

of Digital Video Images.” A true and correct copy of the ’012 Patent is attached hereto as Exhibit B.

4. Defendants manufacture, provide, sell, offer for sale, import, and/or distribute infringing products and services; and/or induce others to make and use their products and services in an infringing manner, including their customers, who directly infringe the ’435 Patent and the ’012 Patent (“Patents-in-Suit”).

5. Plaintiff Lone Star seeks monetary damages and prejudgment interest for Defendants’ past infringement of the Patents-in-Suit.

II. THE PARTIES

6. Plaintiff Lone Star is a limited liability company organized and existing under the laws of the State of Texas, with its principal place of business located at 1999 Bryan Street, Suite 900, Dallas, Texas 75201.

7. Upon information and belief, Acer, Inc. is a Taiwan corporation with its principal place of business located at 8F, 88, Sec.1, Xintai 5th Road, Xizhi, New Taipei City 221, Taiwan, R.O.C, where it may be served with process. Acer Inc. does business within the State of Texas and this District.

8. Upon information and belief, Acer America Corporation is a California corporation with its principal place of business located at 333 W. San Carlos Street, Ste. 1500, San Jose, California 95110. Acer America Corporation Inc.’s registered agent for service of process is CT Corporation System, 818 W. Seventh Street, Los Angeles, California 90017. Upon information and belief, Acer America Corporation does business within the State of Texas and this District.

III. JURISDICTION AND VENUE

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9. This is an action for patent infringement which arises under the Patent Laws of the United States, in particular, 35 U.S.C. §§271, 281, 283, 284, and 285. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. §§1331 and 1338(a).

10. This Court has personal jurisdiction over Defendants because they have committed acts giving rise to this action within Texas and within this judicial district. The Court's exercise of jurisdiction over Defendants would not offend traditional notions of fair play and substantial justice because Defendants have established minimum contacts with the forum. For example, Defendants have committed acts of infringement in this District, by among others things, offering to sell and selling products that infringe the asserted patents, including the accused devices as alleged herein.

11. Venue in the Eastern District of Texas is proper pursuant to 28 U.S.C. §§ 1391 (b), (c) and 1400(b) because Defendants have committed acts within this judicial district giving rise to this action, and Defendants continue to conduct business in this judicial district, including one or more acts of selling, using, importing and/or offering for sale infringing products or providing service and support to Defendants' customers in this District.

IV. PLAINTIFF'S '435 PATENT AND '012 PATENT

12. The Patents-in-Suit disclose systems and methods for controlling individual color saturation and/or hue of a digital video input image. The '435 Patent discloses independently controlling hue or saturation of individual colors by identifying input image pixels requiring adjustment and separately evaluating independent control functions for hue or saturation to form corresponding output image pixels with the desired hue or saturation. The '012 Patent teaches a method of changing the saturation of an individual color in a digital video image without affecting changes to other colors using a lookup table.

13. Lone Star has obtained all substantial right and interest to the Patents-in-Suit, including all rights to recover for all past and future infringements thereof.

VI. DEFENDANTS' ACTS

14. Defendants manufacture, provide, sell, offer for sale, and/or distribute infringing devices, including projectors and monitor and/or video displays. Such devices include, but are not limited to Acer's XG270HU display, XR341CK display and all other substantially similar products.

15. Based on information and belief, Defendants' infringing devices contain hardware components (*e.g.* the display screen/output image, an internal processor and OSD (on-screen display)) and software components (*e.g.* firmware instructions) which specifically provide the ability to change the hue and/or saturation of an individual color in the output image.

16. Defendants have had knowledge of the Patents-in-Suit at least as early as approximately November 3, 2015, when Defendants were sent written pre-suit notice of Plaintiff's rights in the Patent-in-Suit. Thus, upon information and belief, Defendants have had notice and actual or constructive knowledge of the Patents-in-Suit at least since then. Additionally, Defendants have had knowledge of the Patents-in-Suit at least as early as the service of this Complaint.

17. With knowledge of the Patents-in-Suit, Defendants intentionally provide services and instructions for the installation and infringing operation of infringing products (including, by way of example, the resources and materials available at <http://us.acer.com/ac/en/US/content/support>) to the customers of their products, who directly infringe through the operation of those products.

18. Through their actions, Defendants have infringed the Patents-in-Suit and actively

promoted others to infringe the Patents-in-Suit throughout the United States, including by customers within the Eastern District of Texas. On information and belief, Defendants induce its customers to infringe and contribute to the infringement of their customers by instructing or specifying that its customers operate Acer computer monitors, projectors, and displays in a manner to change the saturation and/or hue of individual colors through, for example, the product's OSD (on-screen display). Defendants specify that the infringing products operate in an infringing manner by providing manuals and customer support related to their infringing products.

19. Defendants, with knowledge of the Patents-in-Suit, contribute to the infringement of the Patents-in-Suit, by having its direct and indirect customers sell, offer for sale, use, or import their computer monitors, projectors, and displays, including but not limited to Acer's XG270HU display, XR341CK display, as well as all other substantially similar products, with knowledge that such products infringe the Patents-in-Suit. Defendants' accused devices are especially made or adapted for infringing the Patents-in-Suit, and have no substantially non-infringing uses. For example, Defendants' products contain the functionality to specifically allow changes to the hue and/or saturation of an individual color – functionality which is material to practicing the Patents-in-Suit. Based on information and belief, this functionality has no substantially non-infringing uses.

20. Lone Star has been and will continue to suffer damages as a result of Defendants' infringing acts.

COUNT ONE

PATENT INFRINGEMENT—U.S. PATENT NO. 6,724,435

21. Plaintiff Lone Star realleges and incorporates herein paragraphs 1–20.

22. Defendants have directly infringed the '435 Patent.

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23. Defendants have indirectly infringed the '435 Patent by inducing the infringement of the '435 Patent and contributing to the infringement of the '435 Patent.

24. Upon information and belief, Defendants have jointly infringed the '435 Patent, including by controlling and/or directing others to perform one or more of the claimed method steps.

25. Defendants' aforementioned acts have caused damage to Lone Star and will continue to do so.

COUNT TWO

PATENT INFRINGEMENT—U.S. PATENT NO. 6,122,012

26. Plaintiff Lone Star realleges and incorporates herein paragraphs 1–25.

27. Defendants have infringed the '012 Patent.

28. Defendants have indirectly infringed the '012 Patent by inducing the infringement of the '012 Patent and contributing to the infringement of the '012 Patent.

29. Upon information and belief, Defendants have jointly infringed the '012 Patent, including by controlling and/or directing others to perform one or more of the claimed method steps.

30. Defendants' aforementioned acts have caused damage to Lone Star and will continue to do so.

VII. JURY DEMAND

31. Plaintiff Lone Star hereby demands a jury on all issues so triable.

VIII. REQUEST FOR RELIEF

WHEREFORE, Plaintiff Lone Star respectfully requests that the Court:

- A. Enter judgment that Defendants infringe one or more claims of the '435 Patent and the '012 Patent literally and/or under the doctrine of equivalents;
- B. Award Plaintiff Lone Star past and future damages together with prejudgment and post-judgment interest to compensate for the infringement by Defendants of the '435 Patent and the '012 Patent in accordance with 35 U.S.C. §284, and increase such award by up to three times the amount found or assessed in accordance with 35 U.S.C. §284;
- C. Declare this case exceptional pursuant to 35 U.S.C. §285; and
- D. Award Plaintiff Lone Star its costs, disbursements, attorneys' fees, and such further and additional relief as is deemed appropriate by this Court.

Respectfully submitted,

Dated: November 10, 2015

/s/ John D. Saba

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