

**THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

**EMBEDDED SYSTEMS PRODUCTS
INTELLECTUAL PROPERTY, LLC,**

Plaintiff,

v.

**PHILIPS ELECTRONICS NORTH
AMERICA CORPORATION,**

Defendant.

Civil Action No. 2:15-cv-1802

JURY TRIAL DEMANDED

ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

This is an action for patent infringement in which Embedded Systems Products Intellectual Property, LLC (“Plaintiff”) makes the following allegations against Philips Electronics North America Corporation (“Defendant”):

PARTIES

1. Plaintiff is a Texas limited liability company, having a principal place of business of 7005 Chase Oaks Blvd., Suite 180, Plano, TX 75025.
2. Upon information and belief, Defendant is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business located at 3000 Minuteman Rd., Andover, MA, 01810. Defendant may be served via its registered agent: Corporation Service Company, 2711 Centerville Rd., Ste. 400, Wilmington, DE 19808.

JURISDICTION AND VENUE

3. This action arises under the patent laws of the United States, Title 35 of the United States Code. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

4. Venue is proper in this district under 28 U.S.C. §§ 1391(c) and 1400(b). Upon information and belief, Defendant has transacted business in this district, and has committed and/or induced acts of patent infringement in this district.

5. On information and belief, Defendant is subject to this Court's specific and general personal jurisdiction pursuant to due process and/or the Texas Long Arm Statute, due at least to its substantial business in this forum, including: (i) at least a portion of the infringements alleged herein; and (ii) regularly doing or soliciting business, engaging in other persistent courses of conduct, and/or deriving substantial revenue from goods and services provided to individuals in Texas and in this Judicial District.

U.S. PATENT NO. 7,020,488

6. Plaintiff is the owner by assignment of United States Patent No. 7,020,488 (the "'488 Patent") entitled "Communications Unit, System and Methods for Providing Multiple Access to a Wireless Transceiver." The '488 Patent issued on March 28, 2006. A true and correct copy of the '488 Patent is attached as Exhibit A.

7. Mr. Leonard Bleile and Mr. Christopher Becker are listed as the inventors on the '488 Patent.

8. Upon information and belief, to the extent any marking was required by 35 U.S.C. § 287, predecessors in interest to the '488 Patent complied with such requirements.

COUNT I
INFRINGEMENT OF U.S. PATENT NO. 7,020,488

9. Upon information and belief, Defendant has been and is now infringing at least Claim 39 of the '488 Patent in the State of Texas, in this judicial district, and elsewhere in the United States, by, among other things, directly or through intermediaries, making, using, importing, providing, supplying, distributing, selling, and/or offering for sale communication

units such as home phones with DECT (including, without limitation, at least the Philips SE888) which include; a first wireless transceiver port operable to communicate with a first wireless transceiver operable to conduct wireless communications with a wireless base station; and a first expansion interface in communication with said first wireless transceiver port and having a bus interface operable to communicate with expansion interfaces to permit any of said communications units to communicate with said wireless base station through the first wireless transceiver, covered by one or more claims of the '488 Patent to the injury of Plaintiff. Defendant is directly infringing, literally infringing, and/or infringing the '488 Patent under the doctrine of equivalents. Defendant is thus liable for infringement of the '488 Patent pursuant to 35 U.S.C. § 271.

10. Additionally, and in the alternative, upon information and belief, Defendant has also been inducing infringement of the '488 patent in the State of Texas, in this judicial district, and elsewhere in the United States, by, among other things, intending that others use, offer for sale, or sell in the United States, products and/or methods covered by one or more claims of '488 Patent, including, but not limited to, Philips phones with DECT (including, without limitation, at least the Philips SE888). Defendant provides these products to others, such as customers, resellers, third-party developers, and end-use consumers who, in turn, use, offer for sale, or sell in the United States these accused products that infringe one or more claims of the '488 Patent.

11. Defendant indirectly infringes the '488 Patent by inducing infringement by others, such as resellers, customers, third-party developers, and end-use consumers, in accordance with 35 U.S.C. § 271(b) in this District and elsewhere in the United States. Direct infringement is a result of the activities performed by the resellers, customers, third-party developers, and end-use

consumers of Philips phones with DECT (including, without limitation, at least the Philips SE888).

12. Defendant instructs and induces others to practice methods that infringe the '488 Patent by providing instructions and other documentations. Since at least as early as the filing date of this Complaint, Defendant has had knowledge of the '488 patent and, by continuing the actions described above, has had the specific intent to induce infringement of the '488 patent pursuant to 35 U.S.C. § 271(b).

13. Defendant's affirmative acts of selling and providing Philips phones with DECT (including, without limitation, at least the Philips SE888), causing the accused products to be manufactured and distributed, and providing instructions for using the accused products, induce Defendant's resellers, customers, third-party developers, and end-use consumers to use the accused products in their normal and customary way to infringe one or more claims of the '488 Patent. Defendant performs the acts that constitute induced infringement, and induce actual infringement, with the knowledge of the '488 Patent and with the knowledge or willful blindness that the induced acts constitute infringement.

14. Defendant specifically intends for others, such as resellers, customers, third-party developers, and end-use consumers, to directly infringe one or more claims of the '488 Patent, or, alternatively, has been willfully blind to the possibility that its inducing acts would cause infringement. By way of example, and not as limitation, Defendant induces such infringement by its affirmative action by, among other things: (a) providing advertising on the benefits of using the Philips phones with DECT (including, without limitation, at least the Philips SE888) and (b) providing instruction on how to use the Philips phones with Bluetooth technology (including, without limitation, at least the Philips SE888).

15. Accordingly, a reasonable inference is that Defendant specifically intends for others, such as resellers, customers, third-party developers, and end-use consumers, to directly infringe one or more claims of the '488 Patent in the United States because Defendant has knowledge of the '488 Patent at least as of the date this lawsuit was filed and Defendant actually induces others, such as resellers, customers, third-party developers, and end-use consumers, to directly infringe the '488 Patent by using, selling, and/or distributing, within the United States, the accused products.

16. Defendant has also been contributing to the infringement of the '488 Patent, literally or under the doctrine of equivalents, under 35 U.S.C. § 271(c) by making, selling or offering to sell in the United States Philips phones with DECT (including, without limitation, at least the Philips SE888). These products have been or are used in conjunction with cellular telephones. Since at least the filing date of this Complaint, Defendant has had knowledge of the '488 patent and, by continuing the actions described above, has had the knowledge that the products are especially made or adapted for use in a way that infringes the '488 Patent. The Philips phones with DECT that Defendant provides are a significant part of the inventions of the claims of the '488 Patent and have no significant non-infringing use.

17. As a result of Defendant's infringement of the '488 Patent, Plaintiff has suffered monetary damages and is entitled to a money judgment in an amount adequate to compensate for Defendant's infringement, but in no event less than a reasonable royalty for the use made of the invention by Defendant, together with interest and costs as fixed by the court, and Plaintiff will continue to suffer damages in the future unless Defendant's infringing activities are enjoined by this Court.

18. Unless a permanent injunction is issued enjoining Defendant and its agents, servants, employees, representatives, affiliates, and all others acting on in active concert therewith from infringing the '488 Patent, Plaintiff will be greatly and irreparably harmed.

U.S. PATENT NO. 7,162,228

19. Plaintiff is the owner by assignment of United States Patent No. 7,162,228 (the "'228 Patent") entitled "Apparatus, method, media and signals for controlling a wireless communication appliance." The '228 Patent issued on January 9, 2007. A true and correct copy of the '228 Patent is attached as Exhibit B.

20. Mr. Leonard Bleile, Mr. Christopher Becker, and Ms. Mae Mah are listed as the inventors on the '228 Patent.

21. Upon information and belief, to the extent any marking was required by 35 U.S.C. § 287, predecessors in interest to the '228 Patent complied with such requirements.

COUNT II
INFRINGEMENT OF U.S. PATENT NO. 7,162,228

22. Upon information and belief, Defendant has been and is now infringing at least Claim 1 of the '228 Patent in the State of Texas, in this judicial district, and elsewhere in the United States, by, among other things, directly or through intermediaries, making, using, importing, providing, supplying, distributing, selling, and/or offering for sale communication units such as home phones with DECT (including, without limitation, at least the Philips SE888) which perform a method of controlling a wireless communications appliance, including; producing a message signal comprising an address portion and a payload portion, in response to an action signal received at an adjunct apparatus; causing said adjunct apparatus to perform a function identified in said payload portion when said address portion satisfies a condition; and transmitting said message signal to said wireless communication appliance when said address

portion fails to satisfy said condition, covered by one or more claims of the '228 Patent to the injury of Plaintiff. Defendant is directly infringing, literally infringing, and/or infringing the '228 Patent under the doctrine of equivalents. Defendant is thus liable for infringement of the '228 Patent pursuant to 35 U.S.C. § 271.

23. Additionally, and in the alternative, upon information and belief, Defendant has also been inducing infringement of the '228 patent in the State of Texas, in this judicial district, and elsewhere in the United States, by, among other things, intending that others use, offer for sale, or sell in the United States, products and/or methods covered by one or more claims of '228 Patent, including, but not limited to, Philips phones with DECT (including, without limitation, at least the Philips SE888). Defendant provides these products to others, such as customers, resellers, third-party developers, and end-use consumers who, in turn, use, offer for sale, or sell in the United States these accused products that infringe one or more claims of the '488 Patent.

24. Defendant indirectly infringes the '228 Patent by inducing infringement by others, such as resellers, customers, third-party developers, and end-use consumers, in accordance with 35 U.S.C. § 271(b) in this District and elsewhere in the United States. Direct infringement is a result of the activities performed by the resellers, customers, third-party developers, and end-use consumers of Philips phones with DECT (including, without limitation, at least the Philips SE888).

25. Defendant instructs and induces others to practice methods that infringe the '228 Patent by providing instructions and other documentations. Since at least as early as the filing date of this Complaint, Defendant has had knowledge of the '488 patent and, by continuing the actions described above, has had the specific intent to induce infringement of the '228 patent pursuant to 35 U.S.C. § 271(b).

26. Defendant's affirmative acts of selling and providing Philips phones with DECT (including, without limitation, at least the Philips SE888), causing the accused products to be manufactured and distributed, and providing instructions for using the accused products, induce Defendant's resellers, customers, third-party developers, and end-use consumers to use the accused products in their normal and customary way to infringe one or more claims of the '488 Patent. Defendant performs the acts that constitute induced infringement, and induce actual infringement, with the knowledge of the '228 Patent and with the knowledge or willful blindness that the induced acts constitute infringement.

27. Defendant specifically intends for others, such as resellers, customers, third-party developers, and end-use consumers, to directly infringe one or more claims of the '228 Patent, or, alternatively, has been willfully blind to the possibility that its inducing acts would cause infringement. By way of example, and not as limitation, Defendant induces such infringement by its affirmative action by, among other things: (a) providing advertising on the benefits of using the Philips phones with DECT (including, without limitation, at least the Philips SE888) and (b) providing instruction on how to use the Philips phones with DECT (including, without limitation, at least the Philips SE888).

28. Accordingly, a reasonable inference is that Defendant specifically intends for others, such as resellers, customers, third-party developers, and end-use consumers, to directly infringe one or more claims of the '228 Patent in the United States because Defendant has knowledge of the '228 Patent at least as of the date this lawsuit was filed and Defendant actually induces others, such as resellers, customers, third-party developers, and end-use consumers, to directly infringe the '228 Patent by using, selling, and/or distributing, within the United States, the accused products.

29. Defendant has also been contributing to the infringement of the '228 Patent, literally or under the doctrine of equivalents, under 35 U.S.C. § 271(c) by making, selling or offering to sell in the United States Philips phones with DECT (including, without limitation, at least the Philips SE888). These products have been or are used in conjunction with cellular telephones. Since at least the filing date of this Complaint, Defendant has had knowledge of the '228 patent and, by continuing the actions described above, has had the knowledge that the products are especially made or adapted for use in a way that infringes the '228 Patent. The Philips phones with DECT that Defendant provides are a significant part of the inventions of the claims of the '228 Patent and have no significant non-infringing use.

30. As a result of Defendant's infringement of the '228 Patent, Plaintiff has suffered monetary damages and is entitled to a money judgment in an amount adequate to compensate for Defendant's infringement, but in no event less than a reasonable royalty for the use made of the invention by Defendant, together with interest and costs as fixed by the court, and Plaintiff will continue to suffer damages in the future unless Defendant's infringing activities are enjoined by this Court.

31. Unless a permanent injunction is issued enjoining Defendant and its agents, servants, employees, representatives, affiliates, and all others acting on in active concert therewith from infringing the '228 Patent, Plaintiff will be greatly and irreparably harmed.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter:

1. A judgment in favor of Plaintiff that Defendant has infringed the '488 and '228 Patents;

2. A permanent injunction enjoining Defendant and its officers, directors, agents servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert therewith from infringement of the '488 and '228 Patents, or such other equitable relief the Court determines is warranted;

3. A judgment and order requiring Defendant pay to Plaintiff its damages, costs, expenses, and prejudgment and post-judgment interest for Defendant's infringement of the '488 and '228 Patents as provided under 35 U.S.C. § 284, and an accounting of ongoing post-judgment infringement; and

4. Any and all other relief, at law or equity, to which Plaintiff may show itself to be entitled.

DEMAND FOR JURY TRIAL

Plaintiff, under Rule 38 of the Federal Rules of Civil Procedure, requests a trial by jury of any issues so triable by right.

DATED November 20, 2015.

Respectfully submitted,

By: /s/ Hao Ni

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