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12 Attorneys for Plaintiff  
RONALD A. KATZ TECHNOLOGY LICENSING, L.P.

13 UNITED STATES DISTRICT COURT  
14 CENTRAL DISTRICT OF CALIFORNIA

15 In re: Katz Interactive Call Processing  
Patent Litigation

16 This document relates to:

17 Ronald A. Katz Technology Licensing,  
18 L.P. v. Comcast Corporation, et al.  
19 CV 07-6996 RGK (FFMx)  
20

Case No. 07-ML-01816-RGK (FFMx)

PLAINTIFF RONALD A. KATZ  
TECHNOLOGY LICENSING, L.P.'S  
SECOND AMENDED COMPLAINT  
FOR PATENT INFRINGEMENT

1 Plaintiff Ronald A. Katz Technology Licensing, L.P. ("Katz Technology  
2 Licensing"), states as follows for its second amended complaint against GEICO  
3 Corporation, Government Employees Insurance Company, GEICO General  
4 Insurance Company, GEICO Indemnity Company, GEICO Casualty Company, XM  
5 Satellite Radio Holdings, Inc., XM Satellite Radio, Inc., XM Radio, Inc., XM  
6 Equipment Leasing, LLC, Sirius Satellite Radio Inc. and Sirius XM Radio Inc.

7 **THE PARTIES**

- 8 1. Plaintiff Katz Technology Licensing is a California limited partnership with its  
9 principal place of business at 9220 Sunset Boulevard, Suite 315, Los Angeles,  
10 California 90069.
- 11 2. On information and belief, Defendant GEICO Corporation is a Delaware  
12 corporation with its principal place of business at 1 GEICO Plaza, Washington,  
13 D.C. 20076.
- 14 3. On information and belief, Defendant Government Employees Insurance  
15 Company is (a) a Maryland corporation with its principal place of business at 1  
16 GEICO Plaza, Washington, D.C. 20076, and (b) a subsidiary of GEICO  
17 Corporation.
- 18 4. On information and belief, Defendant GEICO General Insurance Company is  
19 an Iowa corporation with its principal place of business at 1 GEICO Plaza,  
20 Washington, D.C. 20076, and (b) a subsidiary of GEICO Corporation.
- 21 5. On information and belief, Defendant GEICO Indemnity Company is a  
22 Maryland corporation with its principal place of business at 1 GEICO Plaza,  
23 Washington, D.C. 20076, and (b) a subsidiary of GEICO Corporation.
- 24 6. On information and belief, Defendant GEICO Casualty Company is a Maryland  
25 corporation with its principal place of business at 1 GEICO Plaza, Washington,  
26 D.C. 20076, and (b) a subsidiary of GEICO Corporation.
- 27 7. On information and belief, Defendant XM Satellite Radio Holdings, Inc., is (a)  
28 a Delaware corporation with its principal place of business at 1500 Eckington

- 1 Place NE, Washington, D.C. 20002, and (b) a subsidiary of Sirius XM Radio  
2 Inc.
- 3 8. On information and belief, Defendant XM Satellite Radio, Inc. is (a) a  
4 Delaware corporation with its principal place of business at 1500 Eckington  
5 Place NE, Washington, D.C. 20002, and (b) a subsidiary of XM Satellite Radio  
6 Holdings, Inc. and Sirius XM Radio Inc.
- 7 9. On information and belief, Defendant XM Radio, Inc. is (a) a Delaware  
8 corporation with its principal place of business at 1500 Eckington Place NE,  
9 Washington, D.C. 20002, and (b) a subsidiary of XM Satellite Radio Holdings,  
10 Inc. and Sirius XM Radio Inc.
- 11 10. On information and belief, Defendant XM Equipment Leasing, LLC is (a) a  
12 Delaware corporation with its principal place of business at 1500 Eckington  
13 Place NE, Washington, D.C. 20002, and (b) a subsidiary of XM Satellite Radio  
14 Holdings, Inc. and Sirius XM Radio Inc.
- 15 11. On information and belief, Defendant Sirius Satellite Radio Inc. is (a) a  
16 Delaware corporation with its principal place of business at 1221 Avenue of the  
17 Americas, 36th Floor, New York, NY 10020, and (b) a subsidiary of Sirius XM  
18 Radio Inc.
- 19 12. On information and belief, Defendant Sirius XM Radio Inc. is a Delaware  
20 corporation with its principal place of business at 1221 Avenue of the  
21 Americas, 36th Floor, New York, NY 10020.

22 **JURISDICTION AND VENUE**

- 23 13. This is an action arising under the patent laws of the United States, 35 U.S.C.  
24 sections 101 *et seq.* This Court and the transferor Court, the District Court for  
25 the District of Delaware, have subject matter jurisdiction over this action under  
26 28 U.S.C. sections 1331 and 1338(a).
- 27 14. Defendants GEICO Corporation, Government Employees Insurance Company,  
28 GEICO General Insurance Company, GEICO Indemnity Company, GEICO

1 Casualty Company (collectively, the "GEICO" Defendants) are subject to this  
2 and the transferor Court's personal jurisdiction because, on information and  
3 belief, (1) they are Delaware corporations and/or have designated a registered  
4 agent in Delaware; (2) they do substantial business in this and the transferor  
5 district; (3) they operate infringing automated call processing systems that are  
6 available to their customers, including customers in this and the transferor  
7 district; and/or (4) they regularly solicit business from, do business with, and  
8 derive revenue from goods and services provided to, customers in this and the  
9 transferor district.

10 15. Defendants XM Satellite Radio Holdings, Inc., XM Satellite Radio Inc., XM  
11 Radio, Inc., XM Equipment Leasing, LLC, and Sirius Satellite Radio Inc. and  
12 Sirius XM Radio Inc. (collectively, the "XM/Sirius Defendants") are subject to  
13 this and the transferor Court's personal jurisdiction because, on information and  
14 belief, (1) they are Delaware corporations and have designated a registered  
15 agent in Delaware; (2) they do substantial business in this and the transferor  
16 district; (3) they operate infringing automated call processing systems that are  
17 available to their customers, including customers in this and the transferor  
18 district; and/or (4) they regularly solicit business from, do business with, and  
19 derive revenue from goods and services provided to, customers in this and the  
20 transferor district.

21 16. Venue is proper in this and the transferor judicial district under 28 U.S.C.  
22 sections 1391(c) and 1400(b) because the Defendants are incorporated, reside,  
23 have designated a registered agent in, and/or engage in significant business  
24 activities in this and the transferor district as set forth in Paragraphs 14-15  
25 above.

### 26 **BACKGROUND**

27 17. Ronald A. Katz ("Mr. Katz"), founder of Katz Technology Licensing, is the  
28 sole inventor of each of the patents-in-suit. Mr. Katz has been widely

1 recognized as one of the most prolific and successful inventors of our time, and  
2 his inventions over the last forty-plus years have been utilized by literally  
3 millions of people.

4 18. In 1961, Mr. Katz co-founded Telecredit Inc. ("Telecredit"), the first company  
5 to provide online, real-time credit authorization, allowing merchants to verify  
6 checks over the telephone. Further innovations from Telecredit include the first  
7 online, real-time, point-of-sale credit verification terminal, which enabled  
8 merchants to verify checks without requiring the assistance of a live operator,  
9 and the first device that used and updated magnetically-encoded cards in  
10 automated teller machines. Multiple patents issued from these innovations,  
11 including patents co-invented by Mr. Katz.

12 19. Telecredit was eventually acquired by Equifax, and has now been spun off as  
13 Certegy, a public company traded on the New York Stock Exchange. Certegy  
14 continues to provide services in the credit and check verification field  
15 established by Mr. Katz and Telecredit.

16 20. Mr. Katz's inventions have not been limited to telephonic check verification.  
17 Indeed, Mr. Katz is responsible for advancements in many fields of technology.  
18 Among his most prominent and well-known innovations are those in the field  
19 of interactive call processing. Mr. Katz's inventions in that field are directed to  
20 the integration of telephonic systems with computer databases and live operator  
21 call centers to provide interactive call processing services.

22 21. The first of Mr. Katz's interactive call processing patents issued on  
23 December 20, 1988. More than fifty U.S. patents have issued to Mr. Katz for  
24 his inventions in the interactive call-processing field, including each of the  
25 patents-in-suit.

26 22. In 1988, Mr. Katz partnered with American Express to establish FDR  
27 Interactive Technologies, later renamed Call Interactive, to provide interactive  
28 call processing services based on Mr. Katz's inventions. The American

1 Express business unit involved in this joint venture later became known as First  
2 Data.

3 23. Early clients of Call Interactive included *The New York Times*, ABC's *Monday*  
4 *Night Football*, KABC Radio, CBS News, and Beatrice Foods (Hunt-Wesson  
5 division).

6 24. Many of these clients utilized Call Interactive technology for high-profile  
7 events. For example, CBS News hired Call Interactive to operate an  
8 interactive, real-time telephone poll to gauge viewer reaction to President  
9 George H.W. Bush's 1992 State of the Union address.

10 25. Mr. Katz sold his interest in Call Interactive to American Express in 1989 but  
11 continued to provide advisory services to Call Interactive until 1992. American  
12 Express later spun off the First Data business unit into a separate corporation,  
13 and with that new entity went Mr. Katz's interactive call processing patents and  
14 the Call Interactive call processing business. The former Call Interactive, now  
15 known as First Data Voice Services, continues to provide call processing  
16 solutions today.

17 26. In 1994, Mr. Katz formed Katz Technology Licensing, which acquired the  
18 rights to the entire interactive call processing patent portfolio, including the  
19 rights to each of the patents-in-suit, from First Data, the owner of all of the  
20 Katz interactive call processing patents at that time.

21 27. The marketplace has clearly recognized the value of Mr. Katz's inventions.  
22 Indeed, over one hundred fifty companies have licensed the patents-in-suit.  
23 Licensees include IBM, Hewlett-Packard, Bank of America, JPMorgan Chase,  
24 Wells Fargo, HSBC, Verizon, Sprint, Microsoft, Delta Airlines, Merck, Sears,  
25 Citibank, and the Home Shopping Network. These licensees and others  
26 acknowledge the applicability of the patents-in-suit to multiple fields of use,  
27 including but not limited to financial services call processing, automated  
28 securities transactions, automated credit card authorization services, automated



1 wireless telecommunication services and support, automated health care  
2 services, and product and service support.

3 28. Each of the defendants employs the inventions of certain of the patents-in-suit.  
4 Katz Technology Licensing, through its licensing arm A2D, L.P., has  
5 repeatedly attempted to engage each defendant in licensing negotiations, but to  
6 date, none of the defendants has agreed to take a license to any of the patents-  
7 in-suit.

8 **THE ASSERTED PATENTS**

9 29. On December 20, 1988, the United States Patent and Trademark Office duly  
10 and legally issued United States Patent No. 4,792,968 (the “‘968 Patent”) to  
11 Ronald A. Katz for an invention entitled “Statistical Analysis System for Use  
12 With Public Communication Facility.” The ‘968 Patent expired on December  
13 20, 2005.

14 30. On May 29, 1990, the United States Patent and Trademark Office duly and  
15 legally issued United States Patent No. 4,930,150 (the “‘150 Patent”) to  
16 Ronald A. Katz for an invention entitled “Telephonic Interface Control  
17 System.” The ‘150 Patent expired on December 20, 2005.

18 31. On July 7, 1992, the United States Patent and Trademark Office duly and  
19 legally issued United States Patent No. 5,128,984 (the “‘984 Patent”) to  
20 Ronald A. Katz for an invention entitled “Telephone Interface Call Processing  
21 System With Call Selectivity.” The ‘984 Patent expired on July 7, 2009.

22 32. On October 5, 1993, the United States Patent and Trademark Office duly and  
23 legally issued United States Patent No. 5,251,252 (the “‘252 Patent”) to  
24 Ronald A. Katz for an invention entitled “Telephone Interface Call Processing  
25 System With Call Selectivity.” The ‘252 Patent expired on July 7, 2009.

26 33. On October 19, 1993, the United States Patent and Trademark Office duly and  
27 legally issued United States Patent No. 5,255,309 (the “‘309 Patent”) to Ronald  
28

- 1 A. Katz for an invention entitled "Telephonic-Interface Statistical Analysis  
2 System." The '309 Patent expired on December 20, 2005.
- 3 34. On September 27, 1994, the United States Patent and Trademark Office duly  
4 and legally issued United States Patent No. 5,351,285 (the "'285 Patent") to  
5 Ronald A. Katz for an invention entitled "Multiple Format Telephonic Interface  
6 Control System." The '285 Patent expired on December 20, 2005.
- 7 35. On October 1, 1996, the United States Patent and Trademark Office duly and  
8 legally issued United States Patent No. 5,561,707 (the "'707 Patent") to Ronald  
9 A. Katz for an invention entitled "Telephonic-Interface Statistical Analysis  
10 System." The '707 Patent expired on December 20, 2005.
- 11 36. On November 4, 1997, the United States Patent and Trademark Office duly and  
12 legally issued United States Patent No. 5,684,863 (the "'863 Patent") to  
13 Ronald A. Katz for an invention entitled "Telephonic-Interface Statistical  
14 Analysis System." The '863 Patent expired on December 20, 2005.
- 15 37. On September 29, 1998, the United States Patent and Trademark Office duly  
16 and legally issued United States Patent No. 5,815,551 (the "'551 Patent") to  
17 Ronald A. Katz for an invention entitled "Telephonic-Interface Statistical  
18 Analysis System." The '551 Patent expired on December 20, 2005.
- 19 38. On October 27, 1998, the United States Patent and Trademark Office duly and  
20 legally issued United States Patent No. 5,828,734 (the "'734 Patent") to  
21 Ronald A. Katz for an invention entitled "Telephone Interface Call Processing  
22 System With Call Selectivity." The '734 Patent expired on July 7, 2009.
- 23 39. On November 10, 1998, the United States Patent and Trademark Office duly  
24 and legally issued United States Patent No. 5,835,576 (the "'576 Patent") to  
25 Ronald A. Katz for an invention entitled "Telephonic-Interface Lottery  
26 Device." The '576 Patent expired on July 10, 2005.
- 27 40. On April 27, 1999, the United States Patent and Trademark Office duly and  
28 legally issued United States Patent No. 5,898,762 (the "'762 Patent") to



- 1 Ronald A. Katz for an invention entitled "Telephonic-Interface Statistical  
2 Analysis System." The '762 Patent expired on December 20, 2005.
- 3 41. On June 29, 1999, the United States Patent and Trademark Office duly and  
4 legally issued United States Patent No. 5,917,893 (the "'893 Patent") to  
5 Ronald A. Katz for an invention entitled "Multiple Format Telephonic Interface  
6 Control System." The '893 Patent expired on December 20, 2005.
- 7 42. On October 26, 1999, the United States Patent and Trademark Office duly and  
8 legally issued United States Patent No. 5,974,120 (the "'120 Patent") to  
9 Ronald A. Katz for an invention entitled "Telephone Interface Call Processing  
10 System With Call Selectivity." The '120 Patent expired on July 7, 2009.
- 11 43. On March 7, 2000, the United States Patent and Trademark Office duly and  
12 legally issued United States Patent No. 6,035,021 (the "'021 Patent") to Ronald  
13 A. Katz for an invention entitled "Telephonic-Interface Statistical Analysis  
14 System." The '021 Patent expired on December 20, 2005.
- 15 44. On November 14, 2000, the United States Patent and Trademark Office duly  
16 and legally issued United States Patent No. 6,148,065 (the "'065 Patent") to  
17 Ronald A. Katz for an invention entitled "Telephonic-Interface Statistical  
18 Analysis System." The '065 Patent expired on July 10, 2005.
- 19 45. On September 18, 2001, the United States Patent and Trademark Office duly  
20 and legally issued United States Patent No. 6,292,547 (the "'547 Patent") to  
21 Ronald A. Katz for an invention entitled "Telephonic-Interface Statistical  
22 Analysis System." The '547 Patent expired on July 10, 2005.
- 23 46. On January 1, 2002, the United States Patent and Trademark Office duly and  
24 legally issued United States Patent No. 6,335,965 (the "'965 Patent") to  
25 Ronald A. Katz for an invention entitled "Voice-Data Telephonic Interface  
26 Control System." The '965 Patent expired on December 20, 2005.
- 27 47. On February 19, 2002, the United States Patent and Trademark Office duly and  
28 legally issued United States Patent No. 6,349,134 (the "'134 Patent") to

- 1 Ronald A. Katz for an invention entitled "Telephonic-Interface Statistical  
2 Analysis System." The '134 Patent expired on December 20, 2005.
- 3 48. On July 23, 2002, the United States Patent and Trademark Office duly and  
4 legally issued United States Patent No. 6,424,703 (the "'703 Patent") to Ronald  
5 A. Katz for an invention entitled "Telephonic-Interface Lottery System." The  
6 '703 Patent expired on July 10, 2005.
- 7 49. On August 13, 2002, the United States Patent and Trademark Office duly and  
8 legally issued United States Patent No. 6,434,223 (the "'223 Patent") to  
9 Ronald A. Katz for an invention entitled "Telephone Interface Call Processing  
10 System With Call Selectivity." The '223 Patent expired on July 10, 2005.
- 11 50. On January 28, 2003, the United States Patent and Trademark Office duly and  
12 legally issued United States Patent No. 6,512,415 (the "'415 Patent") to  
13 Ronald A. Katz for an invention entitled "Telephonic-Interface Game Control  
14 System." The '415 Patent expired on July 10, 2005.
- 15 51. On January 13, 2004, the United States Patent and Trademark Office duly and  
16 legally issued United States Patent No. 6,678,360 (the "'360 Patent") to  
17 Ronald A. Katz for an invention entitled "Telephonic-Interface Statistical  
18 Analysis System." The '360 Patent expired on July 10, 2005.

19 **FIRST CLAIM**

20 **(PATENT INFRINGEMENT BY THE GEICO DEFENDANTS)**

- 21 52. Katz Technology Licensing realleges and incorporates by reference Paragraphs  
22 1-51 of this Complaint as if fully set forth herein.
- 23 53. The GEICO Defendants provide insurance products and services throughout the  
24 United States.
- 25 54. On information and belief, the GEICO Defendants have used infringing call  
26 processing systems to offer automated customer service to their customers.  
27 Using an automated system, in some instances in connection with operators, the  
28 GEICO Defendants allowed their customers to access information about their

1 policies, make payments, order new identification cards, establish or change  
2 their personal identification numbers, verify insurance coverage, and perform  
3 various other functions.

4 55. Katz Technology Licensing is the sole holder of the entire right, title, and  
5 interest in the '065, '120, '134, '150, '223, '252, '285, '360, '547, '551, '576,  
6 '703, '707, '734, '863, '893, '965, '968 and '984 Patents.

7 56. On information and belief, in their automated customer service operations  
8 described in Paragraph 54 (collectively, the "Accused GEICO Services"), the  
9 GEICO Defendants have been and are now infringing, actively inducing the  
10 infringement of, or contributing to the infringement of one or more claims of  
11 the patents identified in Paragraph 55 of this Complaint by making, using,  
12 offering to sell, or selling the Accused GEICO Services.

13 57. The GEICO Defendants' infringement of the patents identified in Paragraph 55  
14 of this Complaint has been willful.

15 **SECOND CLAIM**

16 **(PATENT INFRINGEMENT BY THE XM/SIRIUS DEFENDANTS)**

17 58. Katz Technology Licensing realleges and incorporates by reference Paragraphs  
18 1-51 of this Complaint as if fully set forth herein.

19 59. The XM/Sirius Defendants provide satellite radio subscription services.

20 60. On information and belief, the XM/Sirius Defendants have used infringing call  
21 processing systems to offer automated customer service to their customers.  
22 Using an automated system, in some instances in connection with operators, the  
23 XM/Sirius Defendants allowed their customers to access account information,  
24 sign up for new service, activate a radio, send a radio activation signal, make a  
25 payment for an account, manage an account, access technical support, and  
26 perform various other functions.

1 61. Katz Technology Licensing is the sole holder of the entire right, title, and  
2 interest in the '065, '120, '134, '150, '223, '252, '285, '360, '551, '703, '707,  
3 '734, '762, '863, '893, '965, and '984 Patents.

4 62. On information and belief, in their automated customer service operations  
5 described in paragraph 60 (collectively, the "Accused XM/Sirius Services"), the  
6 XM/Sirius Defendants have been infringing, actively inducing the infringement  
7 of, or contributing to the infringement of one or more claims of the patents  
8 identified in paragraph 61 of this Complaint by making, using, offering to sell,  
9 or selling the Accused XM/Sirius Services.

10 63. The XM/Sirius Defendants' infringement of the patents identified in  
11 Paragraph 61 of this Complaint has been willful.

12 **PRAYER FOR RELIEF**

13 WHEREFORE, Ronald A. Katz Technology Licensing, L.P., respectfully requests  
14 that this Court enter judgment in its favor and against the defendants and grant the  
15 following relief:

- 16 1. Adjudge that the GEICO Defendants have infringed one or more claims of the  
17 patents identified in Paragraph 55 of this Complaint by offering the Accused  
18 GEICO Services;
- 19 2. Adjudge that the GEICO Defendants' infringement has been willful;
- 20 3. Order an accounting for damages resulting from the GEICO Defendants'  
21 infringement of the patents identified in Paragraph 55 of this Complaint;
- 22 4. Enter an order, pursuant to 35 U.S.C. § 284, awarding to Katz Technology  
23 Licensing damages adequate to compensate Katz Technology Licensing for the  
24 GEICO Defendants' infringement, but in no event less than a reasonable  
25 royalty, together with pre-judgment and post-judgment interest;
- 26 5. Enter an order, pursuant to 35 U.S.C. § 284, and based on the GEICO  
27 Defendants' willful infringement, trebling all damages awarded to Katz  
28 Technology Licensing and against the GEICO Defendants;

6. Adjudge that the XM/Sirius Defendants have infringed one or more claims of the patents identified in Paragraph 61 of this Complaint by offering the Accused XM/Sirius Services;
7. Adjudge that the XM/Sirius Defendants' infringement has been willful;
8. Order an accounting for damages resulting from the XM/Sirius Defendants' infringement of the patents identified in Paragraph 61 of this Complaint;
9. Enter an order, pursuant to 35 U.S.C. § 284, awarding to Katz Technology Licensing damages adequate to compensate Katz Technology Licensing for the XM/Sirius Defendants' infringement, but in no event less than a reasonable royalty, together with pre-judgment and post-judgment interest;
10. Enter an order, pursuant to 35 U.S.C. § 284, and based on the XM/Sirius Defendants' willful infringement, trebling all damages awarded to Katz Technology Licensing and against the XM/Sirius Defendants;
11. Enter an order, pursuant to 35 U.S.C. § 285, finding that this is an exceptional case and awarding to Katz Technology Licensing its reasonable attorneys' fees incurred in this action; and
12. Award such other relief as the Court may deem appropriate and just under the circumstances.

### **JURY DEMAND**

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure and the Seventh Amendment to the Constitution of the United States, Plaintiff demands a trial by jury of all claims and all issues triable as of right by jury in this action.

DATE: July 15, 2009

COVINGTON & BURLING LLP

By: /s/ Andrew C. Byrnes  
Andrew C. Byrnes

Attorneys for Plaintiff  
Ronald A. Katz Technology Licensing, L.P.