

Illinois 60606. Additionally, HTC regularly transacts business within this judicial district and has committed acts of patent infringement in this judicial district by selling and offering to sell infringing products in this district, thereby causing injury to AAD in this district. Moreover, HTC maintains an interactive website directed at and accessible by residents of this district, on which users, including residents of this district, can purchase products, obtain product support, register to receive offers, tips, and updates, download user manuals, and download software upgrades.

5. Venue lies within this judicial district under 28 U.S.C. §§ 1391(b)(2), 1391(c) and 1400(b), and 735 ILCS 5/2-209(1) and (2). HTC is subject to personal jurisdiction in this district because it is a resident of this district, it frequently transacts business in this district, it has committed acts of patent infringement within this district that cause injury to AAD in this district, and it maintains an interactive website directed at residents of this district.

THE INVENTION

6. Peter Keller, a member of the plaintiff limited liability company, is one of the inventors of the patents asserted in this Complaint. His lifelong love of music includes playing piano from childhood. He is an avid jazz, pop and classical music enthusiast. Starting in the 1970s, Peter developed an extensive music library, mostly stored on reel-to-reel analog audio tape and vinyl records (“LPs”). In 1996, recognizing his tapes and records were beginning to degrade, and wanting to preserve his collection, Peter became frustrated with the inconvenience of (and poor results obtained from) using personal computers to create compact discs from a music library. Out of that frustration, Peter conceived of the Discribe™ Recorder, initially to facilitate converting analog music recordings into high quality digital representations, by editing and archiving them onto CD-R blank media. During prototype development, additional areas of

functionality were invented by Peter, including that of a digital music “jukebox”.

7. As a result of that inventive work, Mr. Keller oversaw development of the Discribe™ Recorder, a device that allowed recording of both analog and digital signals onto memory (like a hard drive) and subsequent playback, editing, and/or CD recording. The Discribe™ Recorder was the first device of this kind to be developed, and included on-the-box controls for all of its functions. The consumer-oriented Discribe™ Recorder contained many of the inventions claimed in the patents asserted herein. It was the precursor to a wide variety of related devices now on sale, including both home music “jukebox” units and portable digital music players, as well as other devices that provide similar functionality, including the device accused of patent infringement in this lawsuit.

COUNT I—INFRINGEMENT OF UNITED STATES PATENT NO. 6,587,403

8. On July 1, 2003, the United States Patent and Trademark Office duly and legally issued United States Patent No. 6,587,403 [“the ‘403 patent”], entitled “Music Jukebox.” A true and correct copy of the ‘403 patent is attached as Exhibit A.

9. AAD owns the ‘403 patent by assignment from the inventors.

10. HTC has infringed at least claim 1 of the ‘403 patent by making, using, selling, offering to sell, or importing into the United States, digital audio players, including at least the HTC ONE® digital audio player, that embody at least this claim of the ‘403 patent.

11. HTC has actively and intentionally induced infringement of the ‘403 patent by others by advertising infringing uses and instructing purchasers, in instruction manuals, how to engage in infringing uses.

12. HTC’s infringement of the ‘403 patent has caused damage to AAD in the form of lost royalty payments.

13. HTC had actual knowledge of the '403 patent since at least October 18, 2011, yet continued its infringing conduct notwithstanding that knowledge. Accordingly, HTC's infringement has been willful and deliberate.

COUNT II—INFRINGEMENT OF UNITED STATES PATENT NO. 7,289,393

14. On October 30, 2007, the United States Patent and Trademark Office duly and legally issued United States Patent No. 7,289,393 [“the '393 patent], entitled “Music Jukebox.” A true and correct copy of the '393 patent is attached as Exhibit B.

15. AAD owns the '393 patent by assignment from the inventors.

16. HTC has infringed at least claims 1, 30, 59, 77, 82, and 85 of the '393 patent by making, using, selling, offering to sell, or importing into the United States, digital audio players, including at least the HTC ONE[®] digital audio player, that embody at least these claims of the '393 patent.

17. HTC has actively and intentionally induced infringement of the '393 patent by others by advertising infringing uses and instructing purchasers, in instruction manuals, how to engage in infringing uses.

18. HTC's infringement of the '393 patent has caused damage to AAD in the form of lost royalty payments.

19. HTC had actual knowledge of the '393 patent since at least October 18, 2011, yet continued its infringing conduct notwithstanding that knowledge. Accordingly, HTC's infringement has been willful and deliberate.

COUNT III—INFRINGEMENT OF UNITED STATES PATENT NO. 7,817,502

20. On October 19, 2010, the United States Patent and Trademark Office duly and legally issued United States Patent No. 7,817,502 [“the '502 patent”], entitled “Method of Using

a Personal Digital Stereo Player.” A true and correct copy of the ‘502 patent is attached as Exhibit C.

21. AAD owns the ‘502 patent by assignment from the inventors.

22. HTC has infringed at least claim 1 of the ‘502 patent by making, using, selling, offering to sell, or importing into the United States, digital audio players, including at least the HTC ONE[®] digital audio player, that embody at least this claim of the ‘502 patent.

23. HTC has actively and intentionally induced infringement of the ‘502 patent by others by advertising infringing uses and instructing purchasers, in instruction manuals, how to engage in infringing uses.

24. HTC’s infringement of the ‘502 patent has caused damage to AAD in the form of lost royalty payments.

25. HTC had actual knowledge of the ‘502 patent since at least October 18, 2011, yet continued its infringing conduct notwithstanding that knowledge. Accordingly, HTC’s infringement has been willful and deliberate.

COUNT IV—INFRINGEMENT OF UNITED STATES PATENT NO. 7,933,171

26. On April 26, 2011, the United States Patent and Trademark Office duly and legally issued United States Patent No. 7,933,171 [“the ‘171 patent], entitled “Personal Digital Stereo Player.” A true and correct copy of the ‘171 patent is attached as Exhibit D.

27. AAD owns the ‘171 patent by assignment from the inventors.

28. HTC has infringed at least claim 1 of the ‘171 patent by making, using, selling, offering to sell, or importing into the United States, digital audio players, including at least the HTC ONE[®] digital audio player, that embody at least this claim of the ‘171 patent.

29. HTC has actively and intentionally induced infringement of the ‘171 patent by

others by advertising infringing uses and instructing purchasers, in instruction manuals, how to engage in infringing uses.

30. HTC's infringement of the '171 patent has caused damage to AAD in the form of lost royalty payments.

COUNT V—INFRINGEMENT OF UNITED STATES PATENT NO. 8,400,888

31. On March 19, 2013, the United States Patent and Trademark Office duly and legally issued United States Patent No. 8,400,888 [“the ‘888 patent”], entitled “Personal Digital Stereo Player Having Controllable Touch Screen.” A true and correct copy of the ‘888 patent is attached as Exhibit E.

32. AAD owns the ‘888 patent by assignment from the inventors.

33. HTC has infringed at least claim 1 of the ‘888 patent by making, using, selling, offering to sell, or importing into the United States, digital audio players, including at least the HTC ONE[®] digital audio player, that embody at least claim 1 of the ‘888 patent.

34. HTC has actively and intentionally induced infringement of the '888 patent by others by advertising infringing uses and instructing purchasers, in instruction manuals, how to engage in infringing uses.

35. HTC's infringement of the ‘888 patent has caused damage to AAD in the form of lost royalty payments.

WHEREFORE, Advanced Audio Devices, LLC prays that this Court enter judgment in AAD's favor and against HTC AMERICA, INC., and to award:

- A. Damages adequate to compensate AAD for the infringement that has occurred, in the amount of a reasonable royalty;
- B. Prejudgment interest from the dates HTC received notice of its infringement of

the patents-in-suit;

- C. All costs of this action;
- D. Increased damages under 35 U.S.C. § 284;
- E. Attorneys' fees under 35 U.S.C. § 285;
- F. A permanent injunction prohibiting further infringement of the patents-in-suit;
and
- G. Such other and further relief as this Court may deem proper.

JURY DEMAND

AAD requests a trial by jury on all issues triable by jury.

Respectfully submitted,
ADVANCED AUDIO DEVICES, LLC

Date: March 4, 2014

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INDEX OF EXHIBITS

- A. U. S. Patent No. 6,587,403
- B. U. S. Patent No. 7,289,393
- C. U. S. Patent No. 7,817,502
- D. U. S. Patent No. 7,933,171
- E. U.S. Patent No. 8,400,888

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