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ADVANCED ANALOGIC TECHNOLOGIES, INC.

10 UNITED STATES DISTRICT COURT  
11 NORTHERN DISTRICT OF CALIFORNIA  
12 SAN FRANCISCO DIVISION

14 ADVANCED ANALOGIC  
TECHNOLOGIES, INC., a Delaware  
15 Corporation,

16 Plaintiff,

17 v.

18 LINEAR TECHNOLOGY CORPORATION,  
a Delaware Corporation,

19 Defendant.

Case No. C 06-00735 MMC

**FIRST AMENDED COMPLAINT FOR:**

- 1. **DECLARATORY RELIEF**
- 2. **INTERFERENCE WITH CONTRACT AND PROSPECTIVE ECONOMIC ADVANTAGE**
- 3. **TRADE LIBEL**
- 4. **UNFAIR BUSINESS PRACTICES**

**DEMAND FOR JURY TRIAL**

22 Plaintiff ADVANCED ANALOGIC TECHNOLOGIES, INC. (“AATI”) alleges:

23 **PARTIES**

- 24 1. AATI is a Delaware corporation with its principal place of business in Santa Clara  
25 County, California.
- 26 2. AATI is informed and believes, and based thereon alleges, that defendant LINEAR  
27 TECHNOLOGY CORPORATION (“LTC”) is a Delaware corporation with its principal place of  
28 business in Santa Clara County, California.

1 **JURISDICTION**

2 3. This is an action for, *inter alia*, declaratory relief under the Patent Act. This Court  
3 has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 2201 and 2202  
4 (declaratory judgments), 35 U.S.C. §§ 1, et seq. (patents), 28 U.S.C. § 1331 (federal question),  
5 and 28 U.S.C. § 1338(a) (patents). This Court has supplemental jurisdiction over claims arising  
6 under state law pursuant to 28 U.S.C. § 1367(a), because these claims are so related to the claims  
7 set forth herein arising under the Patent Act and the Federal Declaratory Relief Act that they form  
8 part of the same case and/or controversy and derive from a common nucleus of operative fact.

9 4. This Court has personal jurisdiction over LTC because it has a regular and  
10 established place of business in the Northern District of California.

11 **VENUE AND INTRADISTRICT ASSIGNMENT**

12 5. Venue in the Northern District of California is proper under 28 U.S.C. § 1391(b)-  
13 (c) because a substantial part of the events giving rise to the claims occurred in this district.

14 6. Because this action is an Intellectual Property Action within the meaning of Civil  
15 L.R. 3-2(c), the action is to be assigned on a district-wide basis. Intradistrict Assignment to the  
16 San Jose Division of the Northern District of California is proper under Local Rule 3-2(c)-(d)  
17 because a substantial part of the events which give rise to the claims occurred in the County of  
18 Santa Clara.

19 **FACTUAL BACKGROUND**

20 7. AATI provides specialized power management semiconductors for use in a variety  
21 of computing, communications, and consumer electronics applications. AATI's chips, used in  
22 products such as wireless handsets, notebook computers, smartphones, digital cameras and digital  
23 audio players, combine advanced power management circuit design with proprietary process  
24 technology. AATI's products have many competitive advantages including high functional  
25 integration, small size, high efficiency, robust features, low cost, ease of use and system  
26 integration.

27 8. LTC is a competitor of AATI in the market for power management semiconductors  
28 used in applications such as telecommunications, cellular telephones, networking products,

1 notebook and desktop computers, video/multimedia, and industrial instrumentation.

2 9. AATI is informed and believes, and based thereon alleges, that on January 2, 1996,  
3 United States Patent No. 5,481,178 (the “178 Patent”) issued to LTC. (Attached as Exhibit A).

4 10. AATI is informed and believes, and based thereon alleges, that on June 25, 2001,  
5 United States Patent No. 6,411,531 (the “531 Patent”) issued to LTC. (Attached as Exhibit B).

6 11. AATI is informed and believes, and based thereon alleges, that on October 16,  
7 2001, United States Patent No. 6,304,066 (the “066 Patent”) issued to LTC. (Attached as Exhibit  
8 C).

9 12. AATI is informed and believes, and based thereon alleges, that on June 17, 2003,  
10 United States Patent No. 6,580,258 (the “258 Patent”) issued to LTC. (Attached as Exhibit D).

11 13. On or about May 8, 2003, LTC sent a letter to AATI (a copy of which is attached  
12 hereto as Exhibit E), accusing the “AAT3113/4 and AAT3123/4 LED charge pump family” of  
13 infringing “at least claim 1 and claim 2” of the ‘531 Patent and expressing its willingness to  
14 license the ‘531 to AATI. This letter was written by Robert C. Dobkin (“Dobkin”), identified as  
15 the Vice President and Chief Technical Officer of LTC, and was copied to Robert Swanson, the  
16 Chief Executive Officer of LTC as well as William Anthony of the Orrick, Herrington & Sutcliffe  
17 LLP law firm.

18 14. On or about June 5, 2003, AATI wrote in response to LTC’s May 8, 2003 letter (a  
19 copy of which is attached hereto as Exhibit F). In this response AATI made it clear that none of  
20 the AATI products infringe, that the products employ a prior art charge pump and linear regulator,  
21 and that it primarily sells its products into the overseas markets.

22 15. On or about July 7, 2003, representatives of AATI and LTC (including Dobkin)  
23 met to discuss LTC’s claim of infringement by AATI. During that meeting AATI explained in  
24 greater detail the operations of AATI and the reasons why its products do not infringe the ‘531  
25 Patent. Since that meeting AATI has had no further contact from LTC regarding the ‘531 Patent.

26 16. On or about August 16, 2004, LTC sent a letter to AATI (a copy of which is  
27 attached hereto as Exhibit G), accusing the AAT1151 “synchronous buck converter” of infringing  
28 the ‘178 Patent, the ‘258 Patent and the ‘066 Patent. This letter was written by John M. England,

1 Jr. (“England”).

2 17. In response to the letter of August 16, 2004, from LTC, AATI sent a letter advising  
3 LTC that the AAT1151 does not infringe the asserted patents. A file copy of this letter is attached  
4 hereto as Exhibit H. Since sending its letter in response AATI has had no further contact from  
5 LTC regarding the ‘178 Patent, the ‘258 Patent or the ‘066 Patent.

6 18. On or about August 8, 2005, AATI completed its initial public offering, in which it  
7 disclosed the above referenced inquiries by LTC.

8 19. Through a Memorandum dated January 11, 2006 (a copy of which is attached  
9 hereto as Exhibit I), and directed to “Linear Technology Sales,” the LTC Vice President and  
10 General Manager, Power Products (Donald E. Paulus; “Paulus”) claimed that his analysis of the  
11 AATI “family of charge pump DC/DC converters,” including products identified in the LTC letter  
12 of May 8, 2003, resulted in a determination that such products infringe the ‘531 Patent. In the  
13 Memorandum, which was copied to *inter alia* Dobkin and England, Paulus asked the LTC sales  
14 force to “inform your customers regarding this situation.”

15 20. Through a separate Memorandum, also dated January 11, 2006 (a copy of which is  
16 attached hereto as Exhibit J), and also directed to “Linear Technology Sales,” Paulus claimed that  
17 his analysis of the AATI “family of synchronous step down DC/DC converters,” including  
18 products identified in the letter of August 16, 2004, from England, resulted in a determination that  
19 such products infringe the ‘178 Patent, the ‘258 Patent and the ‘066 Patent. In the Memorandum,  
20 which was copied to *inter alia* Dobkin and England, Paulus asked the LTC sales force to “inform  
21 your customers regarding this situation.”

22 21. AATI is informed and believes and, based thereon, alleges that on or about January  
23 11, 2006, LTC commenced a marketing campaign designed to disrupt AATI business  
24 relationships and sales by claiming to specific targeted customers of AATI, such as Samsung, that  
25 its synchronous step down DC/DC converters infringe certain claims of the ‘178, the ‘258 and the  
26 ‘066 Patents. As a part of this campaign, LTC further represented that AATI’s charge pump  
27 DC/DC converters infringe certain claims of the ‘531 Patent. AATI is informed and believes and,  
28 based thereon, alleges that LTC has made clear to the customers of AATI of its intention to

1 enforce the '178, the '258, the '066 and the '531 Patents by filing suit against AATI (but not  
2 against the customers directly). Although LTC distributed the internal sales memorandums above  
3 described to the customers of AATI, it did not send formal letters directly to these customers  
4 advising them of its legal position. In other words, LTC used the internal sales Memorandum for  
5 marketing purposes, to create fear, uncertainty and doubt amongst the customers of AATI.

6 22. Although LTC has made clear to the customers of AATI of its intention to enforce  
7 through litigation the '178, the '258, the '066 and the '531 Patents against AATI, and as a result  
8 has disrupted existing and prospective relationships between AATI and its customers, LTC has  
9 not contacted AATI directly with respect to the foregoing except as set forth above. Rather, all  
10 prior direct communications between AATI and LTC were to the contrary, leading AATI to  
11 ultimately believe and proceed on the basis that LTC would not assert such claims of patent  
12 infringement against AATI.

13 23. AATI is informed and believes and, based thereon, alleges that LTC has previously  
14 asserted the '178 Patent in an attempt to extract monetary concessions from third parties, but has  
15 never prevailed in a fully adjudicated adversary proceeding in enforcing the '178 Patent against  
16 any third party.

17 24. AATI is informed and believes and, based thereon, alleges that no court has upheld  
18 the validity of the '258, the '066 or the '531 Patent, or found any third party to have infringed  
19 these patents.

20 25. Subsequent to the February 2, 2006, commencement of this lawsuit, on February  
21 17, 2006, LTC filed a request with the International Trade Commission (the "ITC") to commence  
22 an investigation pursuant to Section 337 of the Tariff Act of 1930, as amended. As of the date of  
23 the filing of this First Amended Complaint LTC has not contacted directly AATI regarding its  
24 request to the ITC or with respect to any of the patents in suit.

25 26. On February 21, 2006, LTC issued a press release (the "Press Release"), a copy of  
26 which is attached hereto as Exhibit K).

27 27. In the Press Release LTC, through its Chief Executive Officer Lothar Maier,  
28 falsely implies that it is the ITC who has commenced as investigation against AATI.



1 '178, the '258, the '066 and the '531 Patents are properly construed, and/or that as a result of the  
2 acts of patent misuse and/or delay in asserting its rights (if any), LTC is barred from proceeding  
3 on any claim of infringement against AATI and/or is not entitled to seek any damages for past  
4 infringement.

5 36. A judicial declaration is necessary and appropriate at this time under the  
6 circumstances so that AATI can ascertain its rights.

7 **COUNT TWO**

8 **(Interference with Contract/Prospective Economic Advantage)**

9 37. AATI incorporates by reference the above paragraphs as though set forth fully  
10 herein.

11 38. AATI is informed and believes and, based thereon, alleges that LTC knows of the  
12 existing and prospective contractual and economic relationships between AATI and others such as  
13 Samsung who are actual and prospective customers for the products developed by AATI.

14 39. AATI is informed and believes and, based thereon, alleges that LTC contacted such  
15 third parties for the purpose of disrupting those relationships.

16 40. AATI is informed and believes and, based thereon, alleges that LTC is aware that  
17 the dominant area of business for AATI is in Korea and other countries in Asia. AATI is further  
18 informed and believes and, based thereon, alleges that rather than attempt to address whether such  
19 sales of product by AATI infringe its patents by filing a lawsuit with respect thereto, LTC decided  
20 that it would simply try to disrupt AATI's sales outside of the United States through the improper  
21 acts and means as alleged herein.

22 41. As a direct result of LTC's activities as alleged herein, including the wrongful  
23 statements regarding alleged infringement of '178, the '258, the '066 and the '531 Patents, LTC is  
24 attempting to cause AATI to suffer irreparable harm, including lost sales, and harm to its goodwill  
25 and business reputation, in a sum according to proof.

26 42. AATI is informed and believes and, based thereon, alleges that the activities of  
27 LTC alleged herein (as evidenced in part by the timing and content of the Press Release in a  
28 manner that appears to have been intended by LTC to impact the public perception of AATI and

1 adversely impact it stock price) have been willful, malicious, and oppressive, entitling AATI to  
2 exemplary and punitive damages against LTC in a sum according to proof.

3 **COUNT THREE**

4 **(Trade Libel)**

5 43. AATI incorporates by reference the above paragraphs as though set forth fully  
6 herein.

7 44. The statements by LTC disparaged the products of AATI in that they falsely  
8 indicate that such products, and each of them, infringed the above identified patents.

9 45. LTC's statements were false.

10 46. As a proximate result of the conduct of LTC as described herein, AATI has been  
11 injured in a sum according to proof.

12 47. Injunctive relief is necessary to prevent further injury to AATI, and to put a halt to  
13 LTC's on-going pattern and practice of wrongful conduct as alleged herein.

14 48. AATI is informed and believes and, based thereon, alleges that the activities of  
15 LTC alleged herein (as evidenced in part by the timing and content of the Press Release in a  
16 manner that appears to have been intended by LTC to impact the public perception of AATI and  
17 adversely impact it stock price) have been willful, malicious, and oppressive, entitling AATI to  
18 exemplary and punitive damages against LTC in a sum according to proof.

19 **COUNT FOUR**

20 **(Unfair Business Practices)**

21 49. AATI incorporates by reference the above paragraphs as though set forth fully  
22 herein.

23 50. In the course of the wrongful conduct alleged herein LTC has engaged in unfair  
24 and unlawful business practices in violation of Sections 17200 et. seq. of the California Business  
25 & Professions Code.

26 51. Injunctive relief is necessary to prevent further injury to AATI, and to put a halt to  
27 LTC's on-going pattern and practice of wrongful conduct as alleged herein.

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**PRAYER FOR RELIEF**

WHEREFORE, AATI prays as follows:

1. The Court enter judgment declaring that the '178, the '258, the '066 and the '531 Patents are invalid;
2. The Court enter judgment declaring that AATI has not infringed and does not infringe any valid claim of the '178, the '258, the '066 and the '531 Patents;
3. The Court enter judgment declaring that the '178, the '258, the '066 and the '531 Patents are not enforceable against AATI;
4. The Court award to AATI compensatory, exemplary and punitive damages according to proof;
5. The Court order injunctive relief as necessary to prevent further injury to AATI, and to put a halt to LTC's on-going pattern and practice of wrongful conduct as alleged herein;
6. The Court award to AATI its costs and attorneys' fees incurred in connection with this matter pursuant to the provisions of 35 U.S.C. § 285; and
7. The Court grant to AATI such other and further relief as the Court may deem just and proper.

Dated: February 21, 2006

DECHERT LLP

By: /s/Chris Scott Graham  
Chris Scott Graham  
Attorneys for Plaintiff  
ADVANCED ANALOGIC TECHNOLOGIES, INC.

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**DEMAND FOR JURY TRIAL**

ADVANCED ANALOGIC TECHNOLOGIES, INC. hereby demands a trial by jury of all issues.

Dated: February 21, 2006

DECHERT LLP

By: /s/Chris Scott Graham  
Chris Scott Graham  
Attorneys for Plaintiff  
ADVANCED ANALOGIC TECHNOLOGIES, INC.

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**CERTIFICATION OF INTERESTED ENTITIES OR PARTIES**

Pursuant to Civil L.R. 3-16, the undersigned certifies that as of this date, other than the named parties, there is no such interest to report.

Dated: February 21, 2006

DECHERT LLP

By: /s/Chris Scott Graham  
Chris Scott Graham  
Attorneys for Plaintiff  
ADVANCED ANALOGIC TECHNOLOGIES, INC.