

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN**

CONTINENTAL AUTOMOTIVE SYSTEMS
US, INC., a Delaware Corporation,

Plaintiff,

Case No.: 2:11-CV-14525-SJM-MJH

vs.

District Judge Stephen J. Murphy, III
Magistrate Judge Michael J. Hluchaniuk

SCHRADER ELECTRONICS, INC., a Delaware
Corporation, and SCHRADER-BRIDGEPORT
INTERNATIONAL, INC., a Delaware
Corporation,

Defendants.

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FIRST AMENDED COMPLAINT AND DEMAND FOR JURY TRIAL

Plaintiff Continental Automotive Systems US, Inc. ("Continental") brings this
amended complaint for patent infringement against defendants Schrader Electronics, Inc.

(“Schrader Electronics”) and Schrader-Bridgeport International, Inc. (individually, “Schrader Bridgeport” and collectively, “Schrader” or “Defendants”) and alleges and states as follows:

Nature of the Action

1. Continental brings this action to stop the manufacture, use, sale, offers to sell and importation by Schrader of tire pressure monitoring system (“TPMS”) products that infringe valid and enforceable United States Patents owned by Continental and for monetary damages for use of such technology.

The Parties

2. Continental Automotive Systems US, Inc. is a Delaware corporation with its principal place of business at 2400 Executive Hills Boulevard, Auburn Hills, Michigan 48326.

3. Upon information and belief, Schrader Electronics, Inc. is a Delaware corporation with its principal place of business at 1940 Opdyke Court, Auburn Hills, Michigan 48236.

4. Upon information and belief, Schrader-Bridgeport International, Inc. is a Delaware corporation with its principal place of business located at 205 Frazier Road, P.O. Box 668, Alta Vista, Virginia 24517.

Jurisdiction

5. Subject matter jurisdiction is proper under 28 U.S.C. §§ 1331 and 1338 as Continental’s claims for patent infringement arise under the Patent Act, 35 U.S.C. § 1 *et seq.*

6. This Court has personal jurisdiction over Defendants based on their transactions of business within this State and District, including but not limited to sales of and offers to sell infringing products within the same.

Venue

7. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391(b) and (c) and 1400(b) because Defendants are subject to personal jurisdiction in this judicial district, residing in or having conducted business and committed acts of infringement in this judicial district.

Background

8. Tire Pressure Monitoring System (“TPMS”) technology allows a vehicle to monitor the air pressure in its tires, including low pressure situations. Benefits of this technology include improved fuel economy, vehicle safety, longer tire life, and reduced maintenance costs.

9. Continental has invested significant time, money, manpower, and ingenuity in developing TPMS technology, including extensive research and development leading to multiple patents awarded by the United States Patent and Trademark Office for new, useful, and non-obvious developments in the field.

10. Continental is the owner of all right, title and interest by assignment of the following duly and legally issued U.S. Patents:

- a.) U.S. Patent No. 6,998,973 (“the ’973 patent”), which is entitled “Data Transmission Method for a Tire-Pressure Monitoring System of a Vehicle,” was issued on February 14, 2006, and is attached hereto as Exhibit A;
- b.) U.S. Patent No. 7,284,418 (“the ’418 patent”), which is entitled “Tire Pressure Sensor Assembly,” was issued on October 23, 2007, and is attached hereto as Exhibit B;
- c.) U.S. Patent No. 7,463,952 (“the ’952 patent”), which is entitled “Method and Device for Processing Measurement Signals from a Movement

Sensor on Board a Motor Vehicle,” was issued on December 9, 2008, and is attached hereto as Exhibit C.

- d.) U.S. Patent No. 7,004,019 (“the ’019 patent”), which is entitled “Method and System for the Detection of a Pressure Drop in a Tire,” was issued on February 28, 2006, and is attached hereto as Exhibit D.

FIRST CAUSE OF ACTION

Infringement of U.S. Patent No. 6,998,973

11. Continental repeats and incorporates by reference the allegations contained in paragraphs 1-10, as if set forth at length herein.

12. Upon information and belief, the Schrader Defendants have been and are now directly, contributorily, and/or by inducement, infringing the ’973 patent, literally or under the doctrine of equivalents, by without authority, making, using, offering to sell, or selling, within the United States, or importing into the United States, products including but not limited to the “EZ Sensor,” certain “Air Aware” products, and other aftermarket replacement sensors.

13. Further upon information and belief, the Schrader Defendants have sold and continue to sell the infringing products to third parties for use and/or resale, thus inducing and/or contributing to infringement by those third parties as well. The Schrader Defendants knew or should have known that their actions would induce actual infringement by those third parties.

14. The Schrader Defendants’ acts constitute direct and indirect infringement of the ’973 patent in violation of 35 U.S.C. § 271.

15. Upon information and belief, the Schrader Defendants were aware of the ’973 patent before they began their infringing activities, or became aware of it after doing so and continued with their infringing activities. Thus, the infringement by the Schrader Defendants has

been willful, intentional, and deliberate with full knowledge of the '973 patent. This is an exceptional case within the meaning of 35 U.S.C. § 285.

16. Upon information and belief, Continental has been and will continue to be injured by the Schrader Defendants' infringement of the '973 patent, and such acts will continue unless they are enjoined therefrom.

17. Upon information and belief, the Schrader Defendants have derived, received, and will continue to derive and receive gains, profits, and advantages from these acts of infringement in an amount that is not presently known to Continental. By reason of these infringing acts, Continental has been damaged, and is entitled to monetary relief in an amount to be proven at trial, but in any event no less than a reasonable royalty.

SECOND CAUSE OF ACTION

Infringement of U.S. Patent No. 7,284,418

18. Continental repeats and incorporates by reference the allegations contained in paragraphs 1-17, as if set forth at length herein.

19. Upon information and belief, the Schrader Defendants have been and are now directly, contributorily, and/or by inducement, infringing the '418 patent, literally or under the doctrine of equivalents, by without authority, making, using, offering to sell, or selling, within the United States, or importing into the United States, products including but not limited to the "EZ Sensor," certain "Air Aware" products, and other aftermarket replacement sensors.

20. Further upon information and belief, the Schrader Defendants have sold and continue to sell the infringing products to third parties for use and/or resale, thus inducing and/or contributing to infringement by those third parties as well. The Schrader Defendants knew or should have known that their actions would induce actual infringement by those third parties.

21. The Schrader Defendants' acts constitute direct and indirect infringement of the '418 patent in violation of 35 U.S.C. § 271.

22. Upon information and belief, the Schrader Defendants were aware of the '418 patent before they began their infringing activities, or became aware of it after doing so and continued with their infringing activities. Thus, the infringement by the Schrader Defendants has been willful, intentional, and deliberate with full knowledge of the '418 patent. This is an exceptional case within the meaning of 35 U.S.C. § 285.

23. Upon information and belief, Continental has been and will continue to be injured by the Schrader Defendants' infringement of the '418 patent, and such acts will continue unless they are enjoined therefrom.

24. Upon information and belief, the Schrader Defendants have derived, received, and will continue to derive and receive gains, profits, and advantages from these acts of infringement in an amount that is not presently known to Continental. By reason of these infringing acts, Continental has been damaged, and is entitled to monetary relief in an amount to be proven at trial, but in any event no less than a reasonable royalty.

THIRD CAUSE OF ACTION

Infringement of U.S. Patent No. 7,463,952

25. Continental repeats and incorporates by reference the allegations contained in paragraphs 1-24, as if set forth at length herein.

26. Upon information and belief, the Schrader Defendants have been and are now directly, contributorily, and/or by inducement, infringing the '952 patent, literally or under the doctrine of equivalents, by without authority, making, using, offering to sell, or selling, within

the United States, or importing into the United States, products including but not limited to the “EZ Sensor,” certain “Air Aware” products, and other aftermarket replacement sensors.

27. Further upon information and belief, the Schrader Defendants have sold and continue to sell the infringing products to third parties for use and/or resale, thus inducing and/or contributing to infringement by those third parties as well. The Schrader Defendants knew or should have known that their actions would induce actual infringement by those third parties.

28. The Schrader Defendants’ acts constitute direct and indirect infringement of the ‘952 patent in violation of 35 U.S.C. § 271.

29. Upon information and belief, the Schrader Defendants were aware of the ‘952 patent before they began their infringing activities, or became aware of it after doing so and continued with their infringing activities. Thus, the infringement by the Schrader Defendants has been willful, intentional, and deliberate with full knowledge of the ‘952 patent. This is an exceptional case within the meaning of 35 U.S.C. § 285.

30. Upon information and belief, Continental has been and will continue to be injured by the Schrader Defendants’ infringement of the ‘952 patent, and such acts will continue unless they are enjoined therefrom.

31. Upon information and belief, the Schrader Defendants have derived, received, and will continue to derive and receive gains, profits, and advantages from these acts of infringement in an amount that is not presently known to Continental. By reason of these infringing acts, Continental has been damaged, and is entitled to monetary relief in an amount to be proven at trial, but in any event no less than a reasonable royalty.

FOURTH CAUSE OF ACTION

Infringement of U.S. Patent No. 7,004,019

32. Continental repeats and incorporates by reference the allegations contained in paragraphs 1-31, as if set forth at length herein.

33. Upon information and belief, the Schrader Defendants have been and are now directly, contributorily, and/or by inducement, infringing the '019 patent, literally or under the doctrine of equivalents, by without authority, making, using, offering to sell, or selling, within the United States, or importing into the United States, products including but not limited to the "EZ Sensor," certain "Air Aware" products, and other aftermarket replacement sensors.

34. Further upon information and belief, the Schrader Defendants have sold and continue to sell the infringing products to third parties for use and/or resale, thus inducing and/or contributing to infringement by those third parties as well. The Schrader Defendants knew or should have known that their actions would induce actual infringement by those third parties.

35. The Schrader Defendants' acts constitute direct and indirect infringement of the '019 patent in violation of 35 U.S.C. § 271.

36. Upon information and belief, the Schrader Defendants were aware of the '019 patent before they began their infringing activities, or became aware of it after doing so and continued with their infringing activities. Thus, the infringement by the Schrader Defendants has been willful, intentional, and deliberate with full knowledge of the '019 patent. This is an exceptional case within the meaning of 35 U.S.C. § 285.

37. Upon information and belief, Continental has been and will continue to be injured by the Schrader Defendants' infringement of the '019 patent, and such acts will continue unless they are enjoined therefrom.

38. Upon information and belief, the Schrader Defendants have derived, received, and will continue to derive and receive gains, profits, and advantages from these acts of infringement in an amount that is not presently known to Continental. By reason of these infringing acts, Continental has been damaged, and is entitled to monetary relief in an amount to be proven at trial, but in any event no less than a reasonable royalty.

Request for Relief

WHEREFORE, Continental requests that the Court enter judgment in its favor and against Schrader as follows:

A. Declaring that Defendants have infringed U.S. Patent Nos. 6,998,973; 7,284,418; 7,463,952; and 7,004,019;

B. Permanently enjoining Defendants, their subsidiaries, agents, officers, employees, directors, licensees, servants, successors, assigns and all others acting in privity or in concert with them, from directly infringing, inducing infringement or contributing to the infringement of U.S. Patent Nos. 6,998,973; 7,284,418; 7,463,952; and 7,004,019;

C. Awarding Continental damages, including but not limited to lost profits and/or a reasonable royalty, in an amount to be proven at trial adequate to compensate for Defendants' infringing activities, together with interest;

D. Adjudging the Schrader Defendants' infringement of the '973 patent, the '418 patent, the '952 patent, and the '019 patent to be willful, and that this is an exceptional case under 35 U.S.C § 285;

E. Awarding Continental treble damages, including pursuant to 35 U.S.C. § 284, or such other enhancement of the award of damages the Court deems appropriate;

- F. Assessing prejudgment and post-judgment interest and costs against the Schrader Defendants, together with an award of such interest and costs, pursuant to 35 U.S.C. § 284;
- G. Awarding Continental its fees and costs, including pursuant to 35 U.S.C. § 285;
- and
- H. Awarding Continental such other and further relief as the Court may deem just and proper.

Jury Demand

Plaintiff Continental demands a trial by jury as to all claims and all issues properly triable thereby.

DATED: February 29, 2012

Respectfully submitted,

s/Bruce L. Sendek

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**ATTORNEYS FOR PLAINTIFF
CONTINENTAL AUTOMOTIVE
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CERTIFICATE OF SERVICE

I hereby certify that on **February 29, 2012**, I electronically filed the foregoing paper with the Clerk of the Court using the ECF system which will send notification of such filing to all registered ECF participants listed for this case.

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