

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND  
BALTIMORE DIVISION**

**PAICE LLC and THE ABELL FOUNDATION,  
INC.,**

**Plaintiffs,**

**v.**

**FORD MOTOR COMPANY,**

**Defendant.**

**C.A. No. \_\_\_\_\_**

**JURY TRIAL DEMANDED**

**COMPLAINT**

Plaintiffs Paice LLC (“Paice”) and The Abell Foundation, Inc. (“Abell”) (collectively referred to as the “Plaintiffs”) file this Complaint for patent infringement against Defendant Ford Motor Company (“Ford”) requesting damages and other relief based upon their personal knowledge as to their own facts and circumstances, and based upon information and belief as to the facts and circumstances of others.

**OVERVIEW**

1. This is an action by Paice, a small Maryland-based company that invented groundbreaking hybrid vehicle technology, and Abell, a Baltimore-based charitable organization dedicated to fighting urban poverty and finding solutions to intractable problems confronting Maryland residents. Consistent with its mission, Abell has invested millions of dollars to support Paice's efforts to develop and promote its innovative hybrid electric technology that improves fuel efficiency and lowers emissions, while maintaining superior driving performance. Paice and Abell are co-owners of multiple foundational patents related to hybrid technology -- patents recognized in an independent 2009 study as the most dominant hybrid vehicle patents in the

world. Paice and Abell are forced to bring this action against Ford, one of the largest automobile companies in the world, as a result of Ford's knowing and ongoing infringement of these patents.

2. As detailed below, between 1999 and 2004 Paice had over 100 meetings and interactions with Ford providing Ford's representatives with detailed information about the hybrid technology that Paice had developed. Through this process, Ford executives requested and Paice provided detailed modeling and component design work on hybrid versions of Ford's vehicles. For more than five years, Paice answered inquiries from multiple departments within Ford, believing in good faith that a business relationship between Paice and Ford would be mutually beneficial and advance the acceptance of Paice's technology.

3. After years of Ford learning the details of Paice's hybrid drivetrain technology, Ford elected not to enter into a business relationship with Paice. Instead, Ford took Paice's patented technology for itself without compensation to Paice and is using Paice's technology in the Fusion Hybrid, Fusion Plug-in Hybrid, C-MAX Hybrid, C-MAX Plug-in Hybrid and Lincoln MKZ Hybrid, in knowing disregard of Paice's patents. Paice believes that Ford has further used Paice's technology in its joint projects with Toyota Motor Company, another well-known manufacturer of hybrid vehicles that a jury has already determined infringed Paice's patent rights and that ultimately took a global license for all of Paice's patents. Ford itself took a license in 2010 for one of Paice's early patents that has now expired. The parties, however, were not able to resolve Ford's infringement of the patents at issue in this suit, and instead entered into an arbitration agreement that gave Ford the unilateral right to select arbitration in lieu of litigation. Ford, however, has decided not to arbitrate, forcing Paice to litigate its patents against a large and powerful corporation.

4. Abell has provided financial support for Paice's work for over 15 years. Paice pioneered the development of hybrid technology in this country and spent years teaching hybrid powertrain technology to Ford. Ford infringes Paice's patents and must compensate Paice for its use of Paice's technology in hybrid vehicles, and Ford should be enjoined from further use of Paice's technology.

### **THE PARTIES**

5. Paice LLC is a Delaware limited liability company with a principal place of business at 111 South Calvert Street, Suite 2310, Baltimore, Maryland. Originally established in 1992 by Paice inventor, Dr. Alex J. Severinsky, Paice has been developing and promoting innovative hybrid electric vehicle technology that improves fuel efficiency and lowers emissions, while maintaining superior driving performance. In 1992, Paice was accepted into the University of Maryland's incubator program, which was created to foster growth of promising start-up companies in the Maryland community.

6. The Abell Foundation, Inc. is a Maryland corporation with a place of business at 111 South Calvert Street, Suite 2300, Baltimore, Maryland. Abell is a non-profit charitable organization dedicated to fighting urban poverty and finding solutions to intractable problems confronting Maryland residents. Over the past 60 years, Abell has contributed more than \$250 million to support worthwhile causes across Maryland. It traditionally focuses on caring for the underserved and underprivileged through education, healthcare, and human services initiatives. In addition, Abell is dedicated to promoting national social objectives, such as increasing energy efficiency and producing alternative energy, and invests in companies with innovative technologies in these areas. Abell's charitable model is unique in that it occasionally invests in promising local companies—including those focused on environmental issues—with the goal of

creating jobs and reinvesting any earnings back into the communities it serves. In 1998, Abell was introduced to Paice through former U.S. Senator Joseph Tydings and the University of Maryland's Technology Advancement Program. The University of Maryland's Technology Advancement Program was modeled after highly successful programs at Stanford University, Harvard University, MIT, Caltech and other highly regarded institutions of higher learning. Senator Tydings served three terms on the Board of Regents of the University of Maryland and the University System of Maryland, where he was actively involved in the support of the University's incubator program from its start. Recognizing the future promise and benefits of Paice's technology, Abell has invested millions of dollars in support of Paice's innovative technology and is a partial equity owner of Paice.

7. On information and belief, Ford is a Delaware Corporation with a place of business at 1 American Road, Dearborn, MI 48126.

#### **JURISDICTION AND VENUE**

8. This is a civil action for patent infringement arising under the Patent Laws of the United States, Title 35 of the United States Code. Subject matter jurisdiction over the asserted causes of actions before this Court is proper and founded upon 28 U.S.C. §§ 1331 and 1338.

9. This Court has personal jurisdiction over Ford because, among other things, Ford has infringed and caused infringement of Plaintiffs' patents in Maryland and within this judicial district.

10. Venue is proper in this Court under 28 U.S.C. §§ 1391 and 1400(b) because acts of infringement have been committed in this judicial district, injuries complained of herein occurred in this judicial district, and Ford is subject to personal jurisdiction in this judicial district.

## PATENTS IN SUIT

11. Paice and Abell are co-owners by assignment of all right, title, and interest in and to United States Patent No. 7,237,634 (“the ’634 patent”). The ’634 patent is entitled “Hybrid Vehicles” and lists Alex J. Severinsky and Theodore Louckes as inventors. The U.S. Patent Office issued the ’634 patent on July 3, 2007. A true and correct copy of the ’634 patent is attached hereto as Exhibit A.

12. Paice and Abell are co-owners by assignment of all right, title, and interest in and to United States Patent No. 7,104,347 (“the ’347 patent”). The ’347 patent is entitled “Hybrid Vehicles” and lists Alex J. Severinsky and Theodore Louckes as inventors. The U.S. Patent Office issued the ’347 patent on September 12, 2006. A true and correct copy of the ’347 patent is attached hereto as Exhibit B.

13. Paice and Abell are co-owners by assignment of all right, title, and interest in and to United States Patent No. 7,559,388 (“the ’388 patent”). The ’388 patent is entitled “Hybrid Vehicles” and lists Alex J. Severinsky and Theodore Louckes as inventors. The U.S. Patent Office issued the ’388 patent on July 14, 2009. A true and correct copy of the ’388 patent is attached hereto as Exhibit C.

14. Paice and Abell are co-owners by assignment of all right, title, and interest in and to United States Patent No. 8,214,097 (“the ’097 patent”). The ’097 patent is entitled “Hybrid Vehicles” and lists Alex J. Severinsky and Theodore Louckes as inventors. The U.S. Patent Office issued the ’097 patent on July 3, 2012. A true and correct copy of the ’097 patent is attached hereto as Exhibit D.

15. Paice and Abell are co-owners by assignment of all right, title, and interest in and to United States Patent No. 7,455,134 (“the ’134 patent”). The ’134 patent is entitled “Hybrid

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