

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

CONCRETE INNOVATION SERVICES, L.L.C.,)	CIVIL NO.
)	
<i>Plaintiff,</i>)	
)	
vs.)	
)	
ESAN PRECAST, INC.,)	RE:
d/b/a ESAN PRECAST,)	
)	JURY TRIAL
PUERTO RICO STONE, INC.,)	DEMANDED
d/b/a PUERTO RICO STONE,)	
)	
PUERTO RICO STONE & FENCES, INC.)	
d/b/a P R STONE & FENCES, INC., and)	
d/b/a PUERTO RICO STONE & FENCES)	
)	
EDGARDO RODRIGUEZ de LEON,)	
)	
<i>Defendants.</i>)	
)	

COMPLAINT

TO THE HONORABLE COURT:

COMES NOW, Plaintiff, Concrete Innovation Services, L.L.C. (“Concrete Innovation”) by counsel and in support of its action for damages and injunctive relief against Defendants Esan Precast, Inc. (“Esan Precast”), Puerto Rico Stone, Inc. (“Puerto Rico Stone”), Puerto Rico Stone & Fences, Inc. (“PR Stone & Fences”), and Edgardo Rodriguez de Leon (“Rodriguez”) hereby alleges and prays as follows:

THE PARTIES

1. Plaintiff Concrete Innovation is a Virginia limited liability company, having a principal place of business at 4215 Lafayette Center Drive, Suite 1, Chantilly,

Virginia 20151. Concrete Innovation holds patent rights relating to a sound-absorbing barrier technology referred to as “Whisper-Wall.”

2. Upon information and belief, Defendant Esan Precast is a domestic for-profit corporation having a principal place of business at Road 688, Km.4o. Sector San Vicente, Vega Baja, Puerto Rico 00693. Esan Precast’s business is based on manufacturing of precast concrete structures.

3. Upon information and belief, Defendant Puerto Rico Stone is a domestic for-profit corporation having a principal place of business at Road 688, Km.4o. Sector San Vicente, Vega Baja, Puerto Rico 00693. Upon information and belief, Puerto Rico Stone’s business is based on manufacturing of precast concrete structures.

4. Upon information and belief, Defendant PR Stone & Fences is a domestic for-profit corporation having a principal place of business at Road 688, Km.4o. Sector San Vicente, Vega Baja, Puerto Rico 00693. Upon information and belief, PR Stone & Fences operates a business based on selling and installing precast concrete structures.

5. Upon information and belief, Defendant Edgardo Rodriguez is the director and/or president of Esan Precast, Puerto Rico Stone, and PR Stone & Fences. Upon information and belief, Esan Precast, Puerto Rico Stone and PR Stone & Fences share the same principal, Edgardo Rodriguez.

JURISDICTION AND VENUE

6. Concrete Innovation’s claims of patent infringement arise under 35 U.S.C. § 271, there is diversity of citizenship between the parties, and, upon information and belief, the amount in controversy exceeds \$75,000 exclusive of interest and costs.

Therefore, this Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§1331, 1332, 1338, and 1367(a).

7. This Court has personal jurisdiction over Defendants, who upon information and belief are all residents of the Commonwealth of Puerto Rico.

8. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391(b).

FACTUAL BACKGROUND

9. On October 15, 1996, U.S. Patent No. 5,564,241 (“’241 patent”) issued to Paul F. Ogorchcock and Stephen McCowin (“Inventors”) for “SOUND-BARRIER PANEL.” A true and correct copy of the ’241 patent is attached hereto as Exhibit A. On October 21, 1997, U.S. Patent No. 5,678,363 (“’363 patent”) issued to the Inventors for “SOUND BARRIER PANEL.” A true and correct copy of the ’363 patent is attached hereto as Exhibit B.

10. On November 26, 2002, the Inventors assigned all of their rights under the ’241 and ’363 patents to Concrete Innovation. Screenshots of the USPTO Assignment registry showing such assignment are attached hereto as Exhibit C.

11. On or around May 3, 2004, Concrete Innovation entered into an agreement (“License Agreement”) with Esan Precast that granted Esan Precast a non-exclusive, non-transferable license to “make, use, offer to sell and/or sell,” within Puerto Rico, products covered by the scope of claims in the ’241 and/or or ’363 patents (“Licensed Product”). A true and correct copy of the License Agreement is attached hereto as Exhibit D. Pursuant to Paragraph 3 of the License Agreement, Esan Precast did not have the right to grant sublicenses to other entities. Pursuant to Paragraph 10 of the License Agreement,

Esan Precast did not have the right to assign its interest under the License Agreement without the prior written consent of Concrete Innovation.

12. Rodriguez signed the License Agreement on behalf of Esan Precast, as its President.

13. The License Agreement at paragraph 4, also provided that, in exchange for the license granted to Esan Precast, Esan Precast would pay a running royalty to Concrete Innovation in the amount of \$ 0.60 per square foot of Licensed Product made, used, sold and/or installed by Esan Precast. Such royalty payments were to be made four times per year, within 30 days after the close of each quarter ending March 31, June 30, September 30, and December 31, along with a written report of Esan Precast's sales of Licensed Product in the previous quarter. See, Exhibit D.

14. The License Agreement further provided, at paragraph 11, for termination by either party upon the other's breach and failure to cure such breach within 30 days of receiving written notice thereof.

15. In a letter sent via facsimile to Esan Precast on June 7, 2007, Concrete Innovation exercised its right to terminate the License Agreement due to Esan Precast's failure to pay royalties owed under the License Agreement, some of which dated back to 2005. Esan Precast failed to cure the deficient royalty payments within 30 days, and therefore termination of the License Agreement was effective on July 7, 2007. A late, subsequent effort to pay \$14,096.80 in overdue royalties from the year 2005 was unsuccessful when a check drawn on the account of P R Stone & Fences, Inc., dated March 13, 2009, was returned to Concrete Innovation due to insufficient funds.

16. Prior to termination of the License Agreement, Concrete Innovation contacted Esan Precast on numerous occasions regarding late or deficient royalty payments, as well as overdue quarterly sales reports. These communications were with Rodriguez on behalf of Esan Precast, and with Esan Precast's Construction Estimator, Jorge Pietri.

17. From 2006 until termination of the License Agreement, Esan Precast failed to provide Concrete Innovation with any quarterly sales reports.

18. Upon information and belief, Puerto Rico Stone and PR Stone & Fences are companies that were formed by Rodriguez in 2007 to operate substantially the same business, in the same physical location, as that of Esan Precast. Upon information and belief, the principal of both Puerto Rico Stone and PR Stone & Fences is Rodriguez.

19. Upon information and belief, despite knowledge of the terms of the License Agreement, the business of Puerto Rico Stone and PR Stone & Fences includes making, selling, using or installing the products which were previously made, sold, used or installed by Esan Precast as Licensed Products under the Licensing Agreement. Such business includes at least seven projects in Puerto Rico from 2007 until the present in which Puerto Rico Stone and PR Stone & Fences has made, sold or used infringing products. On information and belief, at least five of these projects in Puerto Rico have been completed. On information and belief, at least two of these projects are not scheduled to be completed until November 2012.

20. Esan Precast has never requested consent to sublicense or assign its rights under the License Agreement, and Concrete Innovation has never consented to sublicense or assignment of Esan Precast's rights under the License Agreement.

COUNT ONE

**(Infringement of U.S. Patent No. 5,564,241
Under 35 U.S.C. § 271(a) by Esan Precast and Puerto Rico Stone)**

21. Plaintiff repeats and realleges the allegations contained in Paragraphs 1 through 20 of this Complaint with the same force and effect as if set forth fully herein.

22. Upon information and belief, subsequent to termination of the License Agreement on July 7, 2007, Esan Precast has made, sold or used in the Commonwealth sound barriers that are within the scope of the '241 patent, without the authority of Concrete Innovation, thereby infringing the '241 patent in violation of 35 U.S.C. § 271(a).

23. Upon information and belief, at least since 2007 Puerto Rico Stone and PR Stone & Fences have made, sold, and used in the Commonwealth, and continue to make, sell and use in the Commonwealth, sound barriers that fall within the scope of the '241 patent, without the authority of Concrete Innovation, thereby infringing the patents in violation of 35 U.S.C. § 271(a).

24. Concrete Innovation has been damaged as a result of Defendants Esan Precast, PR Stone & Fences, and Puerto Rico Stone's infringement of the '241 patent, the amount and extent of such damages to be determined.

25. Defendants Esan Precast, PR Stone & Fences, and Puerto Rico Stone's infringement of the '241 patent was willful and deliberate, entitling Concrete Innovation to increased damages under 35 U.S.C. § 284 and attorneys' fees and costs under 35 U.S.C. § 285.

COUNT TWO

**(Infringement of U.S. Patent No. 5,678,363
Under 35 U.S.C. § 271(a) by Esan Precast and Puerto Rico Stone)**

26. Plaintiff repeats and realleges the allegations contained in Paragraphs 1 through 25 of this Complaint with the same force and effect as if set forth fully herein.

27. Upon information and belief, subsequent to termination of the License Agreement on July 7, 2007, Esan Precast has made, sold or used in the Commonwealth sound barriers that are within the scope of the '363 patent, without the authority of Concrete Innovation, thereby infringing the '363 patent in violation of 35 U.S.C. § 271(a).

28. Upon information and belief, since at least 2007 Puerto Rico Stone and PR Stone & Fences have made, sold, and used in the Commonwealth, and continue to make, sell and use in the Commonwealth, sound barriers that fall within the scope of the '363 patent, without the authority of Concrete Innovation, thereby infringing the '363 patent in violation of 35 U.S.C. § 271(a).

29. Concrete Innovation has been damaged as a result of Defendants Esan Precast, PR Stone & Fences, and Puerto Rico Stone's infringement of the '363 patent, the amount and extent of such damages to be determined.

30. Defendants Esan Precast, PR Stone & Fences, and Puerto Rico Stone's infringement of the '363 patent was willful and deliberate, entitling Concrete Innovation to increased damages under 35 U.S.C. § 284 and attorneys' fees and costs under 35 U.S.C. § 285.

COUNT THREE

**(Induced Infringement of U.S. Patent No. 5,564,241
Under 35 U.S.C. § 271(b) by Defendant Rodriguez)**

31. Plaintiff repeats and realleges the allegations contained in Paragraphs 1 through 30 of this Complaint with the same force and effect as if set forth fully herein.

32. Upon information and belief, Rodriguez has actively induced at least Puerto Rico Stone and PR Stone & Fences to make, sell, and use in the Commonwealth sound barriers within the scope of the '241 patent, thereby infringing the '241 patent in violation of 35 U.S.C. § 271(b). Rodriguez had actual or constructive knowledge that making, using, selling and installing such sound barriers each constitutes infringement of the '241 patent.

33. Rodriguez possessed specific intent to encourage Defendants Puerto Rico Stone and PR Stone & Fences to infringe the '241 patent.

34. Rodriguez's active inducement of infringement of the '241 patent has caused irreparable injury to Concrete Innovation and its licensees, and will continue unless enjoined by the Court.

COUNT FOUR

**(Induced Infringement of U.S. Patent No. 5,678,363
Under 35 U.S.C. § 271(b) by Defendant Rodriguez)**

35. Plaintiff repeats and realleges the allegations contained in Paragraphs 1 through 3 of this Complaint with the same force and effect as if set forth fully herein.

36. Upon information and belief, Rodriguez has actively induced at least Puerto Rico Stone and PR Stone & Fences to make, sell, and use in the Commonwealth sound barriers within the scope of the '241 and '363 patents, thereby infringing the '363 patent in violation of 35 U.S.C. § 271(a). Mr. Rodriguez had actual or constructive

knowledge that making, using, selling and installing such sound barriers each constitutes infringement of the '363 patent.

37. Rodriguez possessed specific intent to encourage Defendants Puerto Rico Stone and PR Stone & Fences to infringe the '363 patent.

38. Rodriguez's active inducement of infringement of the '363 patent has caused irreparable injury to Concrete Innovation and its licensees, and will continue unless enjoined by the Court.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment in its favor and against Defendants as follows:

1. That Defendants Esan Precast, Puerto Rico Stone, and PR Stone & Fences have willfully and deliberately infringed U.S. Patent Nos. 5,564,241 and 5,678,363.

2. That Defendant Rodriguez has willfully and deliberately induced infringement of U.S. Patent Nos. 5,564,241 and 5,678,363.

3. That Defendants, their officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them, who receive actual notice of this Court's order by personal service or otherwise, be temporarily and permanently enjoined and restrained from further infringement and active inducement of infringement of U.S. Patent Nos. 5,564,241 and 5,678,363.

4. That Plaintiff recover from Defendants the amount of damages sustained by Plaintiff as a consequence of Defendants' unlawful acts, such damages being trebled pursuant to 35 U.S.C. § 284 due to the willfulness of Defendants' infringing actions, together with appropriate pre-judgment and post-judgment interest on such damages.

5. That Plaintiff recover from Defendants its reasonable attorneys' fees pursuant to 35 U.S.C. § 285, due to the fact that this is an exceptional case.

6. That Plaintiff recovers its costs and expenses in this action, together with such other and further relief as this Court may deem just.

JURY DEMAND

Plaintiff hereby demands trial by jury on all issues so triable in this action.

RESPECTFULLY SUBMITTED.

In Guaynabo, Puerto Rico, this 29th day of August, 2012.

s/Pedro E. Ruiz Meléndez

Pedro E. Ruiz Meléndez
USDC-PR No. 208311

Attorney for Plaintiff

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