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11 *ZTE Corporation and ZTE (USA)*
12 *Inc.*

13 UNITED STATES DISTRICT COURT
14 SOUTHERN DISTRICT OF CALIFORNIA

15 ZTE Corporation and ZTE (USA)
16 Inc.,

17 Plaintiffs,

18 v.

19 ContentGuard Holdings, Inc.

20 Defendant.

Case No. '13CV3073 LAB JMA

DEMAND FOR JURY TRIAL

**COMPLAINT FOR DECLARATORY
JUDGMENT OF NON-
INFRINGEMENT OF U.S. PATENT
NOS. 6,963,859, 7,139,736, 7,225,160,
7,269,576, 7,359,884, AND 7,523,072**

1 Plaintiffs ZTE Corporation and ZTE (USA) Inc. (collectively “ZTE” or
2 “Plaintiffs”), by way of Complaint against defendant ContentGuard Holdings, Inc.
3 (“ContentGuard” or “Defendant”), hereby allege as follows:

4 **NATURE OF THE ACTION**

5 1. This is an action brought pursuant to the Declaratory Judgment Act, 28
6 U.S.C. § 2201, for a declaratory judgment of non-infringement of United States
7 Patent Nos. 6,963,859 (“859 patent”) (attached as Exhibit A), 7,139,736 (“736
8 patent”) (attached as Exhibit B), 7,225,160 (“160 patent”) (attached as Exhibit C),
9 7,269,576 (“576 patent”) (attached as Exhibit D), 7,359,884 (“884 patent”)
10 (attached as Exhibit E), 7,523,072 (“072 patent”) (attached as Exhibit F)
11 (collectively, “the Asserted Patents”) under the Patent Laws of the United States, 35
12 U.S.C. §§ 101, *et seq.*¹

13 **THE PARTIES**

14 2. Plaintiff ZTE Corporation is a Chinese corporation with a principal
15 place of business at No. 55, High-tech Road South, Shenzhen, China 518057.

16 3. Plaintiff ZTE (USA) Inc. is a Corporation organized and existing
17 under the laws of the state of New Jersey with its principal place of business at
18 2425 North Central Expressway, Suite 323, Richardson, Texas 75080.

19 4. Defendant ContentGuard is a corporation organized under the laws of
20 the state of Delaware with its principal place of business at 222 N. Sepulveda Blvd.,
21 Suite 1400, El Segundo CA, 90245-5644.

22 **JURISDICTION AND VENUE**

23 5. ZTE brings this action under the Declaratory Judgment Act, 28 U.S.C.
24 §§ 2201 and 2202 for a declaratory judgment of non-infringement of the Asserted
25

26 ¹ Many of the claims of the Asserted Patents are subject to *inter partes* review
27 proceedings before the Patent Trial and Appeal Board (“PTAB”). Plaintiffs reserve
28 the right to assert claims of invalidity at the conclusion of all of the PTAB
proceedings involving any of the Asserted Patents.

1 Patents under the Patent Laws of the United States, 35 U.S.C. §§ 101, *et seq.*
2 Because this action arises under the Patent Laws of the United States, this Court has
3 subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

4 6. On information and belief, this Court has personal jurisdiction over
5 ContentGuard because ContentGuard has constitutionally sufficient contacts with
6 California so as to make personal jurisdiction proper in this Court. In particular,
7 upon information and belief, ContentGuard conducts substantial business within
8 this district and elsewhere in California. ContentGuard also has its principal place
9 of business within California.

10 7. Venue in this judicial district is conferred under 28 U.S.C. §§ 1391(b)
11 and (c).

12 **BACKGROUND**

13 8. The '859 patent, entitled "Content Rendering Repository" was issued
14 by the United States Patent and Trademark Office.

15 9. The '736 patent, entitled "Content Rendering Repository" was issued
16 by the United States Patent and Trademark Office.

17 10. The '160 patent, entitled "Digital Works Having Usage Rights and
18 Method For Creating The Same" was issued by the United States Patent and
19 Trademark Office.

20 11. The '576 patent, entitled "Content Rendering Apparatus" was issued
21 by the United States Patent and Trademark Office.

22 12. The '884 patent, entitled "Method And Apparatus For Processing
23 Usage Rights Expressions" was issued by the United States Patent and Trademark
24 Office.

25 13. The '072 patent, entitled "System For Controlling The Distribution
26 And Use Of Digital Works" was issued by the United States Patent and Trademark
27 Office.

28 14. On February 27, 2012, ContentGuard filed an action against ZTE
Complaint for Declaratory Judgment

1 (herein “the Prior Action”) in the United States District Court for the Eastern
2 District of Virginia asserting that ZTE infringes, either directly or indirectly, the
3 Asserted Patents. (Case No. 12-cv-00206, dkt. no. 1, attached as Exhibit G.)

4 15. On May 21, 2012, the United States District Court for the Eastern
5 District of Virginia granted ZTE’s motion to transfer the Prior Action to this
6 district. (Case No. 12-cv-00206, dkt. no. 70, attached as Exhibit H.) Upon transfer
7 to this district, the Prior Action was assigned case no. 12-cv-01226-CAB-MDD.

8 16. On February 12, 2013, ZTE filed petitions for *inter partes* review of
9 the Asserted Patents. The *inter partes* review of the ’160 patent and the ’884 patent
10 have concluded with certain claims intact and others cancelled at ContentGuard’s
11 request. The reviews of the other patents are ongoing with oral arguments
12 scheduled for February 2014, and final written decisions from the Board expected
13 in July 2014.

14 17. Also on February 12, 2013, ZTE filed a motion to stay the Prior Action
15 pending completion of the *inter partes* review. On November 8, 2013 the Court
16 granted in part ZTE’s motion to stay. (12-cv-01226-CAB-MDD at dkt. no. 106,
17 attached as Exhibit J.)

18 18. On December 17, 2013, without prior notice to ZTE, ContentGuard
19 filed a notice of voluntary dismissal without prejudice. (12-cv-01226-CAB-MDD
20 at dkt. no. 107, attached as Exhibit K.) Because the dismissal was without
21 prejudice, the dispute between ContentGuard and ZTE remains unresolved, and
22 ContentGuard has provided no assurance to ZTE that it will not pursue the same
23 claims again in the future.

24 19. Thus, an actual controversy exists between ZTE, on the one hand, and
25 ContentGuard, on the other. Declaratory relief is appropriate at this time so the
26 Parties may ascertain their rights and duties relevant to the Asserted Patents.

COUNT I

Declaratory Judgment of Non-Infringement of the '859 Patent

20. ZTE incorporates by reference the allegations set forth in paragraphs 1 through 20 above, as though fully asserted herein.

21. ContentGuard has alleged that ZTE has infringed and is infringing the '859 Patent.

22. ZTE has not infringed and does not infringe any claim of the '859 Patent, either literally or under the doctrine of equivalents, including by making, using, selling, offering for sale within the United States, and/or importing into the United States certain mobile communication and computing devices such as cellular phones, smart phones, and tablets, including but not limited to the Sprint ZTE Optik, ZTE Warp (N860), ZTE Chorus (D930), ZTE Score (X500), ZTE Agent (E520), Cricket MSGM8 II, ZTE Essenze (C70), and ZTE C78 (“the Accused '859 Products”) or any component thereof. ZTE has not and is not directly or indirectly infringing any claim of the '859 Patent. ZTE has not and is not inducing or contributing to infringement of any claim of the '859 Patent, including the Accused '859 Products or components thereof.

23. An actual and justiciable controversy has thus arisen between ZTE and ContentGuard concerning the alleged infringement of the '859 Patent.

24. ZTE seeks a declaratory judgment from this Court under Rule 57 of the Federal Rules of Civil Procedure and under 28 U.S.C. § 2201 declaring the '859 Patent to be not infringed by ZTE and granting ZTE all other declaratory relief to which they may be entitled.

COUNT II

Declaratory Judgment of Non-Infringement of the '736 Patent

25. ZTE incorporates by reference the allegations set forth in paragraphs 1 through 25 above, as though fully asserted herein.

1 United States certain mobile communication and computing devices such as
2 cellular phones, smart phones, and tablets, including but not limited to the Sprint
3 ZTE Optik (“the Accused ’160 Products”) or any component thereof. ZTE has not
4 and is not directly or indirectly infringing any claim of the ’160 Patent. ZTE has
5 not and is not inducing or contributing to infringement of any claim of the ’160
6 Patent, including the Accused ’160 Products or components thereof.

7 33. An actual and justiciable controversy has thus arisen between ZTE
8 and ContentGuard concerning the alleged infringement of the ’160 Patent.

9 34. ZTE seeks a declaratory judgment from this Court under Rule 57 of
10 the Federal Rules of Civil Procedure and under 28 U.S.C. § 2201 declaring the
11 ’160 Patent to be not infringed by ZTE and granting ZTE all other declaratory
12 relief to which they may be entitled.

13 **COUNT IV**

14 **Declaratory Judgment of Non-Infringement of the ’576 Patent**

15 35. ZTE incorporates by reference the allegations set forth in paragraphs
16 1 through 35 above, as though fully asserted herein.

17 36. ContentGuard has alleged that ZTE has infringed and is infringing
18 the ’576 Patent.

19 37. ZTE has not infringed and does not infringe any claim of the ’576
20 Patent, either literally or under the doctrine of equivalents, including by making,
21 using, selling, offering for sale within the United States, and/or importing into the
22 United States certain mobile communication and computing devices such as
23 cellular phones, smart phones, and tablets, including but not limited to the AT&T
24 Avail (ZTE Z990) (“the Accused ’576 Products”) or any component thereof. ZTE
25 has not and is not directly or indirectly infringing any claim of the ’576 Patent.
26 ZTE has not and is not inducing or contributing to infringement of any claim of
27 the ’576 Patent, including the Accused ’576 Products or components thereof.
28

COUNT VI

Declaratory Judgment of Non-Infringement of the '072 Patent

45. ZTE incorporates by reference the allegations set forth in paragraphs 1 through 35 above, as though fully asserted herein.

46. ContentGuard has alleged that ZTE has infringed and is infringing the '072 Patent.

47. ZTE has not infringed and does not infringe any claim of the '072 Patent, either literally or under the doctrine of equivalents, including by making, using, selling, offering for sale within the United States, and/or importing into the United States certain mobile communication and computing devices such as cellular phones, smart phones, and tablets, including but not limited to the Sprint ZTE Potik and AT&T Avail (ZTE Z990) ("the Accused '072 Products") or any component thereof. ZTE has not and is not directly or indirectly infringing any claim of the '072 Patent. ZTE has not and is not inducing or contributing to infringement of any claim of the '072 Patent, including the Accused '072 Products or components thereof.

48. An actual and justiciable controversy has thus arisen between ZTE and ContentGuard concerning the alleged infringement of the '072 Patent.

49. ZTE seeks a declaratory judgment from this Court under Rule 57 of the Federal Rules of Civil Procedure and under 28 U.S.C. § 2201 declaring the '072 Patent to be not infringed by ZTE and granting ZTE all other declaratory relief to which they may be entitled.

PRAYER FOR RELIEF

WHEREFORE, ZTE requests the Court to enter a judgment in its favor and against ContentGuard as follows:

- 1 a. Declaring that ZTE has not infringed, and does not infringe, any
2 claim of the '859 Patent, the '736 Patent, the '160 Patent, the
3 '576 Patent, the '884 Patent, and the '072 Patent;
4 b. Declaring that this case and the Prior Action are "exceptional"
5 under 35 U.S.C. § 285;
6 c. Awarding ZTE their reasonable attorneys' fees in this action and
7 the Prior Action;
8 d. Awarding ZTE their costs and expenses in this action and the
9 Prior Action; and

10 Granting such other and further relief as the Court deems proper and just.
11

12 DATED: December 17, 2013

PERKINS COIE LLP

By: *s/N. Thane Bauz*

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**ATTORNEYS FOR PLAINTIFFS
ZTE CORPORATION AND ZTE
(USA) INC.**

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DEMAND FOR A JURY TRIAL

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiffs ZTE Corporation and ZTE (USA) Inc. demand a jury trial on all claim so triable.

DATED: December 17, 2013

PERKINS COIE LLP

By: s/ N. Thane Bauz

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**ATTORNEY FOR PLAINTIFFS
ZTE CORPORATION AND ZTE
(USA) INC.**