

Russian Inventor Settles Toyota Dispute

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A U.S. court ruled that the Prius, seen here, and other vehicles used Severinsky's patented hybrid technology. **Kimimasa Mayama**

Soviet emigre Alexei Severinsky reached a settlement Tuesday with Toyota after seeking compensation for the carmaker's use of what he claimed was his design for a hybrid engine.

Severinsky emigrated from the Soviet Union to the United States in 1978, and in 1994 he invented and patented a high-voltage power-train technology for a hybrid electric-gasoline automobile.

The system is used in the Prius and other Toyota cars with a hybrid engine. Severinsky said the Prius works because of him, while the carmaker said the engine was created by its own engineers.

In 2005, a U.S. federal court sided with Severinsky and required Toyota to pay him \$25 for every car sold in the United States, where the patented technology is used. In addition to the Prius, the Lexus RX400h and the Toyota Highlander also use the technology.

The award was too small for Severinsky, however — he was asking \$98 for each car and an appellate court sided with him, Bloomberg reported. Toyota contested this, but Severinsky's company, Paice, petitioned the United States International Trade Commission, asking it to limit the import of Japanese hybrids to the United States.

The first hearing was scheduled for Monday, but Toyota and Paice announced the day before that they had agreed on a settlement.

The conflict with the Japanese automaker is over, Severinsky told BusinessFM. Toyota, he said, compensated his company, but declined to give a figure. Toyota representatives did not say either, but they did confirm that compensation was paid, adding that the carmaker simply decided to stop the conflict and save money on court costs.

If Severinsky had won the case in court, Toyota would have had to pay him \$1.4 million per month, Bloomberg reported. In June alone, the company sold 14,639 hybrids in the United States (Prius, Camry, Lexus HS250h and Lexus RX450h).

All legal challenges to Toyota have been withdrawn, Paice said in a press release. Both sides acknowledged that the Toyota technology is equivalent to what was patented by Paice but was developed independently from the invention by Severinsky and his company.

Nevertheless, Toyota reached a licensing agreement on all Paice's patents, the last of which expires in 2019, a spokesperson told Vedomosti. Toyota representatives confirmed this but declined to give details, saying only that payments would be made until the patents expire.

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