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8 Attorneys for Plaintiffs
 9 HTC Corporation and HTC America, Inc.

10 UNITED STATES DISTRICT COURT
 11 CENTRAL DISTRICT OF CALIFORNIA

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 14 HTC CORPORATION, HTC
 AMERICA, INC.,

15 Plaintiffs,

16 v.

17 ACACIA RESEARCH
 18 CORPORATION, SAINT
 LAWRENCE COMMUNICATIONS
 19 LLC,

20 Defendants.

Case No.

**COMPLAINT FOR DECLARATORY
 JUDGMENT OF NON-INFRINGEMENT
 OF U.S. PATENT NOS. 6,795,805,
 6,807,524, 7,151,802, 7,260,521 AND
 7,191,123**

21
 22 Plaintiffs HTC Corporation and HTC America, Inc. (collectively “HTC”)
 23 seek a declaration that they do not infringe U.S. Patent Nos. 6,795,805, 6,807,524,
 24 7,151,802, 7,260,521, and 7,191,123 (collectively “Patents-in-Suit”):

25 **NATURE OF THE ACTION**

26 1. This is an action for a declaratory judgment of non-infringement
 27 arising under the patent laws of the United States, Title 35 of the United States
 28 Code. The alleged owner of the Patents-in-Suit, defendant Acacia Research

1 Corporation (through its alter ego patent holding company, defendant Saint
2 Lawrence Communications LLC), has placed HTC in reasonable apprehension of
3 being sued for alleged infringement based on the sale, offer for sale and/or
4 importation of HTC products. Although HTC does not infringe the Patents-in-Suit,
5 Acacia’s lingering allegations against HTC create a cloud over HTC’s products and
6 threaten its business and relationships with its customers and partners. A
7 substantial controversy exists between Acacia and HTC, of sufficient immediacy
8 and reality, to warrant a declaratory judgment under 28 U.S.C. § 2201.

9 **THE PARTIES**

10 2. Plaintiff HTC Corporation is a corporation organized under the laws of
11 Taiwan with its corporate headquarters located at Xindian District, Zhongxing
12 Road, Section 3, No. 88, New Taipei City 231, Taiwan, R.O.C.

13 3. Plaintiff HTC America is a Washington corporation with offices at
14 13920 SE Eastgate Way, Suite 200, Bellevue, WA 98005. HTC America is a
15 wholly-owned, indirect subsidiary of HTC Corporation.

16 4. On information and belief, defendant Acacia Research Corporation
17 (“Acacia Research”) is a Delaware corporation headquartered at 520 Newport
18 Center Drive, Newport Beach, CA 92660. Acacia Research also publically claims
19 to have an office at 2400 Dallas Parkway, Suite 200, Plano, TX 75093.

20 5. On information and belief, defendant Saint Lawrence Communications
21 LLC (“St. Lawrence”) is a Texas limited liability company with an address at 2400
22 Dallas Parkway, Suite 200, Plano, TX 75093 (the same as Acacia’s office in Plano,
23 Texas). On information and belief, St. Lawrence is a wholly-owned indirect
24 subsidiary of Acacia Research.

25 **JURISDICTION AND VENUE**

26 6. This action arises under the Declaratory Judgment Act, 28 U.S.C. §
27 2201 and under the patent laws of the United States, 35 U.S.C. §§ 1, *et seq.* This
28 Court has subject matter jurisdiction over this action under 28 U.S.C. §§ 1331,

1 1338(a), and 2201(a).

2 7. This Court has personal jurisdiction over Acacia Research because it
3 maintains its headquarters in Newport Beach, California, which is within this
4 judicial district. Acacia has also directed its licensing and enforcement activities
5 against individuals and entities located in California and purposefully availed itself
6 of the privileges and protections of doing business in California. Venue is proper in
7 this judicial district under 28 U.S.C. §§ 1391 (b)-(d), and 28 U.S.C. § 1400(b).

8 8. Personal jurisdiction and venue are also proper against St. Lawrence in
9 this judicial district because, on information and belief, St. Lawrence is completely
10 controlled by and an alter ego of Acacia Research. On information and belief, St.
11 Lawrence has no employees, officers, facilities, operations or assets that are not
12 shared with Acacia Research and/or its other subsidiaries. For example, according
13 to records from the Texas Secretary of State, St. Lawrence was formed on
14 December 6, 2013 listing “Acacia Research Group, LLC” (a wholly owned
15 subsidiary of Acacia Research) as its sole managing member. St. Lawrence shares
16 the same business address as Acacia Research’s office in Plano, Texas. The
17 Patents-in-Suit were assigned to St. Lawrence approximately two weeks after its
18 formation. The patent assignment records of the U.S. Patent and Trademark Office
19 identify Ms. Jennifer Graff as St. Lawrence’s correspondent for the Patents-in-Suit.
20 On information and belief, Ms. Graff is a paralegal working at Acacia Research at
21 its headquarters in Newport Beach.¹

22 9. St. Lawrence has identified Mr. Marvin Key (CEO of St. Lawrence) as
23 responsible for license negotiations with respect to the Patents-in-Suit. Mr. Key
24 also serves as CEO of Acacia Research Group LLC, the sole managing member of
25 St. Lawrence, and as a Senior Vice President of defendant Acacia Research in
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27 ¹ (See LinkedIn page for Jennifer Graff <<https://www.linkedin.com/pub/jennifer-graff/15/a74/bb7>> (last visited March 6, 2015).)
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1 Newport Beach. Acacia Research identifies Mr. Key as “responsible for public
2 policy implementation, Acacia’s public communication strategy, and contribut[ing]
3 to the firm’s merger and acquisition activity.”²

4 10. St. Lawrence has a website at <<http://web.saintlawrencegmbh.com>>
5 that provides information about the Patents-in-Suit, their alleged applicability to the
6 AMR-WB standard (discussed below), and licensing information including
7 proposed royalty rates. The website domain was registered by Acacia Research
8 with “Wild West Domains” in June 2014, and lists the address of Acacia
9 Research’s headquarters in Newport Beach as the sole registrant and administrator.

10 11. Based on all of these facts, Acacia Research exercises complete
11 control over St. Lawrence, which is a mere shell company and alter ego solely used
12 to hold the Patents-in-Suit for the benefit of Acacia Research. Allowing Acacia
13 Research to avoid jurisdiction and venue through an alter ego shell company would
14 be unjust. Venue and personal jurisdiction are therefore proper with respect to St.
15 Lawrence for the same reasons as Acacia Research.

16
17 **ACACIA’S PATENT LITIGATION CAMPAIGN AGAINST HTC AND**
18 **PRODUCTS THAT USE THE AMR-WB STANDARD**

19 12. Acacia Research holds itself out as a leading company in the business
20 of asserting patents in litigation. Acacia Research is a prolific patent assertion
21 entity that is estimated to have orchestrated the filing of more than 650 patent
22 infringement suits in courts throughout the United States.³ On information and

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24 ² (See Acacia Research website <<http://acaciaresearch.com/about-us/#people>> (last
visited March 6, 2015).)

25 ³ (See T. Cushing, *Know Your Troll: Innovative Display Technologies Targeting*
26 *Any Company That Creates A Product With An LCD Screen*, available at
27 <[https://www.techdirt.com/articles/20140629/12410727724/know-your-troll-
28 innovative-display-technologies-targeting-any-company-that-creates-product-with-
lcd-screen.shtml](https://www.techdirt.com/articles/20140629/12410727724/know-your-troll-innovative-display-technologies-targeting-any-company-that-creates-product-with-lcd-screen.shtml)> (last visited March 6, 2015).)

1 belief, Acacia Research does not manufacture, develop or sell any products or
2 technologies of its own.

3 13. Like many other companies in the technology industry, HTC has been
4 a frequent target of patent lawsuits from Acacia Research. Acacia Research and/or
5 entities owned or controlled by Acacia Research have brought at least fifteen
6 different lawsuits against HTC in the past five years.

7 14. St. Lawrence claims to own the Patents-in-Suit through assignment
8 from VoiceAge Corporation in December 2013. Acacia Research and its alter ego
9 St. Lawrence have publically claimed that the Patents-in-Suit cover mobile handsets
10 that implement the Adaptive Multi-Rate-Wideband (“AMR-WB”) speech
11 compression standard.

12 15. For example, in July 2014, St. Lawrence Communications GmbH (“St.
13 Lawrence GmbH”), the German subsidiary of defendant St. Lawrence, initiated
14 patent infringement suits in Germany against Vodafone GmbH and Telekom
15 Deutschland GmbH (“German Litigations”) based on German counterparts to the
16 Patents-in-Suit. Acacia Research claims that the defendants in the German
17 Litigations infringe by offering HTC handsets to their customers that practice the
18 AMR-WB standard. HTC has been served with third party notices in the German
19 Litigations and has been forced to intervene at least in the suit against Telekom
20 Deutschland GmbH based on Acacia Research’s allegations against HTC handsets.

21 16. On December 9, 2014, HTC wrote a letter to St. Lawrence GmbH,
22 requesting that the parties enter into negotiations for a possible patent license on
23 FRAND (fair, reasonable, and non-discriminatory) terms. By letter dated
24 December 22, 2014, St. Lawrence GmbH responded by stating that “we are glad to
25 note that HTC is finally contemplating to enter into negotiations for a FRAND
26 license concerning our AMR-WB patent portfolio and that HTC has already taken
27 note of our license rates published on our website.”
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1 17. The letter further suggested that a license covering just Germany
2 would not be acceptable, and asked HTC to execute a Non-Disclosure Agreement
3 (NDA) to pursue further discussions. The letter indicated that the NDA would be
4 signed by Mr. Marvin Key “for our parent company [defendant St. Lawrence] that
5 owns foreign counterparts of the patents in our AMR-WB patent portfolio that
6 might also be of interest to HTC.” The “foreign counterparts” owned by defendant
7 St. Lawrence, referenced in the letter, are the U.S. patents in the AMR-WB
8 portfolio including the Patents-in-Suit. The December 22 letter further stated that
9 “[o]nce we have received the countersigned NDA we will send you a license
10 agreement for our AMR-WB patent portfolio.” HTC signed the NDA on December
11 26, 2014. HTC and Acacia Research have not to date entered into any license for
12 the AMR-WB portfolio, which includes the Patents-in-Suit.⁴

13 18. As mentioned above, Acacia Research claims that the Patents-in-Suit
14 in the United States read on the AMR-WB standard. Acacia Research’s litigation
15 campaign against AMR-WB has accordingly not been limited to Germany – it also
16 included lawsuits filed in the United States. For example, on April 2, 2014, St.
17 Lawrence filed suit in the U.S. District Court for the Eastern District of Texas
18 against Samsung Electronics, alleging that mobile handsets that practice the AMR-
19 WB standard infringed the Patents-in-Suit. *See Saint Lawrence Comms. LLC v.*
20 *Samsung Elecs. Co. Ltd. et al.*, No. 14-CV-00293. That suit was dismissed with
21 prejudice on April 22, 2014 based, on information and belief, on a license
22 agreement between Samsung and St. Lawrence. On November 18, 2014, another
23 suit was filed by St. Lawrence against LG Electronics alleging that LG mobile
24 handsets that practice AMR-WB infringe the Patents-in-Suit. *See Saint Lawrence*
25 *Comms. LLC v. LG Elecs., Inc. et al.*, No. 14-CV-01055. LG has not yet responded

26 _____
27 ⁴ Discussions between Acacia Research and HTC occurring after execution of the
28 NDA, if any, are not set forth in this Complaint and not relied upon for purposes of
showing subject matter jurisdiction under 28 U.S.C. § 2201.

1 to the Complaint in that action, and has until April 27, 2015 to do so.

2 19. The facts set forth above show that a substantial controversy exists
3 between Acacia Research and HTC, of sufficient immediacy and reality, to warrant
4 a declaratory judgment under 28 U.S.C. § 2201. As explained above, Acacia
5 Research has publicly stated that mobile handsets that implement AMR-WB
6 infringe the Patents-in-Suit. Acacia Research has also taken legal action against
7 HTC mobile handsets by, among other things, seeking to enjoin their sale and use
8 through the German Litigations. Acacia Research also indicated that a proposed
9 license agreement for the AMR-WB patent portfolio would be provided to HTC
10 upon execution of the NDA. Acacia Research has also filed at least two lawsuits in
11 the United States against competitors of HTC in the mobile handset market (*i.e.*
12 Samsung and LG). Those two lawsuits were based on the Patents-in-Suit, which
13 are counterparts to the patents asserted in the German Litigations in which HTC
14 products have been targeted, and based on Samsung's and LG's alleged use of the
15 AMR-WB standard. Acacia's conduct and representations to HTC in its December
16 22 letter, its pattern of conduct and behavior toward HTC in Germany, and its filing
17 of suit against its direct competitors in the United States have created a cloud over
18 HTC's products and threaten HTC's business and relationships with customers and
19 partners. Based on these facts, HTC has more than a reasonable apprehension of
20 suit based on the Patents-in-Suit.

21 COUNT ONE

22 **(Declaration of Non-Infringement of U.S. Patent No. 6,795,805)**

23 20. HTC restates and incorporates by reference the allegations in
24 paragraphs 1 through 19 of this Complaint as if fully set forth herein.

25 21. St. Lawrence claims to be the assignee of U.S. Patent No. 6,795,805
26 (“805 patent”) and claims to own all rights, title and interest therein.

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1 22. HTC does not infringe any claim of the '805 patent, but based on the
2 statements and conduct of Acacia Research as detailed above, HTC has a
3 reasonable apprehension of suit. A substantial, immediate, and real controversy
4 therefore exists between HTC, Acacia Research and St. Lawrence regarding the
5 non-infringement of HTC mobile handsets with respect the non-infringement of the
6 '805 patent. A judicial declaration is necessary to resolve this controversy.

7 **COUNT TWO**

8 **(Declaration of Non-Infringement of U.S. Patent No. 6,807,524)**

9 23. HTC restates and incorporates by reference the allegations in
10 paragraphs 1 through 19 of this Complaint as if fully set forth herein.

11 24. St. Lawrence claims to be the assignee of U.S. Patent No. 6,795,524
12 (“’524 patent”) and claims to own all rights, title and interest therein.

13 25. HTC does not infringe any claim of the '524 patent, but based on the
14 statements and conduct of Acacia Research as detailed above, HTC has a
15 reasonable apprehension of suit. A substantial, immediate, and real controversy
16 therefore exists between HTC, Acacia Research and St. Lawrence regarding the
17 non-infringement of HTC mobile handsets with respect the non-infringement of the
18 '524 patent. A judicial declaration is necessary to resolve this controversy.

19 **COUNT THREE**

20 **(Declaration of Non-Infringement of U.S. Patent No. 7,151,802)**

21 26. HTC restates and incorporates by reference the allegations in
22 paragraphs 1 through 19 of this Complaint as if fully set forth herein.

23 27. St. Lawrence claims to be the assignee of U.S. Patent No. 7,151,802
24 (“’802 patent”) and claims to own all rights, title and interest therein.

25 28. HTC does not infringe any claim of the '802 patent, but based on the
26 statements and conduct of Acacia Research as detailed above, HTC has a
27 reasonable apprehension of suit. A substantial, immediate, and real controversy
28 therefore exists between HTC, Acacia Research and St. Lawrence regarding the

1 non-infringement of HTC mobile handsets with respect the non-infringement of the
2 '802 patent. A judicial declaration is necessary to resolve this controversy.

3 **COUNT FOUR**

4 **(Declaration of Non-Infringement of U.S. Patent No. 7,260,521)**

5 29. HTC restates and incorporates by reference the allegations in
6 paragraphs 1 through 19 of this Complaint as if fully set forth herein.

7 30. St. Lawrence claims to be the assignee of U.S. Patent No. 7,260,521
8 ("521 patent") and claims to own all rights, title and interest therein.

9 31. HTC does not infringe any claim of the '521 patent, but based on the
10 statements and conduct of Acacia Research as detailed above, HTC has a
11 reasonable apprehension of suit. A substantial, immediate, and real controversy
12 therefore exists between HTC, Acacia Research and St. Lawrence regarding the
13 non-infringement of HTC mobile handsets with respect the non-infringement of the
14 '521 patent. A judicial declaration is necessary to resolve this controversy.

15 **COUNT FIVE**

16 **(Declaration of Non-Infringement of U.S. Patent No. 7,191,123)**

17 32. HTC restates and incorporates by reference the allegations in
18 paragraphs 1 through 19 of this Complaint as if fully set forth herein.

19 33. St. Lawrence claims to be the assignee of U.S. Patent No. 7,191,123
20 ("123 patent") and claims to own all rights, title and interest therein.

21 34. HTC does not infringe any claim of the '123 patent, but based on the
22 statements and conduct of Acacia Research as detailed above, HTC has a
23 reasonable apprehension of suit. A substantial, immediate, and real controversy
24 therefore exists between HTC, Acacia Research and St. Lawrence regarding the
25 non-infringement of HTC mobile handsets with respect the non-infringement of the
26 '123 patent. A judicial declaration is necessary to resolve this controversy.

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PRAYER FOR RELIEF

WHEREFORE, HTC prays for judgment and relief as follows:

- A. Declaring that HTC does not infringe the Patents-in-Suit;
- B. Declaring that judgment be entered in favor of HTC and against Acacia Research and St. Lawrence on each of HTC’s claims;
- C. Finding that this case is an exceptional case under 35 U.S.C. § 285;
- D. Awarding HTC its costs and attorneys’ fees in connection with this action; and
- E. Awarding such further and additional relief as the Court deems just and proper.

Dated: March 9, 2015

Respectfully submitted,
COOLEY LLP

/s/ Heidi L. Keefe
Heidi L. Keefe

Attorneys for Plaintiffs
HTC Corporation and HTC America, Inc.