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

17 UNITED STATES DISTRICT COURT
18 CENTRAL DISTRICT OF CALIFORNIA
19 WESTERN DIVISION

20 IN RE KATZ INTERACTIVE CALL
21 PROCESSING PATENT
LITIGATION

Case No. 2:07-ML-1816-B-RGK
(FFMx)

Case No. 2:07-CV-2322-RGK
(FFMx)

23 This document relates to:
24 RONALD A. KATZ TECHNOLOGY
LICENSING, L.P.,

25 Plaintiff,

26 v.

27 THE DIRECTV GROUP, INC.;

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

DEMAND FOR JURY TRIAL

1 DIRECTV, INC.; DIRECTV
2 HOLDINGS, LLC; DIRECTV
3 ENTERPRISES, LLC, and DIRECTV
CUSTOMER SERVICES, INC.,

4 Defendants and
5 Counter Claimants.

Hon. R. Gary Klausner

6
7 **PLAINTIFF RONALD A. KATZ TECHNOLOGY LICENSING, L.P.'S**
8 **THIRD AMENDED COMPLAINT FOR PATENT INFRINGEMENT**

9 Plaintiff, Ronald A. Katz Technology Licensing, L.P. ("Katz Technology
10 Licensing"), by counsel, alleges as follows:

11
12 **THE PARTIES**

13 1. Plaintiff Katz Technology Licensing is a limited partnership organized
14 under the laws of the State of California, and having a principal place of business at
15 9220 Sunset Blvd. #315, Los Angeles, California 90069.

17 2. On information and belief, Defendant The DirecTV Group, Inc. is a
18 corporation organized under the laws of the State of Delaware, and having a
19 principal place of business at 2230 East Imperial Highway, El Segundo, CA 90245.

21 3. On information and belief, Defendant DirecTV, Inc. is a corporation
22 organized under the laws of the State of California, and having a principal place of
23 business at 2230 East Imperial Highway, El Segundo, CA 90245.

25 4. On information and belief, Defendant DirecTV Holdings, LLC is a
26 corporation organized under the laws of the State of Delaware, and having a
27 principal place of business at 2230 East Imperial Highway, El Segundo, CA 90245.
28

1 5. On information and belief, Defendant DirecTV Enterprises, LLC is a
2 corporation organized under the laws of the State of Delaware, and having a
3 principal place of business at 2230 East Imperial Highway, El Segundo, CA 90245.
4

5 6. On information and belief, Defendant DirecTV Customer Services,
6 Inc. is a corporation organized under the laws of the State of Delaware, and having
7 a principal place of business at 2230 East Imperial Highway, El Segundo, CA
8 90245.
9

10 **JURISDICTION AND VENUE**

11
12 7. This is a civil action for patent infringement arising under the United
13 States patent statutes, 35 U.S.C. § 1 *et seq.*

14 8. The United States District Court for the Eastern District of Texas (“the
15 Texas Court”) has jurisdiction over the subject matter of this action under 28 U.S.C.
16 §§ 1331 and 1338(a).
17

18 9. The DirecTV Group, Inc., DirecTV, Inc., DirecTV Holdings, LLC,
19 DirecTV Enterprises, LLC, and DirecTV Customer Services, Inc. (collectively the
20 “DirecTV defendants”) are subject to the personal jurisdiction of the Eastern
21 District of Texas because they do and have done substantial business in the Eastern
22 District of Texas, including: (i) selling satellite television and internet services,
23 satellite access, equipment and accessories at locations within the Eastern District
24 of Texas; (ii) operating infringing automated telephone systems, including without
25 limitation the DirecTV sales, activation, billing, business service and customer
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1 service systems, that allow their customers, including customers within the State of
2 Texas and in the Eastern District of Texas, to perform purchasing, activation,
3 ordering, service, and technical support functions over the telephone; and (iii)
4 regularly doing or soliciting business, engaging in other persistent courses of
5 conduct, and/or deriving substantial revenue from goods used or consumed by, and
6 services provided to, individuals in the State of Texas and in the Eastern District of
7 Texas. In addition, DirecTV, Inc. has designated an agent for service of process in
8 the State of Texas.

11
12 10. Venue is proper in the Eastern District of Texas under 28 U.S.C.
13 §§ 1391(b)-(c) and 1400(b). This case is before this Court pursuant to the Transfer
14 Order dated March 20, 2007, *In re Katz Interactive Call Processing Patent Litig.*,
15 Docket No. 1816.

17 **BACKGROUND FACTS**

18
19 11. Ronald A. Katz ("Mr. Katz"), founder of Katz Technology Licensing,
20 is the sole inventor of each of the patents in suit. Mr. Katz has been widely
21 recognized as one of the most prolific and successful inventors of our time, and his
22 inventions over the last forty-plus years have been utilized by literally millions of
23 people.

24
25 12. In 1961, Mr. Katz co-founded Telecredit Inc. ("Telecredit"), the first
26 company to provide online, real-time credit authorization, allowing merchants to
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1 verify checks over the telephone. Further innovations from Telecredit include the
2 first online, real-time, point-of-sale credit verification terminal, which enabled
3 merchants to verify checks without requiring the assistance of a live operator, and
4 the first device that used and updated magnetically-encoded cards in automated
5 teller machines. Multiple patents issued from these innovations, including patents
6 co-invented by Mr. Katz.
7

8
9 13. Telecredit was eventually acquired by Equifax, and has now been spun
10 off as Certegy, a public company traded on the New York Stock Exchange.
11 Certegy continues to provide services in the credit and check verification field
12 established by Mr. Katz and Telecredit.
13

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

21 15. The first of Mr. Katz's interactive call processing patents issued on
22 December 20, 1988. More than fifty U.S. patents have issued to Mr. Katz for his
23 inventions in the interactive call processing field, including each of the patents-in-
24 suit.
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1 16. In 1988, Mr. Katz partnered with American Express to establish FDR
2 Interactive Technologies, later renamed Call Interactive, to provide interactive call
3 processing services based on Mr. Katz's inventions. The American Express
4 business unit involved in this joint venture later became known as First Data.
5

6 17. Early clients of Call Interactive included *The New York Times*, ABC's
7 *Monday Night Football*, KABC Radio, CBS News, and Beatrice Foods (Hunt-
8 Wesson division).
9

10 18. Many of these clients utilized Call Interactive technology for high-
11 profile events. For example, CBS News hired Call Interactive to operate an
12 interactive, real-time telephone poll to gauge viewer reaction to President George
13 H.W. Bush's 1992 State of the Union address.
14

15 19. Mr. Katz sold his interest in Call Interactive to American Express in
16 1989 but continued to provide advisory services to Call Interactive until 1992.
17 American Express later spun off the First Data business unit into a separate
18 corporation, and with that new entity went Mr. Katz's interactive call processing
19 patents and the Call Interactive call processing business. The former Call
20 Interactive, now known as First Data Voice Services, continues to provide call
21 processing solutions today.
22

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

3
4 21. The marketplace has clearly recognized the value of Mr. Katz's
5 inventions. Indeed, over 200 companies, including in some instances direct
6 competitors of the defendants, have licensed the patents-in-suit. Licensees include
7 IBM, Hewlett-Packard, Bank of America, JPMorgan Chase, Wells Fargo, HSBC,
8 AT&T, Verizon, Sprint, Microsoft, Delta Airlines, Merck, Sears, and Home
9 Shopping Network. These licensees and others acknowledge the applicability of
10 the patents-in-suit to multiple fields of use, including but not limited to financial
11 services call processing, automated securities transactions, automated credit card
12 authorization services, automated wireless telecommunication services and support,
13 automated health care services, and product and service support.

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17 22. The DirecTV defendants employ the inventions of the patents-in-suit.
18 Katz Technology Licensing, through its licensing arm A2D, L.P., has repeatedly
19 attempted to engage the DirecTV defendants in licensing negotiations, but to date,
20 none of the DirecTV defendants have agreed to take a license to any of the patents-
21 in-suit.
22

23 THE PATENTS-IN-SUIT

24
25 23. On December 20, 1988, the United States Patent and Trademark
26 Office duly and legally issued United States Patent No. 4,792,968 ("the '968
27 Patent"), entitled "Statistical Analysis System For Use With Public Communication
28

1 Facility,” to Ronald A. Katz, sole inventor. The ‘968 Patent expired on December
2 20, 2005.

3
4 24. On May 29, 1990, the United States Patent and Trademark Office duly
5 and legally issued United States Patent No. 4,930,150 (“the ‘150 Patent”), entitled
6 “Telephonic Interface Control System,” to Ronald A. Katz, sole inventor. The ‘150
7 Patent expired on December 20, 2005.

8
9 25. On September 27, 1994, the United States Patent and Trademark
10 Office duly and legally issued United States Patent No. 5,351,285 (“the ‘285
11 Patent”), entitled “Multiple Format Telephonic Interface Control System,” to
12 Ronald A. Katz, sole inventor. The ‘285 Patent expired on December 20, 2005.

13
14 26. On October 1, 1996, the United States Patent and Trademark Office
15 duly and legally issued United States Patent No. 5,561,707 (“the ‘707 Patent”),
16 entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole
17 inventor. The ‘707 Patent expired on December 20, 2005.

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20 27. On November 4, 1997, the United States Patent and Trademark Office
21 duly and legally issued United States Patent No. 5,684,863 (“the ‘863 Patent”),
22 entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole
23 inventor. The ‘863 Patent expired on December 20, 2005.

24
25 28. On September 29, 1998, the United States Patent and Trademark
26 Office duly and legally issued United States Patent No. 5,815,551 (“the ‘551
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1 Patent”), entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A.
2 Katz, sole inventor. The ‘551 Patent expired on December 20, 2005.

3
4 29. On October 27, 1998, the United States Patent and Trademark Office
5 duly and legally issued United States Patent No. 5,828,734 (“the ‘734 Patent”),
6 entitled “Telephone Interface Call Processing System With Call Selectivity,” to
7 Ronald A. Katz, sole inventor.

8
9 30. On April 27, 1999, the United States Patent and Trademark Office
10 duly and legally issued United States Patent No. 5,898,762 (“the ‘762 Patent”),
11 entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole
12 inventor. The ‘762 Patent expired on December 20, 2005.

13
14 31. On June 29, 1999, the United States Patent and Trademark Office duly
15 and legally issued United States Patent No. 5,917,893 (“the ‘893 Patent”), entitled
16 “Multiple Format Telephonic Interface Control System,” to Ronald A. Katz, sole
17 inventor. The ‘893 Patent expired on December 20, 2005.

18
19 32. On October 26, 1999, the United States Patent and Trademark Office
20 duly and legally issued United States Patent No. 5,974,120 (“the ‘120 Patent”),
21 entitled “Telephone Interface Call Processing System With Call Selectivity,” to
22 Ronald A. Katz, sole inventor.

23
24 33. On March 28, 2000, the United States Patent and Trademark Office
25 duly and legally issued United States Patent No. 6,044,135 (“the ‘135 Patent”),
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1 entitled "Telephone-Interface Lottery System," to Ronald A. Katz, sole inventor.
2 The '135 Patent expired on July 10, 2005.
3

4 34. On November 14, 2000, the United States Patent and Trademark
5 Office duly and legally issued United States Patent No. 6,148,065 ("the '065
6 Patent"), entitled "Telephonic-Interface Statistical Analysis System," to Ronald A.
7 Katz, sole inventor. The '065 Patent expired on July 10, 2005.
8

9 35. On September 18, 2001, the United States Patent and Trademark
10 Office duly and legally issued United States Patent No. 6,292,547 ("the '547
11 Patent"), entitled "Telephonic-Interface Statistical Analysis System," to Ronald A.
12 Katz, sole inventor. The '547 Patent expired on July 10, 2005.
13

14 36. On January 1, 2002, the United States Patent and Trademark Office
15 duly and legally issued United States Patent No. 6,335,965 ("the '965 Patent"),
16 entitled "Voice-Data Telephonic Interface Control System," to Ronald A. Katz, sole
17 inventor. The '965 Patent expired on December 20, 2005.
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19

20 37. On February 19, 2002, the United States Patent and Trademark Office
21 duly and legally issued United States Patent No. 6,349,134 ("the '134 Patent"),
22 entitled "Telephonic-Interface Statistical Analysis System," to Ronald A. Katz, sole
23 inventor. The '134 Patent expired on December 20, 2005.
24

25 38. On August 13, 2002, the United States Patent and Trademark Office
26 duly and legally issued United States Patent No. 6,434,223 ("the '223 Patent"),
27
28

1 entitled "Telephone Interface Call Processing System With Call Selectivity," to
2 Ronald A. Katz, sole inventor. The '223 Patent expired on July 10, 2005.

3
4 39. On January 28, 2003, the United States Patent and Trademark Office
5 duly and legally issued United States Patent No. 6,512,415 ("the '415 Patent"),
6 entitled "Telephonic-Interface Game Control System," to Ronald A. Katz, sole
7 inventor. The '415 Patent expired on July 10, 2005.
8

9 40. On January 13, 2004, the United States Patent and Trademark Office
10 duly and legally issued United States Patent No. 6,678,360 ("the '360 Patent"),
11 entitled "Telephonic-Interface Statistical Analysis System," to Ronald A. Katz, sole
12 inventor. The '360 Patent expired on July 10, 2005.
13

14
15 **COUNT I**
16 **(PATENT INFRINGEMENT BY THE DIRECTV GROUP, INC., DIRECTV,**
17 **INC., DIRECTV HOLDINGS, LLC, DIRECTV ENTERPRISES, LLC, and**
18 **DIRECTV CUSTOMER SERVICES, INC.)**

19 41. Katz Technology Licensing realleges and incorporates by reference
20 paragraphs 1-40 of this Complaint as if fully set forth herein.

21 42. Katz Technology Licensing is the sole holder of the entire right, title,
22 and interest in the '551, '065, '360, '762, '863, '134, '150, '285, '734, '120, '223,
23 '135, '968, '893, '415, '965, '707 and '547 Patents.

24 43. On information and belief, the DirecTV defendants operate automated
25 telephone systems, including without limitation the DirecTV sales, activation,
26 billing, business service and customer service systems that allow their customers to
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1 perform purchasing, activation, ordering, service, and technical support functions
2 over the telephone.

3
4 44. The DirecTV defendants have directly and contributorily infringed,
5 and induced others to infringe, one or more claims of each of the patents identified
6 in paragraph 42 of this Complaint by making, using, offering to sell, and/or selling
7 within the United States automated telephone systems, including without limitation
8 the DirecTV sales, activation, billing, business service and customer service
9 systems.
10

11
12 45. The DirecTV defendants continue to infringe, contributorily infringe,
13 and induce others to infringe the '734 and '120 Patents.

14
15 46. The DirecTV defendants' infringement of the patents identified in
16 paragraph 42 of this Complaint has been willful.

17
18 47. Katz Technology Licensing has been, and continues to be, damaged
19 and irreparably harmed by the DirecTV defendants' infringement, which will
20 continue unless the DirecTV defendants are enjoined by this Court and/or the Texas
21 Court.

22
23 **REQUEST FOR RELIEF**

24 WHEREFORE, Plaintiff Katz Technology Licensing respectfully requests
25 the following relief:
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1 A. A judgment holding the DirecTV defendants liable for infringement
2 of the patents identified in paragraph 42 of this Complaint;

3
4 B. A permanent injunction against the DirecTV defendants, their
5 officers, agents, servants, employees, attorneys, parent and subsidiary corporations,
6 assigns and successors in interest, and those persons in active concert or
7 participation with them, enjoining them from continued acts of infringement of the
8 ‘734 and ‘120 Patents;


9
10 C. An accounting for damages resulting from the DirecTV defendants’
11 infringement of the patents identified in paragraph 42 of this Complaint, together
12 with pre-judgment and post-judgment interest;

13
14 D. A judgment holding that the DirecTV defendants’ infringement of
15 the patents identified in paragraph 42 of this Complaint is willful, and a trebling of
16 damages pursuant to 35 U.S.C. § 284;

17
18 E. A judgment holding this Action an exceptional case, and an award
19 to Plaintiff Katz Technology Licensing for its attorneys’ fees and costs pursuant to
20 35 U.S.C. § 285; and

21
22 F. Such other relief as this Court and/or the Texas Court deem just and
23 equitable.
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1 Dated: October 24, 2007

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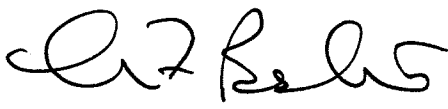
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DEMAND FOR JURY TRIAL

Pursuant to Federal Rule of Civil Procedure 38, Plaintiff Ronald A. Katz
Technology Licensing, L.P. hereby demands trial by jury.

Dated: October 24, 2007

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