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*Attorneys for Plaintiffs*

16  
17 **UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

18  
19 ZENITH ELECTRONICS LLC,  
PANASONIC CORPORATION, and  
20 U.S. PHILIPS CORPORATION,

21 Plaintiffs,

22 vs.

23 SCEPTRE, INC.,

24 Defendant.  
25  
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Case No. 2:14-cv-5150

**COMPLAINT**

**[JURY TRIAL DEMANDED]**

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**COMPLAINT**

Plaintiffs Zenith Electronics LLC (“Zenith”), Panasonic Corporation (“Panasonic”), and U.S. Philips Corporation (“Philips”) (together, “Plaintiffs”), by their undersigned attorneys, for their complaint against defendant Sceptre, Inc. (“Sceptre”), hereby allege as follows:

**PARTIES**

1. Plaintiff Zenith is a Delaware limited liability company, having its principal place of business in Lincolnshire, Illinois.

2. Plaintiff Panasonic is a Japanese corporation, having its principal place of business in Osaka, Japan.

3. Plaintiff Philips is a Delaware corporation, having its principal place of business in Briarcliff Manor, New York.

4. Defendant Sceptre, upon information and belief, is a California corporation, having a regular and established business and sales office, or offices, in City of Industry, California and possibly other cities in this District.

5. Sceptre also does business, or has done business, as Sceptre Industries, Inc., Sceptre Tech Inc., Sceptre Technologies, Inc., Sceptre Group, E-Sceptre, Inc., E-Scepter Inc., ESceptre, Golden Pacific Electronics Incorporated, Golden Pacific Properties, and/or OCosmo.

## **JURISDICTION AND VENUE**

6. This is an action for patent infringement arising under the Patent Laws of the United States, United States Code, Title 35, § 1, et seq.

7. The Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

8. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391(b), (c), and (d), and 1400(b).

9. The Court has personal jurisdiction over Sceptre because Sceptre, among other things, conducts business in, and avails itself of the laws of, the State of California. Sceptre is registered to do business in California and has appointed an agent for service of process in California. In addition, upon information and belief, Sceptre through its own acts and/or through the acts of its affiliated companies (acting as its agents or alter egos) makes, uses, offers to sell, sells (directly or through intermediaries), imports, licenses and/or supplies, in this District and elsewhere in the United States, products, through regular distribution channels, knowing such products would be used, offered for sale and/or sold in this District.

## **PATENTS-IN-SUIT**

10. United States Patent No. 5,802,107, entitled “Symbol Rotator” (hereinafter, “the ’107 patent”) was duly and legally issued on September 1, 1998. A copy of the ’107 patent is attached hereto as Exhibit 1.

1           11. United States Patent No. 5,629,958, entitled “Data Frame Structure and  
2 Synchronization System for Digital Television Signal” (hereinafter, “the ’958  
3 patent”) was duly and legally issued on May 13, 1997. A copy of the ’958 patent is  
4 attached hereto as Exhibit 2.  
5

6           12. United States Patent No. Reissue 42,643, entitled “Communication  
7 System” (hereinafter, “the ’643 patent”) was duly and legally reissued on August 23,  
8 2011. A copy of the ’643 patent is attached hereto as Exhibit 3.  
9

10           13. United States Patent No. 5,684,541, entitled “Transmitter Station for  
11 Transmitting a Plurality of Television Programs, and Receiver for Receiving the  
12 Programs” (hereinafter, “the ’541 patent”) was duly and legally issued on November  
13 4, 1997. A copy of the ’541 patent is attached hereto as Exhibit 4.  
14  
15

### 16                                   **THE ATSC STANDARD**

17           14. The Advanced Television Systems Committee, Inc. (“ATSC”) is an  
18 international, non-profit organization whose member organizations represent,  
19 among others, the broadcast, broadcast equipment, motion picture, consumer  
20 electronics, computer, cable, satellite, and semiconductor industries. In the 1990s,  
21 the ATSC developed standards for the transmission and reception of digital  
22 television.  
23  
24

25           15. The Federal Communications Commission (“FCC”) has adopted  
26 certain ATSC standards (the “ATSC Standard”) as the required standards for  
27 transmitting and receiving digital television (“DTV”) in the United States. FCC  
28

1 rules require broadcasters to broadcast DTV signals in compliance with the ATSC  
2 Standard, and require DTV receivers (such as television sets) to be equipped with  
3 DTV tuners for receiving, decoding and presenting such DTV signals in compliance  
4 with the ATSC Standard. FCC rules also require DTV receivers to be capable of  
5 decoding, processing and displaying closed captioning information that is delivered  
6 in the DTV signal.  
7

### 8 **SCEPTRE'S INFRINGEMENT**

9  
10 16. Each of the patents-in-suit is infringed by practice of the ATSC  
11 Standard.  
12

13 17. Sceptre makes, uses, offers to sell, sells (directly or through  
14 intermediaries), imports, licenses and/or supplies in this District and elsewhere in  
15 the United States, numerous products which comply with the ATSC Standard  
16 ("Sceptre's ATSC Products").  
17

18 18. Sceptre advertises that its ATSC Products, including its television sets,  
19 comply with the ATSC Standard.  
20

21 19. Upon information and belief, Sceptre's ATSC Products include (but are  
22 not limited to) the following television set model numbers:  
23  
24  
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28

| Sceptre Branded Products |                 |              |                   |
|--------------------------|-----------------|--------------|-------------------|
| E165BD-HD                | H322BV-FHD      | SQ3200 HDTV  | X195BV-HD HDTV    |
| E165BV-HD                | H409BV-FHD      | SQ3200* HDTV | X320BV-ECO HDTV   |
| E195BD-SHDC HDTV/DVD     | H425BV-FHD      |              | X320BV-HD         |
| E195BV-SHD               | H505BV-FHD HDTV |              | X322BV-HD         |
| E195BV-SHDE HDTV         |                 |              | X322BV-HDR        |
| E240BC-FHD HDTV          |                 |              | X322PV-HDR        |
| E240LC-FHD HDTV          |                 |              | X322UV-HDR        |
| E240PC-FHD HDTV          |                 |              | X322WV-HDR        |
| E240RC-FDH HDTV          |                 |              | X325BV-FHD        |
| E240WC-FHD HDTV          |                 |              | X325BV-FH DU HDTV |
| E243BD-FHD               |                 |              | X325BV-FMDR       |
| E243BV-FHD               |                 |              | X328BV-FHD HDTV   |
| E243CV-FHD               |                 |              | X370BV-FHD HDTV   |
| E243LV-FHD               |                 |              | X370BV-HD HDTV    |
| E243PV-FDH Color HDTV    |                 |              | X372BV-FHD HDTV   |
| E243RV-FHD               |                 |              | X400BV-FHD HDTV   |
| E243WV-FHD               |                 |              | X402BV-FHD HDTV   |
| E245BD-FH DU HDTV/DVD    |                 |              | X405BV-FHD HDTV   |
| E245BV-FHD               |                 |              | X405BV-FHD3       |
| E245BV-FHD*              |                 |              | X405BV-FHDR       |
| E245PD-FHDR              |                 |              | X405BV-FMD HDTV   |
| E245PV-FHDR              |                 |              | X405BV-FMDU HDTV  |
| E245RD-FHDR              |                 |              | X408BV-FHD        |
| E245RV-FHDR              |                 |              | X408BV-FH DU HDTV |
| E245WD-FHDR              |                 |              | X409BV-FHD        |
| E245WV-FHDR              |                 |              | X409BV-FHDR HDTV  |
| E248BD-FHD HDTV          |                 |              | X409BV-FH DU HDTV |
| E320BV-HD HDTV           |                 |              | X420BV-FHD HDTV   |
| E325BD-HD                |                 |              | X425BV-FHD        |
| E325BV-FHDD 3D HDTV      |                 |              | X425BV-FHD3 HDTV  |
| E325BV-HDC               |                 |              | X460BV-F120 HDTV  |
| E325LD-HDR               |                 |              | X460BV-FHD HDTV   |
| E325PD-HDR               |                 |              | X460EV-F120 HDTV  |
| E325UD-HDR               |                 |              | X460PV-F120 HDTV  |
| E325WD-HDR               |                 |              | X505BV-FHD        |
| E328BD-HDC HDTV          |                 |              | X505BV-FH DU HDTV |
| E328BV-HDC HDTV          |                 |              | X505BV-FMDR HDTV  |
| E328BV-HDH HDTV          |                 |              | X508BV-FHD        |
| E328BV-MDC-HDTV          |                 |              | X508BV-FH DU HDTV |
| E420BV-F120              |                 |              |                   |
| E425BV-FHDD              |                 |              |                   |
| E425BV-FHDD              |                 |              |                   |
| E465BV-FHDD              |                 |              |                   |
| E465BV-FHDD              |                 |              |                   |
| E475BV-FMDU              |                 |              |                   |
| E478BV-FMDU-HDTV         |                 |              |                   |
| E505BV-FMQR HDTV         |                 |              |                   |

| OCOSMO Branded Products |
|-------------------------|
| CE1850                  |
| CE1850V                 |
| CE2401                  |
| CE2401V                 |
| CE3200                  |
| CE3200V                 |
| CE3201                  |
| CE3230                  |
| CE3230V                 |
| CE4001                  |
| CE4031                  |
| CE4201                  |
| CE4271                  |
| CE7401                  |
| CX5001                  |

Without discovery from Sceptre, Plaintiffs are not able to ascertain at the pleading stage all Sceptre products with ATSC functionality.

20. Sceptre has infringed and continues to infringe, literally and/or under the doctrine of equivalents, one or more claims of the patents-in-suit by making, using, offering to sell, selling (directly or through intermediaries), importing, licensing and/or supplying in this District and elsewhere in the United States, products, including but not limited to Sceptre's ATSC Products, that are covered by claims of, perform the methods claimed in, and/or are made by a process claimed in the patents-in-suit without authority, consent or license.

21. Upon information and belief, Sceptre has also sold and provided and continues to sell and provide its ATSC Products, directly and/or indirectly, to third

1 parties, including but not limited to customers, users, distributors, and/or resellers  
2 (such as retailers) (collectively, “downstream parties”).

3  
4 22. Upon information and belief, the downstream parties directly infringe  
5 one or more claims of the patents-in-suit by making, using, offering to sell, selling  
6 (directly or through intermediaries), importing, licensing and/or supplying in this  
7 District and elsewhere in the United States, products, including but not limited to  
8 Sceptre’s ATSC Products, that are covered by claims of, perform the methods  
9 claimed in, and/or are made by a process claimed in the patents-in-suit without  
10 authority, consent or license.  
11

12  
13 23. MPEG LA is a company that offers a “one-stop-shop” license for a  
14 pool of patents for practicing the ATSC Standard (“ATSC pool license”). Zenith,  
15 Panasonic, and Philips are licensors in the ATSC pool license and the ’107, ’958,  
16 ’643, and ’541 patents are licensed under the ATSC pool license. MPEG LA offers  
17 the ATSC pool license on fair, reasonable and nondiscriminatory terms.  
18  
19

20 24. More than 120 companies have taken the ATSC pool license, including  
21 virtually all leading television set sellers that compete with Sceptre.  
22

23 25. In addition, separate and apart from the ATSC pool license, each of  
24 Zenith, Panasonic, and Philips has committed to make available licenses under any  
25 and all of its ATSC essential patents to any individual company or entity desirous of  
26 such a license on fair, reasonable and nondiscriminatory terms.  
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1           26. Thus, any company may obtain a license directly from Zenith for the  
2 '107 and/or '958 patents, from Panasonic for the '643 patent, and from Philips for  
3 the '541 patent, or, alternatively, may obtain the ATSC pool license from MPEG  
4 LA.  
5

6           27. MPEG LA offered the ATSC pool license to Sceptre but Sceptre has  
7 declined to take the license.  
8

9           28. Plaintiffs gave written notice to Sceptre of its infringement. For  
10 example, among other things, MPEG LA, on behalf of each Plaintiff, gave written  
11 notice to Sceptre of its infringement.  
12

13           29. Sceptre has also not entered into a license under any of the '107, '958,  
14 '643, and '541 patents with any of Plaintiffs.  
15

16           30. In short, notwithstanding the fact that Sceptre was and continues to be  
17 aware that its products infringed and are infringing the patents-in-suit, Sceptre has  
18 refused to take a license.  
19

20           31. Infringement of the patents-in-suit by Sceptre is, therefore, willful.

21           32. For the same reasons, among others, Sceptre has known that the acts by  
22 downstream parties of making, using, offering to sell, selling (directly or through  
23 intermediaries), importing, licensing and/or supplying Sceptre's ATSC Products, in  
24 this District and elsewhere in the United States, directly infringe the patents-in-suit.  
25

26           33. Further, upon information and belief, Sceptre has specifically intended  
27 to induce and contribute to the infringement by, and has induced and contributed to  
28

1 the infringement by, downstream parties to infringe the patents-in-suit by making,  
2 using, offering to sell, selling (directly or through intermediaries), importing,  
3 licensing and/or supplying in this District and elsewhere in the United States, its  
4 ATSC Products, knowing that the use of these products causes others to infringe  
5 Plaintiffs' patents-in-suit. For example, Sceptre has advertised, licensed, and/or  
6 provided instructions for such products with the specific intent and encouragement  
7 that the downstream parties infringe the patents-in-suit. Also, upon information and  
8 belief, Sceptre has provided downstream parties with instructions and/or user guides  
9 indicating that its products employ the ATSC Standard.  
10  
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13 34. Sceptre's infringing actions were and are without authority, consent or  
14 license.  
15

16 35. Plaintiffs have each suffered damages as a result of the direct and  
17 indirect infringing actions of Sceptre, and will continue to suffer such damages as  
18 long as those infringing actions continue.  
19

20 **COUNT I: INFRINGEMENT OF U.S. PATENT NO. 5,802,107**

21 36. The allegations contained in paragraphs 1-35 above are repeated and  
22 realleged as if fully set forth herein.  
23

24 37. Zenith is the assignee and owner of the right, title, and interest in and to  
25 the '107 patent, now and for the entire period of and relevant to the infringement,  
26 including the right to assert all causes of action arising under said patent and the  
27 right to any remedies for infringement of it.  
28

1           38. Sceptre is, and has been, on notice of the '107 patent since before this  
2 lawsuit was filed.

3  
4           39. Based on, among other things, the facts incorporated by reference in  
5 paragraph 36, and alleged in paragraphs 37-38, Sceptre has and continues to directly  
6 infringe and/or indirectly infringe, literally and/or under the doctrine of equivalents,  
7 the '107 patent under 35 U.S.C. § 271, including at least claims 12, 13, 14, 15, 16,  
8 17, 18, 20, 21, 22, 23, 24, 25, and 26.

9  
10           40. Upon information and belief, the infringement of the '107 patent by  
11 Sceptre has been willful.

12  
13           41. Zenith has been damaged and continues to be damaged by Sceptre's  
14 infringement of the '107 patent.

15  
16           **COUNT II: INFRINGEMENT OF U.S. PATENT NO. 5,629,958**

17           42. The allegations contained in paragraphs 1-35 above are repeated and  
18 realleged as if fully set forth herein.

19  
20           43. Zenith is the assignee and owner of the right, title, and interest in and to  
21 the '958 patent, now and for the entire period of and relevant to the infringement,  
22 including the right to assert all causes of action arising under said patent and the  
23 right to any remedies for infringement of it.

24  
25           44. Sceptre is, and has been, on notice of the '958 patent since before this  
26 lawsuit was filed.

27  
28           45. Based on, among other things, the facts incorporated by reference in

1 paragraph 42, and alleged in paragraphs 43-44, Sceptre has and continues to directly  
2 infringe and/or indirectly infringe, literally and/or under the doctrine of equivalents,  
3 the '958 patent under 35 U.S.C. § 271, including at least claims 9, 10, 11, and 12.  
4

5 46. Upon information and belief, the infringement of the '958 patent by  
6 Sceptre has been willful.  
7

8 47. Zenith has been damaged and continues to be damaged by Sceptre's  
9 infringement of the '958 patent.  
10

11 **COUNT III: INFRINGEMENT OF U.S. PATENT NO. REISSUE 42,643**

12 48. The allegations contained in paragraphs 1-35 above are repeated and  
13 realleged as if fully set forth herein.  
14

15 49. Panasonic is the assignee and owner of the right, title, and interest in  
16 and to the '643 patent, now and for the entire period of and relevant to the  
17 infringement, including the right to assert all causes of action arising under said  
18 patent and the right to any remedies for infringement of it.  
19

20 50. Sceptre is, and has been, on notice of the '643 patent since before this  
21 lawsuit was filed.  
22

23 51. Based on, among other things, the facts incorporated by reference in  
24 paragraph 48, and alleged in paragraphs 49-50, Sceptre has and continues to directly  
25 infringe and/or indirectly infringe, literally and/or under the doctrine of equivalents,  
26 the '643 patent under 35 U.S.C. § 271, including at least claim 14.  
27  
28

1           52. Upon information and belief, the infringement of the '643 patent by  
2 Sceptre has been willful.

3  
4           53. Panasonic has been damaged and continues to be damaged by Sceptre's  
5 infringement of the '643 patent.

6  
7           **COUNT IV: INFRINGEMENT OF U.S. PATENT NO. 5,684,541**

8           54. The allegations contained in paragraphs 1-35 above are repeated and  
9 realleged as if fully set forth herein.

10  
11           55. Philips is the assignee and owner of the right, title, and interest in and  
12 to the '541 patent, now and for the entire period of and relevant to the infringement,  
13 including the right to assert all causes of action arising under said patent and the  
14 right to any remedies for infringement of it.

15  
16           56. Sceptre is, and has been, on notice of the '541 patent since before this  
17 lawsuit was filed.

18  
19           57. Based on, among other things, the facts incorporated by reference in  
20 paragraph 54, and alleged in paragraphs 55-56, Sceptre has and continues to directly  
21 infringe and/or indirectly infringe, literally and/or under the doctrine of equivalents,  
22 the '541 patent under 35 U.S.C. § 271, including at least claim 2.

23  
24           58. Upon information and belief, the infringement of the '541 patent by  
25 Sceptre has been willful.

26  
27           59. Philips has been damaged and continues to be damaged by Sceptre's  
28 infringement of the '541 patent.

**EXCEPTIONAL CASE**

60. The allegations contained in paragraphs 1-59 above are repeated and realleged as if fully set forth herein.

61. Based on, among other things, the facts alleged in paragraphs 1-59, including Sceptre's intentional use of the ATSC Standard, Sceptre's knowledge of its infringement and its downstream parties' infringement, and Sceptre's continued direct and/or indirect infringement, this case is exceptional under 35 U.S.C. § 285, and Plaintiffs are entitled to their reasonable costs and expenses of litigation.

**REQUEST FOR RELIEF**

WHEREFORE, Plaintiffs respectfully request that the Court enter a judgment:

- A. Declaring that Sceptre has infringed U.S. Patent Nos. 5,802,107, 5,629,958, RE 42,643, and 5,684,541;
- B. Awarding Plaintiffs damages adequate to compensate for Sceptre's infringing activities, including supplemental damages for any post-verdict infringement up until entry of the final judgment with an accounting as needed, together with prejudgment and post-judgment interest on the damages awarded; all of these damages to be enhanced in an amount up to treble the amount of compensatory damages as justified under 35 U.S.C. § 284;
- C. Declaring that this case is exceptional under 35 U.S.C. § 285 and awarding Plaintiffs their reasonable costs and expenses of litigation, including attorneys' and experts' fees; and
- D. Awarding Plaintiffs such other and further relief as the Court may deem just and proper.

**JURY DEMAND**

Plaintiffs demand a trial by jury as to all claims and all issues properly triable  
thereby.

Dated: July 2, 2014

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