to 35 U.S.C. § 284.

41. On information and belief, Marian will continue to infringe the Speckhart Patent, causing immediate and irreparable harm unless this Court enjoins and restrains its activities.

42. On information and belief, the infringement by Marian has deprived, and will further deprive, Methode of revenue which Methode would have made or would enjoy in the future; has injured Methode in other respects; and will cause Methode added injury and damage in the future unless Marian is enjoined from infringing the Speckhart Patent.

WHEREFORE, Methode prays that judgment be entered in its favor and against Defendants Delphi Corporation and Marian, Inc. as follows:

A. Enter judgment for Methode that the Speckhart Patent was duly and legally issued, is valid and enforceable, and has been infringed by Delphi;

B. Enter judgment for Methode that the Speckhart Patent was duly and legally issued, is valid and enforceable, and has been infringed by Marian;

C. Enter judgment for Methode that Delphi has willfully infringed, and is willfully infringing, one or more claims of the Speckhart Patent;

D. Enter judgment for Methode that Marian has willfully infringed, and is willfully infringing, one or more claims of the Speckhart Patent;

E. Issue a preliminary injunction restraining Delphi, its directors, officers, agents, employees, successors, subsidiaries, assigns, and affiliates, and all persons acting in privy or in concert or participation with any of them from the continued infringement, direct or contributory, or active inducement of infringement by others of the Speckhart Patent;

F. Issue a preliminary injunction restraining Marian, its directors, officers, agents, employees, successors, subsidiaries, assigns, and affiliates, and all persons acting in privy or in

concert or participation with any of them from the continued infringement, direct or contributory, or active inducement of infringement by others of the Speckhart Patent;

G. Issue a permanent injunction restraining Delphi, its directors, officers, agents, employees, successors, subsidiaries, assigns, and affiliates, and all persons acting in privity or in concert or participation with any of them from the continued infringement, direct or contributory, or active inducement of infringement by others of the Speckhart Patent;

H. Issue a permanent injunction restraining Marian, its directors, officers, agents, employees, successors, subsidiaries, assigns, and affiliates, and all persons acting in privity or in concert or participation with any of them from the continued infringement, direct or contributory, or active inducement of infringement by others of the Speckhart Patent;

I. Direct Delphi to file with this Court and to serve on Methode a written report under oath setting forth in detail the manner and form in which Delphi has complied with the injunction;

J. Direct Marian to file with this Court and to serve on Methode a written report under oath setting forth in detail the manner and form in which Delphi has complied with the injunction;

K. Order Delphi to account for in written form and to pay to Methode actual damages suffered by reason of Delphi's infringement of the Speckhart Patent, including, but not limited to, monetary damages, and further order that such damages be trebled due to Delphi's deliberate, willful, and knowing conduct;

L. Order Marian to account for in written form and to pay to Methode actual damages suffered by reason of Marian's infringement of the Speckhart Patent, including, but not limited to, monetary damages, and further order that such damages be trebled due to Marian's deliberate, willful, and knowing conduct;

M. Order Delphi to pay Methodé its costs, expenses, and fees, including reasonable attorneys' fees pursuant to 35 U.S.C. § 285, and pre-judgment and post-judgment interest at the maximum rate allowed by law;

N. Order Marian to pay Methodé its costs, expenses, and fees, including reasonable attorneys' fees pursuant to 35 U.S.C. § 285, and pre-judgment and post-judgment interest at the maximum rate allowed by law; and

O. Grant Methodé such other and further relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Pursuant to Fed. R. Civ. P. 38(b), Plaintiff Methodé Electronics, Inc. demands a jury trial on all issues so triable.

Dated: April 9, 2009

Respectfully submitted,

/s/ David J. Stetler
David J. Stetler
Jonathan M. Cyrluk
Henry M. Baskerville
Stetler & Duffy
11 S. LaSalle Street, Suite 1200
Chicago, IL 60603
Telephone: 312.338.0202
Facsimile: 312.338.0070
Email: dstetler@stetlerandduffy.com

Attorney for Plaintiff Methodé Electronics, Inc.

Of counsel:
Charles R. Wolfe, Jr.
Katherine P. Barecchia
Blank Rome LLP
600 New Hampshire Ave. NW
Washington, DC 20037
Telephone: 202.772.5841
Facsimile: 202.772.1669
Email: wolfe@blankrome.com