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Attorneys for Plaintiff
RONALD A. KATZ TECHNOLOGY LICENSING,
L.P. in the Cases Transferred from the Eastern District
of Texas except *Katz v. GE*

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

IN RE KATZ INTERACTIVE CALL
PROCESSING PATENT
LITIGATION

RONALD A. KATZ TECHNOLOGY
LICENSING, L.P.,

Plaintiff,

v.

GENERAL MOTORS
CORPORATION; GENERAL
MOTORS ACCEPTANCE
CORPORATION; GMAC
RESIDENTIAL CAPITAL
CORPORATION; GMAC
MORTGAGE CORPORATION

Defendants.

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

Case No. CV 07-2339-RGK
(FFMx)

**THIRD AMENDED
COMPLAINT FOR PATENT
INFRINGEMENT**

DEMAND FOR JURY TRIAL

Judge: Hon. R. Gary Klausner

1 Plaintiff Ronald A. Katz Technology Licensing, L.P. (“Katz Technology
2 Licensing”), by counsel, alleges as follows:

3 **I. THE PARTIES**

4 1. Plaintiff Katz Technology Licensing is a limited partnership organized
5 under the laws of the State of California, and having a principal place of business at
6 9220 Sunset Blvd. #315, Los Angeles, California 90069.

7 2. On information and belief, Defendant General Motors Corporation is a
8 corporation organized under the laws of the State of Delaware, and having a
9 principal place of business at 300 Renaissance Center, Detroit, Michigan 48265.

10 **II. JURISDICTION AND VENUE**

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

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

16 5. General Motors Corporation (“GM”) is subject to the Texas Court’s
17 personal jurisdiction because it does and has done substantial business in the
18 Eastern District of Texas, including: (i) selling products and services within the
19 Eastern District of Texas; (ii) operating infringing automated telephone systems,
20 including without limitation the GM employee and GM Customer Assistance
21 telephone systems, that allow its customers, including customers within the State of
22 Texas and in the Eastern District of Texas, to perform and obtain credit, finance,
23 payment, customer and other services over the telephone; and (iii) regularly doing
24 or soliciting business, engaging in other persistent courses of conduct, and/or
25 deriving substantial revenue from goods used or consumed by, and services
26 provided to, individuals in the State of Texas and in the Eastern District of Texas.
27 In addition, General Motors Corporation has designated an agent for service of
28 process in the State of Texas.

1 6. Venue is proper in the Eastern District of Texas under 28 U.S.C.
2 §§ 1391(b)-(c) and 1400(b). This case is before this Court pursuant to the Transfer
3 Order dated March 20, 2007, *In re Katz Interactive Call Processing Patent Litig.*,
4 Docket No. 1816.

5 **III. BACKGROUND FACTS**

6 7. Ronald A. Katz (“Mr. Katz”), founder of Katz Technology Licensing,
7 is the sole inventor of each of the patents in suit. Mr. Katz has been widely
8 recognized as one of the most prolific and successful inventors of our time, and his
9 inventions over the last forty-plus years have been utilized by literally millions of
10 people.

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

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

23 10. Mr. Katz’s inventions have not been limited to telephonic check
24 verification. Indeed, Mr. Katz is responsible for advancements in many fields of
25 technology. Among his most prominent and well-known innovations are those in
26 the field of interactive call processing. Mr. Katz’s inventions in that field are
27 directed to the integration of telephonic systems with computer databases and live
28 operator call centers to provide interactive call processing services.

1 11. The first of Mr. Katz's interactive call processing patents issued on
2 December 20, 1988. More than fifty U.S. patents have issued to Mr. Katz for his
3 inventions in the interactive call processing field, including each of the patents-in-
4 suit.

5 12. In 1988, Mr. Katz partnered with American Express to establish FDR
6 Interactive Technologies, later renamed Call Interactive, to provide interactive call
7 processing services based on Mr. Katz's inventions. The American Express
8 business unit involved in this joint venture later became known as First Data.

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

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

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

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

27 17. The marketplace has clearly recognized the value of Mr. Katz's
28 inventions. Indeed, over 200 companies, including in some instances direct

1 competitors of the defendants, have licensed the patents-in-suit. Licensees include
2 IBM, Hewlett-Packard, Bank of America, JPMorgan Chase, Wells Fargo, HSBC,
3 AT&T, Verizon, Sprint, Microsoft, Delta Airlines, Merck, Sears, and Home
4 Shopping Network. These licensees and others acknowledge the applicability of
5 the patents-in-suit to multiple fields of use, including but not limited to financial
6 services call processing, automated securities transactions, automated credit card
7 authorization services, automated wireless telecommunication services and support,
8 automated health care services, and product and service support.

9 18. Each of the defendants employs the inventions of certain of the
10 patents-in-suit. Katz Technology Licensing, through its licensing arm A2D, L.P.,
11 has repeatedly attempted to engage the defendants in licensing negotiations, but to
12 date, none of the defendants have agreed to take a license to any of the patents-in-
13 suit.

14 **IV. THE PATENTS-IN-SUIT**

15 19. On December 20, 1988, the United States Patent and Trademark
16 Office duly and legally issued United States Patent No. 4,792,968 (“the ‘968
17 Patent”), entitled “Statistical Analysis System For Use With Public Communication
18 Facility,” to Ronald A. Katz, sole inventor. The ‘968 Patent expired on December
19 20, 2005.

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

24 21. On July 7, 1992, the United States Patent and Trademark Office duly
25 and legally issued United States Patent No. 5,128,984 (“the ‘984 Patent”), entitled
26 “Telephone Interface Call Processing System With Call Selectivity,” to Ronald A.
27 Katz, sole inventor.

28 22. On October 19, 1993, the United States Patent and Trademark Office

1 duly and legally issued United States Patent No. 5,255,309 (“the ‘309 Patent”),
2 entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole
3 inventor. The ‘309 Patent expired on December 20, 2005.

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

8 24. On October 1, 1996, the United States Patent and Trademark Office
9 duly and legally issued United States Patent No. 5,561,707 (“the ‘707 Patent”),
10 entitled “Telephonic Interface Statistical Analysis System,” to Ronald A. Katz, sole
11 inventor. The ‘707 Patent expired on December 20, 2005.

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

16 26. On July 28, 1998, the United States Patent and Trademark Office duly
17 and legally issued United States Patent No. 5,787,156 (“the ‘156 Patent”), entitled
18 “Telephonic-Interface Lottery System,” to Ronald A. Katz, sole inventor. The ‘156
19 Patent expired on December 20, 2005.

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

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

28 29. On April 27, 1999, the United States Patent and Trademark Office

1 duly and legally issued United States Patent No. 5,898,762 (“the ‘762 Patent”),
2 entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole
3 inventor. The ‘762 Patent expired on December 20, 2005.

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

8 31. On October 26, 1999, the United States Patent and Trademark Office
9 duly and legally issued United States Patent No. 5,974,120 (“the ‘120 Patent”),
10 entitled “Telephone Interface Call Processing System With Call Selectivity,” to
11 Ronald A. Katz, sole inventor.

12 32. On March 28, 2000, the United States Patent and Trademark Office
13 duly and legally issued United States Patent No. 6,044,135 (“the ‘135 Patent”),
14 entitled “Telephone-Interface Lottery System,” to Ronald A. Katz, sole inventor.
15 The ‘135 Patent expired on July 10, 2005.

16 33. On November 14, 2000, the United States Patent and Trademark
17 Office duly and legally issued United States Patent No. 6,148,065 (“the ‘065
18 Patent”), entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A.
19 Katz, sole inventor. The ‘065 Patent expired on July 10, 2005.

20 34. On September 18, 2001, the United States Patent and Trademark
21 Office duly and legally issued United States Patent No. 6,292,547 (“the ‘547
22 Patent”), entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A.
23 Katz, sole inventor. The ‘547 Patent expired on July 10, 2005.

24 35. On January 1, 2002, the United States Patent and Trademark Office
25 duly and legally issued United States Patent No. 6,335,965 (“the ‘965 Patent”),
26 entitled “Voice-Data Telephonic Interface Control System,” to Ronald A. Katz, sole
27 inventor. The ‘965 Patent expired on December 20, 2005.

28 36. On February 19, 2002, the United States Patent and Trademark Office

1 duly and legally issued United States Patent No. 6,349,134 (“the ‘134 Patent”),
2 entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole
3 inventor. The ‘134 Patent expired on December 20, 2005.

4 37. On July 23, 2002, the United States Patent and Trademark Office duly
5 and legally issued United States Patent No. 6,424,703 (“the ‘703 Patent”), entitled
6 “Telephonic-Interface Lottery System,” to Ronald A. Katz, sole inventor. The ‘703
7 Patent expired on July 10, 2005.

8 38. On August 13, 2002, the United States Patent and Trademark Office
9 duly and legally issued United States Patent No. 6,434,223 (“the ‘223 Patent”),
10 entitled “Telephone Interface Call Processing System With Call Selectivity,” to
11 Ronald A. Katz, sole inventor. The ‘223 Patent expired on July 10, 2005.

12 39. On January 28, 2003, the United States Patent and Trademark Office
13 duly and legally issued United States Patent No. 6,512,415 (“the ‘415 Patent”),
14 entitled “Telephonic-Interface Game Control System,” to Ronald A. Katz, sole
15 inventor. The ‘415 Patent expired on July 10, 2005.

16 40. On January 13, 2004, the United States Patent and Trademark Office
17 duly and legally issued United States Patent No. 6,678,360 (“the ‘360 Patent”),
18 entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole
19 inventor. The ‘360 Patent expired on July 10, 2005.

20 **COUNT I**

21 **(PATENT INFRINGEMENT BY GENERAL MOTORS CORPORATION)**

22 41. Katz Technology Licensing realleges and incorporates by reference
23 paragraphs 1 through 40 of this Complaint as if fully set forth herein.

24 42. Katz Technology Licensing is the sole holder of the entire right, title,
25 and interest in the ‘968, ‘150, ‘984, ‘285, ‘707, ‘863, ‘551, ‘734, ‘893, ‘065, ‘547,
26 ‘965, ‘223, ‘415 , and ‘360 Patents.

27 43. GM operates automated telephone systems, including without
28

1 limitation the GM employee and GM brand customer assistance telephone systems
2 to perform and obtain credit, finance, customer, payment and other services over
3 the telephone.

4 44. GM has directly and contributorily infringed, and induced others to
5 infringe, one or more claims of each of the patents identified in paragraph 42 of this
6 Complaint by making, using, offering to sell, and/or selling within the United States
7 automated telephone systems, including without limitation the GM employee and
8 GM brand customer assistance telephone systems.

9 45. GM continues to infringe, contributorily infringe, and induce others to
10 infringe the '734 and '984 Patents.

11 46. GM's infringement of the patents identified in paragraph 42 of this
12 Complaint has been willful.

13 47. Katz Technology Licensing has been, and continues to be, damaged
14 and irreparably harmed by GM's infringement, which will continue unless GM is
15 enjoined by this Court and/or the Texas Court.

16
17 **REQUEST FOR RELIEF**

18 WHEREFORE, Plaintiff Katz Technology Licensing respectfully requests
19 the following relief:

20 A. A judgment holding GM liable for infringement of the patents
21 identified in paragraph 42 of this Complaint;

22 B. A permanent injunction against GM, its officers, agents, servants,
23 employees, attorneys, parent and subsidiary corporations, assigns and successors in
24 interest, and those persons in active concert or participation with it, enjoining it
25 from continued acts of infringement of the '734 and '984 Patents;

26 C. An accounting for damages resulting from GM's infringement of the
27 patents identified in paragraph 42 of this Complaint, together with pre-judgment
28 and post-judgment interest;

1 D. A judgment holding that GM's infringement of the patents identified
2 in paragraph 42 of this Complaint is willful, and a trebling of damages pursuant to
3 35 U.S.C. § 284;

4 E. A judgment holding this Action an exceptional case, and an award to
5 Plaintiff Katz Technology Licensing for its attorneys' fees and costs pursuant to 35
6 U.S.C. § 285; and

7 F. Such other relief as this Court and/or the Texas Court deem just and
8 equitable.

9
10 Dated: December 11, 2007

Respectfully submitted,

COOLEY GODWARD KRONISH LLP

/s/ Wayne Stacy

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RONALD A. KATZ TECHNOLOGY
LICENSING L.P.

DEMAND FOR JURY TRIAL

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

Dated: December 11, 2007

Respectfully submitted,

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