UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

VERSATA DEVELOPMENT GROUP, INC., F/K/A TRILOGY DEVELOPMENT GROUP, INC., VERSATA SOFTWARE, INC., F/K/A TRILOGY DEVELOPMENT GROUP, INC., AND TRILOGY, INC.	§	
	§	**CASE NO. _____**
Plaintiffs,	§	
	§	
v.	§	**JURY TRIAL DEMANDED**
	§	
FORD MOTOR COMPANY,	§	
	§	
Defendant.	§	

PLAINTIFFS' ORIGINAL COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF

Plaintiffs Versata Development Group, Inc., f/k/a Trilogy Development Group, Inc., Versata Software, Inc., f/k/a Trilogy Software, Inc. (collectively "Versata") and Trilogy, Inc. (collectively "Versata") respectfully file this Original Complaint for patent infringement, trade secret misappropriation, conversion, and breach of contract against Ford Motor Company ("Ford").

PRELIMINARY STATEMENT

Plaintiff Ford Motor Company Has Misappropriated Versata's Trade Secrets and Infringed Versata's Patents.

Versata is an enterprise software company whose patented design and lead management systems have revolutionized the automotive industry. Versata's innovative software powers the world's leading automotive companies including Ford, GM, Nissan, Chrysler, Toyota, Hyundai, Kia, Volvo, and Jaguar. Among Versata's most valuable intellectual property is its technology for its patented automotive configuration manager software. Despite achieving hundreds of

millions of dollars in cost savings from its use of Versata's software, Ford has decided that it would be cheaper to steal this technology than to pay for it.

Versata licensed its automotive configuration software to Ford from October 19, 1998 to January 15, 2015. The license agreement was regularly renegotiated, pursuant to a series of agreements ranging in length from one to three years. Over the life of these agreements, the cost savings from Versata's software generated hundreds of millions of dollars in additional revenue for Ford. Yet Ford never paid more than $8.45 million per year in fees to Versata for a license to this software. During the last decade of the companies' business relationship, Versata never raised its annual licensing fees and only increased maintenance fees once.

When the parties met to renegotiate the software licensing agreement in 2014, Versata requested a modest increase in its annual licensing fee for the automotive configuration software. Ford refused. When Ford realized that Versata would not cow to its demand for a perpetual, sweetheart licensing deal, it used a different tactic. Ford suspended negotiations and allowed the software licensing agreement to expire. But Ford did not stop using Versata's software; it just stopped paying for it. Compounding this injustice, Ford filed a patent application (and received a patent) for software that duplicates the automotive configuration software it had been licensing from Versata.

Ford is so desperate to avoid liability for this misconduct that it took the extraordinary step of suing itself in Michigan to secure hometown venue. Ford filed a placeholder action under seal on February 19, 2015. But, to date, Ford has not served this action. This delay tactic strongly indicates that Ford wants to delay resolution of its dispute with Versata until it can reduce or eliminate its reliance on Versata's software.

Because Ford should not be permitted to profit from this tactic, Plaintiffs bring this Complaint seeking restitution and injunctive relief.

PARTIES

1. Plaintiff Versata Development Group, Inc., f/k/a Trilogy Development Group, Inc., is a corporation existing under the laws of Delaware with its principal place of business at 6011 W. Courtyard, Austin, Texas 78730.

2. Plaintiff Versata Software, Inc., f/k/a Trilogy Software, Inc., is a corporation existing under the laws of Delaware with its principal place of business at 6011 W. Courtyard, Austin, Texas 78730.

3. Plaintiff Trilogy, Inc. is a corporation existing under the laws of Texas with its principal place of business at 6011 W. Courtyard, Austin, Texas 78730.

4. Defendant Ford Motor Company is a corporation existing under the laws of Delaware with its principal place of business at One American Road, Dearborn, Michigan 48126. Ford regularly conducts business in Texas and may be served through its registered agent, CT Corporation, at 1999 Bryan Street, Suite. 900, Dallas, Texas 75201-3136.

JURISDICITON AND VENUE

5. This is an action for patent infringement under the Patent Laws of the United States, 35 U.S.C. § 271.

6. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

7. Venue is proper in this judicial district under 28 U.S.C. §§ 1391(b) and 1400(b).

GENERAL ALLEGATIONS

A. Ford and Trilogy Sign a Series of Software Licensing Agreements

8. Versata is an enterprise software company. Versata develops some of the most successful, sophisticated, and powerful enterprise software in the United States. One of Versata's main areas of focus is configuration.

9. Versata and its subsidiaries have developed software comprised of technical data, formulas, patterns, compilations, programs, and other trade secret information for the purpose of assisting automotive manufactures in designing and configuring automotive product lines as well as financially forecasting costs and profits.

10. Between 1998 and 2014, Versata (known previously as Trilogy) disclosed certain trade secret and other confidential information that it developed and owns, including its proprietary technology for configuring, designing, pricing, and comparing vehicles (the "Confidential Information"), pursuant to the terms of a series of agreements between Ford and Trilogy.

11. Ford, like other auto manufacturers, sells a wide range of vehicle lines in different vehicle categories, such as compact cars, SUVs, sedans, and pickup trucks. Each vehicle line in each category has many different configurations and options. For example, most vehicles are offered with more than one engine choice, more than one transmission choice, more than one wheel choice, and several other configurations and options.

12. Not all Ford vehicle components are compatible with one another. For example a particular engine may not be compatible with a particular transmission. But a particular wheel might be compatible with dozens of different body types and vehicle categories. Given the

complexity and options available on a particular vehicle, millions of configurations are possible for each vehicle line.

13. When Ford's internal configuration software proved incapable of handling the complexity and volume of data required to support modern automotive manufacturing needs, Ford turned to Trilogy for help.

14. In 1998, Ford signed a contract services software licensing agreement with Trilogy (the "CSA"), which permitted Ford to license Trilogy's revolutionary automotive configuration software in return for an annual licensing fee. A true and correct copy of the CSA is attached hereto as "Exhibit 1."

15. The CSA specified that, except for certain custom portions to which Ford was specifically assigned ownership in written assignment orders, Trilogy "retain[ed] all rights, title and interest in and to the software and/or related documentation provided to [Ford] by [Trilogy], including, without limitation, the Non-Custom Elements … and all copyright, trade secret and other rights relating thereto." (Ex. 1 at 2).

16. Ford also acknowledged in the CSA that "the 'Non-Custom Elements' include[d] … the know-how, technique, concepts, methods, coding, designs, inventions, procedures or other subject matter of the Developed Software, whether or not included in the Custom Portions, if such subject matter is not specific to, or can be made nonspecific to, [Ford]." (Ex. 1 at 3).

17. Ford further agreed to "restrict access to [Trilogy's] Confidential Information only to owners, employees, and contractors who (i) require access in the course of their assigned duties and responsibilities, and (ii) have agreed in writing to be bound by provisions no less restrictive than those set forth in [the CSA]." (Ex. 1 at 3).

18. In 2004, Ford and Trilogy entered into a second comprehensive license agreement for use of a new software technology known as the "Automotive Configuration Manager" ("ACM"). Like the earlier software that Ford licensed from Trilogy, the ACM technology was developed by Trilogy, which then licensed this propriety technology to Ford.

19. In December 2004, Ford and Trilogy entered into a Master Subscription and Services Agreement ("MSSA"), governing Ford's licensing of the Trilogy's proprietary ACM technology. A true and correct copy of the MSSA is attached hereto as Exhibit 2.

20. Like the CSA, the MSSA granted Ford a license to use Trilogy's patented ACM software. It did not, however, grant Ford ownership of the underlying technology which powered Ford's configuration and financial forecasting systems. While Ford owned the rights to certain minor customizations of the software, it did not own the underlying ACM technology. Trilogy's ACM software was the engine that drove Ford's entire configuration process. And just as a Ford Taurus would not run without a Ford engine, Ford's configuration and financial forecasting systems would not run without Trilogy's ACM software.

21. The MSSA made plain that Trilogy retained all rights to its proprietary ACM technology.

22. For example, in Section 6 ("Ownership"), the MSSA specifically provides that "[b]y signing this Agreement, Ford irrevocably acknowledges that, subject to the licenses granted herein, Ford has no ownership interest in the Software, Deliverables that are owned by Trilogy pursuant to Section 1.8, or Trilogy Materials provided to Ford." (Ex. 2 at 5).

23. The MSSA further specified in Section 7.4 ("Ownership of Confidential Information") that "[n]othing in this Agreement shall be construed to convey any title or ownership rights to the Software or other Trilogy Confidential Information to Ford or to any

patent, copyright, trademark, or trade secret embodied therein, or to grant any other right, title, or ownership interest to the Trilogy Confidential Information." (Ex. 2 at 5).

24. The MSSA also contained a number of additional safeguards to protect Trilogy's Confidential Information.

25. Like the CSA, Ford agreed in Section 7.5 that it would "at all times use Reasonable Care in preventing the disclosure of Confidential Information belonging to [Trilogy]." Ford further agreed "to restrict access to [Trilogy's] Confidential Information only to those employees and third-party contractors or agents who (i) require access in the course of their assigned duties and responsibilities and (ii) have agreed in writing to be bound by provisions no less restrictive than those set forth in the [MSSA]." (Ex. 2 at 5).

26. Ford also agreed in Section 1.7 that "[i]n no event shall Ford disassemble, decompile, or reverse engineer [Trilogy's] Software or Confidential Information … or permit others to do so." (Ex. 2 at 2).

27. Finally, Ford agreed that "Ford may use Trilogy's Confidential Information solely in connection with the Software and pursuant to the terms of this Agreement." (Ex. 2 at 2).

28. In order to ensure that Ford would comply with the restrictions on its use of Trilogy's Confidential Information, Trilogy negotiated the right to conduct verification audits at Ford.

29. Under Section 3.5 of the MSSA, Ford agreed that "Trilogy may, upon thirty (30) days prior written notice, enter Ford's premises to verify Ford's compliance with the provisions of this Agreement at Trilogy's expense." (Ex. 2 at 4).

30. Ford also agreed in Section 12 ("Ford Obligations") that "Ford [would] up reasonable request, reasonably make available to Trilogy certain of its facilities, computer

resources, software programs, networks, personnel, and business information as are required to perform any Work, service, or **other obligation hereunder**." (Ex. 2 at 7).

31. Finally, the MSSA provided in Section 1.3 that, unless it was terminated by one of the parties, the license agreement would "automatically renew for successive twelve-month periods ("Annual Renewal Periods") upon issuance of a valid Ford purchase order to Trilogy. (Ex. 2 at 1.3). The practical effect of this provision was to require the parties to renegotiate the MSSA on an annual basis, or the license agreement would simply automatically renew itself under the prior year's terms.

B. Ford Decides It Would Be Cheaper To Steal Trilogy's Software Than To Keep Paying For It

32. Trilogy's ACM proved immensely valuable to Ford. The ACM technology allowed engineers from Ford's facilities across the world to collaborate and design Ford vehicles with seamless real time updates. The ACM software also allowed Ford's financial managers to forecast pricing and demand with hitherto unrivaled accuracy and precision.

33. Trilogy's ACM technology was so powerful that Ford rapidly adopted Trilogy's propriety software in every Ford manufacturing facility and every Ford corporate office across the United States, Europe, and Asia. Much like Microsoft Office or Adobe Acrobat, Trilogy's ACM software rapidly became embedded across Ford's global technology platform.

34. In addition to Trilogy's ACM technology, Ford also entered into a number of separate licensing agreements to use other patented software technologies, including software that permitted retail customers to "build" their own vehicles using the Ford.com website and financial forecasting software that allowed area managers to track inventory and supply.

35. Among the additional software applications that Ford employed was an internet software program that allows Ford dealerships around the United States to configure and order

vehicles from Ford. This web-based program is known variously as WBDO or WEBDO (acronyms for "web based dealership orders"). ACM is the "engine" that drives the WEBDO. The WEBDO software program is dependent upon ACM for configuring vehicles. Upon and information and belief, Ford, in violation of the MSA, is still providing the WEBDO software application to Ford Dealerships around the United States, including Bob Tomes Ford, located at 950 South Central Expressway in McKinney, Texas; Five Star Ford of Plano located at 4400 West Plano Parkway in Plano, Texas; North Central Ford located at 1819 North Central Expressway in Richardson, Texas; and Rockwall Ford located at 990 East I-30 in Rockwall, Texas.

36. On information and belief, the WEBDO software application dependent on Versata's ACM technology is also being used by Ford's Corporate Southwest Regional Sales Office located at 5700 Granite Parkway, Suite 1000, in Plano, Texas, 75024.

37. Trilogy's ACM technology revolutionized Ford's business practices, and saved Ford hundreds of millions by speeding time to market and reducing recalls. But Ford's cost to license this technology was paltry in comparison to the benefits it provided. Beginning in 2004, Ford paid Trilogy an $8.45 million annual license fee—a license fee that remained unchanged over the next decade. But even this $8.45 million annual license fee was more than Ford wanted to pay.

38. Beginning in 2010, without telling Versata, Ford began developing its own version of Trilogy's proprietary configuration software. On information and belief, Ford breached its obligations to Trilogy by reverse engineering Trilogy's patented and copyrighted software and disseminating Trilogy's Confidential Information to unauthorized users tasked with creating a copycat configuration technology.

39. At no time between 2010 and 2014, did Ford inform Trilogy that its engineers where developing a rival configuration software. In October 2011, Ford filed a patent application on its rival configuration software. In August 2014, Ford received a patent covering its copycat "invention," U.S. Patent No. 8,812,375 (the '375 patent). A true and correct copy of the '375 patent is attached hereto as Exhibit 3.

40. In 2014, Ford and Trilogy, which by now had become part of Versata Software, Inc., began negotiating a renewal of the ACM software license.

41. During the negotiations, Versata informed Ford that it was unwilling to extend the software licensing agreement without an increase in the annual licensing fee. To facilitate negotiations, Versata made a number of proposals, including a proposal that Ford could license all of its major software products, including the ACM software, for a single $17 million a year annual license fee.

42. Ford refused to negotiate with Versata. Instead, Ford attempted to renew the license under the old terms through subterfuge.

43. In fall 2014, Ford sent a check for $8.45 million to Versata's accounting department, apparently in the hopes that Versata would knowingly—or unknowingly—cash the check and renew the ACM license. Versata returned the check to Ford.

44. When Ford's initial scheme failed, it then attempted to renew the ACM license by submitting purchase orders through both its European and American offices requesting renewal of the "2015 ACM License." Versata rejected those purchase orders as well.

45. Finally, on October 7, 2014, with no deal in sight and facing an automatic renewal of the license agreement if it did not act, Versata was forced to notify Ford in writing that it was terminating the existing license agreement as of January 15, 2015. Versata also notified Ford

that, pursuant to Section 11.4 of the MSSA, Ford was "required to cease using all … Versata Software and Materials … and return the same to Versata or destroy all such Versata Software and Materials and Confidential Information from all Ford systems, records or repositories."

46. In the hope that the parties could reach an agreement, Versata continued to negotiate with Ford. But Ford refused to pay any increase for its use of the ACM license—despite the fact that it had enjoyed the same (now heavily discounted) price for a decade.

47. By November 2014, Versata became concerned that Ford intended to breach the MSSA by continuing to use Trilogy's ACM software without paying any licensing fees. To address this concern, Versata sent Ford a letter on November 20, 2014 informing Ford that Versata intended to conduct visit Ford's facilities "to verify your compliance with the terms of the Agreement concerning your deletion [of the ACM software] and return of all of the … Software, the licenses of which have been terminated and all the materials related to such terminated Software." But, in breach of the parties' contract, Ford refused to allow Versata to visit its facilities, speak with its employees, or conduct the audit that Ford had specifically agreed to in sections 3.5 and 12.2 of the MSSA.

48. On December 19, 2014, Versata met with Ford management at the Ford headquarters in Michigan. At that meeting, Ford informed Versata that they were terminating the ACM software license. Ford further informed Versata for the first time that Ford was switching to its own, newly developed configuration software – software that Ford had never disclosed to Versata that it was developing.

49. On February 19, 2015, Ford filed a lawsuit against Versata in Michigan seeking a declaratory judgment that its new, copycat configuration software did not infringe Versata's patents or otherwise reflect that Ford had stolen Versata and Trilogy's Confidential Information.

50. Far from presenting an actual case or controversy, Ford filed this lawsuit for the purpose of forum-shopping and delay.

51. Ford initially filed the action under seal until the Court in Michigan ordered Ford sua sponte to file its complaint publicly. In the two and a half months since it filed suit, Ford has not served the lawsuit or taken any steps to prosecute its case. Settlement discussions have been on hold for more than a month.

52. On information and belief, Ford has misappropriated Versata and Trilogy's Confidential Information and continues to use Trilogy's patented and copyrighted software in violation of the ACM.

53. The Confidential Information includes specific trade secrets from which Ford derives, and has derived, significant value and competitive advantage. Versata and Trilogy have treated the Confidential Information as confidential and restricted information, and have taken reasonable steps to protect such Confidential Information from unauthorized use or disclosure to maintain its secrecy. The Confidential Information was developed by Versata and Trilogy at great expense, and constitutes valuable trade secrets that give Ford a competitive advantage over others in its industry.

54. Ford was—and continues to be—under an obligation not to disclose, claim, and/or use as their own, the Confidential Information disclosed by Versata and Trilogy.

55. Versata and Trilogy are informed and believe, and based thereon allege, that Ford violated its obligations with respect to the Confidential Information by misusing and misappropriating the Confidential Information within its companies and facilities for its personal gain. In addition, Ford disclosed the Confidential Information to third parties, including, but not limited to, the United States Patent and Trademark Office.

56. Versata and Trilogy did not become aware that Ford had violated its obligations not to misuse, misappropriate or disclose the Confidential Information until approximately February 19, 2015, when Ford filed its Complaint seeking declaratory relief for patent infringement and misappropriation of trade secrets. At that time, it became clear to Versata and Trilogy that Ford had misappropriated the Confidential Information, disclosed it, and converted it to Ford's own use, in violation of Ford's statutory and contractual obligations. Ford's business is such that were Ford to misuse and misappropriate Versata and Trilogy's proprietary technology as alleged, Ford would (and Versata and Trilogy allege Ford did) benefit from its misdeeds even if they never applied for, obtained or licensed any patents based on the technology. Versata and Trilogy are informed and belief that Ford continues to run major portions of its business operations based on its misuse and misappropriation of Versata and Trilogy's proprietary technology.

57. The Registered Works are creative works of original authorship by Versata and contain a copyright notice indicating the copyright is owned by Versata.

58. On October 20, 1998, the USPTO duly and legally issued United States Patent No. 5,825,651 (the '651 patent), entitled "Method and Apparatus for Configuring Systems." Versata holds all right, title, and interest in and to the '651 patent (a true and correct copy of which is attached as Exhibit 4).

59. On June 11, 2002, the USPTO duly and legally issued United States Patent No. 6,405,308 (the '308 patent), entitled "Method and Apparatus for Maintaining and Configuring Systems." Versata holds all right, title, and interest in and to the '308 patent (a true and correct copy of which is attached as Exhibit 5).

60. On January 6, 2004, the USPTO duly and legally issued United States Patent No. 6,675,294 (the '294 patent), entitled "Method and Apparatus for Maintaining and Configuring Systems." Versata holds all right, title, and interest in and to the '294 patent (a true and correct copy of which is attached as Exhibit 6).

61. On January 13, 2004, the USPTO duly and legally issued United States Patent No. 6,678,695 (the '695 patent), entitled "Master Data Maintenance Tool for Single Source Data." Versata holds all right, title, and interest in and to the '695 patent (a true and correct copy of which is attached as Exhibit 7).

62. On December 28, 2004, the USPTO duly and legally issued United States Patent No. 6,836,766 (the '766 patent), entitled "Rule Based Configuration Engine for a Database." Versata holds all right, title, and interest in and to the '766 patent (a true and correct copy of which is attached as Exhibit 8).

63. On March 6, 2007, the USPTO duly and legally issued United States Patent No. 7,188,335 (the '335 patent), entitled "Product Configuration Using Configuration Patterns." Versata holds all right, title, and interest in and to the '335 patent (a true and correct copy of which is attached as Exhibit 9).

64. On April 3, 2007, the USPTO duly and legally issued United States Patent No. 7,200,582 (the '582 patent), entitled "Configuration Model Consistency Checking Using Flexible Rule Space Subsets." Versata holds all right, title, and interest in and to the '582 patent (a true and correct copy of which is attached as Exhibit 10).

65. On December 9, 2008, the USPTO duly and legally issued United States Patent No. 7,464,064 (the '064 patent), entitled "Configuration Model Consistency Checking Using

Flexible Rule Space Subsets." Versata holds all right, title, and interest in and to the '064 patent (a true and correct copy of which is attached as Exhibit 11).

66. On July 28, 2009, the USPTO duly and legally issued United States Patent No. 7,567,922 (the '922 patent), entitled "Method and System or Generating a Normalized Configuration Model." Versata holds all right, title, and interest in and to the '922 patent (a true and correct copy of which is attached as Exhibit 12).

67. On June 15, 2010, the USPTO duly and legally issued United States Patent No. 7,739,080 (the '080 patent), entitled "Consolidation of Product Data Models." Versata holds all right, title, and interest in and to the '080 patent (a true and correct copy of which is attached as Exhibit 13).

68. On February 1, 2011, the USPTO duly and legally issued United States Patent No. 7,882,057 (the '057 patent), entitled "Complex Configuration Processing Using Configuration Sub-Models." Versata holds all right, title, and interest in and to the '057 patent (a true and correct copy of which is attached as Exhibit 14).

69. On May 31, 2011, the USPTO duly and legally issued United States Patent No. 7,953,779 (the '779 patent), entitled "Configuration Representation and Modeling Using Configuration Spaces." Versata holds all right, title, and interest in and to the '779 patent (a true and correct copy of which is attached as Exhibit 15).

70. On February 5, 2013, the USPTO duly and legally issued United States Patent No. 8,370,408 (the '408 patent), entitled "Configuration Representation and Modeling Using Configuration Spaces." Versata holds all right, title, and interest in and to the '408 patent (a true and correct copy of which is attached as Exhibit 16).

71. On May 21, 2013, the USPTO duly and legally issued United States Patent No. 8,447,784 (the ‘784 patent), entitled “Context Subsystems for System Configurations.” Versata holds all right, title, and interest in and to the ‘784 patent (a true and correct copy of which is attached as Exhibit 17).

72. On November 19, 2013, the USPTO duly and legally issued United States Patent No. 8,590,011 (the ‘011 patent), entitled “Variable Domain Resource Data Security for Data Processing Systems.” Versata holds all right, title, and interest in and to the ‘011 patent (a true and correct copy of which is attached as Exhibit 18).

73. On August 12, 2014, the USPTO duly and legally issued United States Patent No. 8,805,825 (the ‘825 patent), entitled “Attribute Prioritized Configuration Using a Combined Configuration-Attribute Data Model.” Versata holds all right, title, and interest in and to the ‘825 patent (a true and correct copy of which is attached as Exhibit 19).

74. On information and belief, Ford makes, uses, licenses, sells, offers for sale, or imports in the State of Texas, in this judicial district, and elsewhere within the United States, software, including Ford’s “super configuration technology” that infringes the foregoing patents.

FIRST CAUSE OF ACTION

75. Versata incorporates by reference herein all of the foregoing allegations.

76. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of ‘651 patent in the State of Michigan, in this judicial district, and elsewhere within the United States by, among other things, making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the ‘651 patent, all to the injury of Versata.

77. Ford's acts of infringement have been willful, deliberate, and in reckless disregard of Versata's patent rights, and will continue unless permanently enjoined by this Court.

78. Versata has been damaged by Ford's infringement of the '651 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the '651 patent.

SECOND CAUSE OF ACTION

79. Versata incorporates by reference herein all of the foregoing allegations.

80. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of '308 patent in the State of Michigan, in this judicial district, and elsewhere within the United States by, among other things, making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the '308 patent, all to the injury of Versata.

81. Ford's acts of infringement have been willful, deliberate, and in reckless disregard of Versata's patent rights, and will continue unless permanently enjoined by this Court.

82. Versata has been damaged by Ford's infringement of the '308 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the '308 patent.

THIRD CAUSE OF ACTION

83. Versata incorporates by reference herein all of the foregoing allegations.

84. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of '294 patent in the State of Michigan, in this judicial district, and elsewhere within the United States by, among other things,

making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the ‘294 patent, all to the injury of Versata.

85. Ford’s acts of infringement have been willful, deliberate, and in reckless disregard of Versata’s patent rights, and will continue unless permanently enjoined by this Court.

86. Versata has been damaged by Ford’s infringement of the ‘294 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the ‘294 patent.

FOURTH CAUSE OF ACTION

87. Versata incorporates by reference herein all of the foregoing allegations.

88. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of ‘695 patent in the State of Michigan, in this judicial district, and elsewhere within the United States by, among other things, making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the ‘695 patent, all to the injury of Versata.

89. Ford’s acts of infringement have been willful, deliberate, and in reckless disregard of Versata’s patent rights, and will continue unless permanently enjoined by this Court.

90. Versata has been damaged by Ford’s infringement of the ‘695 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the ‘695 patent.

FIFTH CAUSE OF ACTION

91. Versata incorporates by reference herein all of the foregoing allegations.

92. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of ‘766 patent in the State of

Michigan, in this judicial district, and elsewhere within the United States by, among other things, making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the '766 patent, all to the injury of Versata.

93. Ford's acts of infringement have been willful, deliberate, and in reckless disregard of Versata's patent rights, and will continue unless permanently enjoined by this Court.

94. Versata has been damaged by Ford's infringement of the '766 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the '766 patent.

SIXTH CAUSE OF ACTION

95. Versata incorporates by reference herein all of the foregoing allegations.

96. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of '335 patent in the State of Michigan, in this judicial district, and elsewhere within the United States by, among other things, making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the '335 patent, all to the injury of Versata.

97. Ford's acts of infringement have been willful, deliberate, and in reckless disregard of Versata's patent rights, and will continue unless permanently enjoined by this Court.

98. Versata has been damaged by Ford's infringement of the '335 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the '335 patent.

SEVENTH CAUSE OF ACTION

99. Versata incorporates by reference herein all of the foregoing allegations.

100. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of '582 patent in the State of Michigan, in this judicial district, and elsewhere within the United States by, among other things, making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the '582 patent, all to the injury of Versata.

101. Ford's acts of infringement have been willful, deliberate, and in reckless disregard of Versata's patent rights, and will continue unless permanently enjoined by this Court.

102. Versata has been damaged by Ford's infringement of the '582 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the '582 patent.

EIGHTH CAUSE OF ACTION

103. Versata incorporates by reference herein all of the foregoing allegations.

104. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of '064 patent in the State of Michigan, in this judicial district, and elsewhere within the United States by, among other things, making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the '064 patent, all to the injury of Versata.

105. Ford's acts of infringement have been willful, deliberate, and in reckless disregard of Versata's patent rights, and will continue unless permanently enjoined by this Court.

106. Versata has been damaged by Ford's infringement of the '064 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the '064 patent.

NINTH CAUSE OF ACTION

107. Versata incorporates by reference herein all of the foregoing allegations.

108. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of '922 patent in the State of Michigan, in this judicial district, and elsewhere within the United States by, among other things, making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the '922 patent, all to the injury of Versata.

109. Ford's acts of infringement have been willful, deliberate, and in reckless disregard of Versata's patent rights, and will continue unless permanently enjoined by this Court.

110. Versata has been damaged by Ford's infringement of the '922 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the '922 patent.

TENTH CAUSE OF ACTION

111. Versata incorporates by reference herein all of the foregoing allegations.

112. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of '080 patent in the State of Michigan, in this judicial district, and elsewhere within the United States by, among other things, making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the '080 patent, all to the injury of Versata.

113. Ford's acts of infringement have been willful, deliberate, and in reckless disregard of Versata's patent rights, and will continue unless permanently enjoined by this Court.

114. Versata has been damaged by Ford's infringement of the '080 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the '080 patent.

ELEVENTH CAUSE OF ACTION

115. Versata incorporates by reference herein all of the foregoing allegations.

116. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of '057 patent in the State of Michigan, in this judicial district, and elsewhere within the United States by, among other things, making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the '057 patent, all to the injury of Versata.

117. Ford's acts of infringement have been willful, deliberate, and in reckless disregard of Versata's patent rights, and will continue unless permanently enjoined by this Court.

118. Versata has been damaged by Ford's infringement of the '057 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the '057 patent.

TWELFTH CAUSE OF ACTION

119. Versata incorporates by reference herein all of the foregoing allegations.

120. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of '779 patent in the State of Michigan, in this judicial district, and elsewhere within the United States by, among other things, making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the '779 patent, all to the injury of Versata.

121. Ford's acts of infringement have been willful, deliberate, and in reckless disregard of Versata's patent rights, and will continue unless permanently enjoined by this Court.

122. Versata has been damaged by Ford's infringement of the '779 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the '779 patent.

THIRTEETH CAUSE OF ACTION

123. Versata incorporates by reference herein all of the foregoing allegations.

124. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of '408 patent in the State of Michigan, in this judicial district, and elsewhere within the United States by, among other things, making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the '408 patent, all to the injury of Versata.

125. Ford's acts of infringement have been willful, deliberate, and in reckless disregard of Versata's patent rights, and will continue unless permanently enjoined by this Court.

126. Versata has been damaged by Ford's infringement of the '408 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the '408 patent.

FOURTEENTH CAUSE OF ACTION

127. Versata incorporates by reference herein all of the foregoing allegations.

128. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of '784 patent in the State of Michigan, in this judicial district, and elsewhere within the United States by, among other things,

making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the '784 patent, all to the injury of Versata.

129. Ford's acts of infringement have been willful, deliberate, and in reckless disregard of Versata's patent rights, and will continue unless permanently enjoined by this Court.

130. Versata has been damaged by Ford's infringement of the '784 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the '784 patent.

FIFTEENTH CAUSE OF ACTION

131. Versata incorporates by reference herein all of the foregoing allegations.

132. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of '011 patent in the State of Michigan, in this judicial district, and elsewhere within the United States by, among other things, making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the '011 patent, all to the injury of Versata.

133. Ford's acts of infringement have been willful, deliberate, and in reckless disregard of Versata's patent rights, and will continue unless permanently enjoined by this Court.

134. Versata has been damaged by Ford's infringement of the '011 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the '011 patent.

SIXTEENTH CAUSE OF ACTION

135. Versata incorporates by reference herein all of the foregoing allegations.

136. Ford has been and is now directly infringing, and indirectly infringing by way of inducing infringement and/or contributing to the infringement of '825 patent in the State of

Michigan, in this judicial district, and elsewhere within the United States by, among other things, making, using, licensing, selling, offering for sale, or importing software covered by one or more claims of the ‘825 patent, all to the injury of Versata.

137. Ford’s acts of infringement have been willful, deliberate, and in reckless disregard of Versata’s patent rights, and will continue unless permanently enjoined by this Court.

138. Versata has been damaged by Ford’s infringement of the ‘825 patent in an amount to be determined at trial, and has suffered and will continue to suffer irreparable loss and injury unless Ford is permanently enjoined from infringing the ‘825 patent.

SEVENTEENTH CAUSE OF ACTION

Trade Secret Misappropriation

139. Versata incorporates by reference herein all of the foregoing allegations.

140. As set forth above, Versata and Trilogy have developed and own the Confidential Information. Such Confidential Information has been treated as confidential and restricted information, and Versata and Trilogy have taken reasonable steps to protect it from unauthorized use or disclosure.

141. Ford has breached its obligations to not use or disclose the trade secrets and associated Confidential Information, by doing the acts set forth above. Specifically, Ford has misused, misappropriated, disclosed and made public the Confidential Information including trade secrets disclosed to them in confidence, by sharing this information with the PTO and other third parties within and outside its companies. Additionally, Ford has misused and misappropriated the Confidential Information within its companies to develop technology based on the Confidential Information, for its own personal gain.

142. Ford's breaches have caused damage to Versata and Trilogy in an amount to be determined at trial.

EIGHTEENTH CAUSE OF ACTION

Conversion

143. Versata incorporates by reference herein all of the foregoing allegations.

144. Versata and Trilogy provided the Confidential Information to Ford. Ford was and continues to be under an obligation not to disclose, or claim as their own, the Confidential Information disclosed by Versata and Trilogy.

145. However, despite its obligations, Ford has converted to its own use the technology disclosed in the Confidential Information, and to obtain from the PTO United States Patent No. 8,812,375.

146. After becoming aware of this misappropriation and conversion, Versata and Trilogy have demanded the return of the Confidential Information as well as the fruits of its conversion and misappropriation by Ford, including the patent described above and any revenue obtained therefrom.

147. Ford has refused to return the Confidential Information, to provide any legal or beneficial interest in the patents derived therefrom, or to provide just compensation of any kind, to Versata and Trilogy.

148. Ford's conversion has caused damages to Versata and Trilogy in an amount to be determined at trial.

149. Ford's actions described above were taken with malice, fraud, oppression and forethought, were intentionally done to steal from Versata and Trilogy the Confidential Information in question and to illegally profit thereby, and later were taken to obtain a patent

from the PTO without disclosing to the PTO that the patent applications were based on and derived from the Confidential Information of Versata and Trilogy. Thus, Ford's actions justify an award of punitive or exemplary damages in a favor of Versata and Trilogy and against Ford fs in an amount to punish Ford and deter such future conduct by Ford and others.

NINTEENTH CAUSE OF ACTION

Declaration to Quiet Title

150. Versata incorporates by reference herein all of the foregoing allegations.

151. On August 19, 2014, Ford caused to be recorded with the USPTO an assignment of the '375 Patent rights to itself.

152. The assignment under which Ford claims ownership of the '375 Patent, although appearing valid on its face, is in fact invalid and of no force and effect. Ford's claim of ownership results from Ford's conversion and misappropriation of Versata and Trilogy's technology and Confidential Information, and other wrongful conduct as alleged herein. Ford's invalid assignment and claim of ownership interferes with Versata's title to its technology and Confidential Information. Ford is holding itself out as owner of technology that does not in fact belong to Ford but instead belongs to Versata and Trilogy.

153. By reason of the fraudulent and otherwise wrongful manner in which Ford obtained its alleged right, claim or interest in and to the '375 Patent, Ford has no legal or equitable right, claim or interest therein, but, instead, Ford is an involuntary trustee holding said Patent and profits therefrom in constructive trust for Versata and Trilogy, with the duty to convey the same to Versata and Trilogy forthwith.

TWENTIETH CAUSE OF ACTION

Breach of Contract

154. Versata incorporates by reference herein all of the foregoing allegations.

155. On October 19, 1998, Ford and Trilogy entered into a valid software licensing contract for the provision of Trilogy's patented configuration software.

156. On December 22, 2004, Ford and Trilogy entered into a second valid software licensing contract for the provision of Trilogy's patented ACM software.

157. Ford materially breached these contracts by misusing, misappropriating, failing to return, and disclosing at least some of the Confidential Information to various third parties, including but not limited to the PTO, in direct violation of the CSA and the MSSA.

158. Ford further breached the MSSA by refusing to permit Versata to exercise its audit rights under the contract, and by continuing to use Versata's software without a license and without payment of licensing fees.

159. Ford's actions have caused Versata and Trilogy damages in an amount to be determined at trial.

APPLICATION FOR PRELIMINARY AND PERMANENT INJUNCTION

160. Versata incorporates by reference herein all of the foregoing allegations.

161. The actionable conduct of Ford has recently threatened and is starting to cause imminent and irreparable harm to Versata and Trilogy.

162. Specifically, Ford's refusal to honor its contractual obligations to return Versata and Trilogy's software documentation and to remove Versata and Trilogy's proprietary software from its global computer networks and servers has resulted in widespread dissemination of Versata and Trilogy's trade secrets to Ford employees and potentially other third-parties in

violation of the license agreement. Versata and Trilogy have no remedy at law for the widespread dissemination of their trade secrets to the general public in form of Ford's stolen "super configurator" technology.

163. Although Ford claims that it is no longer using Versata's ACM software, it has refused to return permit an audit of its systems to ensure the software has been deleted or to return Versata's documentation and user manuals.

164. To preserve the status quo until trial in this cause, Plaintiffs hereby request the Court to preliminarily enjoin and restrain Defendants, and their agents, servants, employees and all persons acting under, and in concert with, or for them, through both a temporary restraining order and a preliminary injunction, from: (i) providing Trilogy's patented trade secrets to Ford employees or third-parties engaged in the development of ACM and automotive configuration software; (ii) copying, reverse engineering, or disseminating Versata and Trilogy's trade secrets and confidential information; and (iii) taking action or encouraging others to take action restrained above or otherwise to harm Versata or Trilogy's businesses. Plaintiffs also request that the Court order Ford to immediately comply with the audit provision of the MSA or otherwise fashion relief to ensure that Ford is not continuing to use, copy, reverse-engineer, and disseminate Versata and Trilogy's trade secrets and copyrighted proprietary software.

DEMAND FOR JURY TRIAL

165. Plaintiffs demand a trial by jury for any and all issues triable of right before a jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs Versata and Trilogy pray for judgment as follows:

A. That the Court enter judgment in favor of Versata that Ford has infringed, directly and indirectly by way of inducing infringement and/or contributing to infringement of Versata's '651, '308, and '294 patents.

B. That Court enter a permanent injunction, enjoining Ford and its officers, directors, agents, servants, employees, affiliates, divisions, subsidiaries, and parents from infringing, inducing the infringement of, or contributing to the infringement of Versata's '651, '308, and '294 patents.

C. That the Court enter a judgment and order requiring Ford to pay Versata damages for Ford's infringement of the '651, '308, and '294 patents, together with interest (both pre and post-judgment), costs, and disbursement as fixed by this Court under 35 U.S.C. § 284.

D. That the Court enter a judgment and order finding Ford's infringement willful and awarding treble the amount of damages and losses sustained by Versata as a result of Ford's infringement under 35 U.S.C. § 284.

E. That the Court enter a judgment and order finding that this is an exceptional case within the meaning of 35 U.S.C. § 285 and awarding Versata its reasonable attorney's fees.

F. That the Court enter an award in favor of Versata and against Ford for such damages as Versata has sustained in consequence of Ford's breach of contract.

G. That the Court enter an award in favor of Versata and against Ford for such damages as Versata has sustained in consequence of Ford's misappropriation of Versata and Trilogy's trade secrets.

H. That the Court enter an award in favor of Versata and against Ford for exemplary damages for Ford's willful and malicious appropriation of Versata and Trilogy's trade secret information.

I. That the Court enter injunctive relief preventing Ford's further use or disclosure of Versata and Trilogy's trade secret information.

J. That the Court enter an injunction requiring Ford to stop using and return all Versata and Trilogy's software, product documentation, and derivative works that are in Ford's possession.

K. That the Court enter an award in favor of Versata and against Ford for such damages as Versata has sustained in consequence of Ford's conversion of Versata and Trilogy's Confidential Information.

L. That the Court provide for trial by jury on all issues triable by jury.

M. Such other and further relief in law or in equity to which Versata and Trilogy may be justly entitled.

DATED: May 7, 2015

Respectfully submitted,

/s/ Steven J. Mitby

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