

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

PERSONALIZED MEDIA
COMMUNICATIONS, L.L.C.,

Plaintiff,

v.

MOTOROLA, INC.,
ECHOSTAR CORP., and
DISH NETWORK CORP. f/k/a ECHOSTAR
COMMUNICATIONS CORP.,

Defendants.

Civil Action No. 2:08-cv-00070-RSP

JURY TRIAL DEMANDED

SECOND AMENDED COMPLAINT FOR PATENT INFRINGEMENT

Pursuant to the Court's Order entered July 17, 2012 (Docket No. 372) ordering that Gemstar be joined as a defendant under Rule 19(a)(2), for its Second Amended Complaint, Plaintiff Personalized Media Communications, L.L.C. ("PMC") alleges as follows:

NATURE OF THE ACTION

1. This is an action for patent infringement under 35 U.S.C. § 271, to enjoin and obtain damages resulting from the Infringing Defendants' unauthorized infringing conduct with respect to products, services, and/or systems that fall within the scope of Plaintiff PMC's patented broadcast control system and its patented signal processing apparatuses and methods. PMC seeks injunctive relief to prevent the Infringing Defendants from continuing to infringe PMC's valuable family of patents. In addition, PMC seeks a recovery of monetary damages resulting from the Infringing Defendants' past infringement of these patents. The Infringing Defendants are using PMC's patented technology with actual knowledge of PMC's patent rights, and are acting in willful and reckless disregard thereof. Therefore, the damages awarded to PMC

should be trebled, and PMC should be awarded its attorneys' fees, costs, and expenses for this exceptional case.

THE PARTIES

2. Plaintiff PMC is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business at 708 3rd Avenue, 35th Floor, New York, NY 10017.

3. PMC is the lawful assignee of the patents in suit, which are U.S. Patent Nos. 4,965,825; 5,109,414; 5,233,654; 5,335,277; and 5,887,243 (collectively, "the Harvey Patents"), all of which are entitled "Signal Processing Apparatus and Methods," and all of which were lawfully issued to John C. Harvey and James W. Cuddihy as named inventors.

4. Upon information and belief, Defendant Echostar Corp. ("Echostar") is a corporation organized and existing under the laws of the State of Nevada, with a principal place of business at 90 Inverness Circle East, Englewood, CO 80112.

5. Upon information and belief, Defendant Dish Network Corp. f/k/a Echostar Communications Corp. ("DISH") is a corporation organized and existing under the laws of the State of Nevada, with a principal place of business at 9601 S. Meridian Blvd., Englewood, CO 80112.

6. Upon information and belief, Defendant Rovi Guides, Inc. f/k/a Gemstar-TV Guide International, Inc. ("Rovi"), is a corporation organized and existing under the laws of the state of Delaware with its principal place of business at 2830 De La Cruz Blvd., Santa Clara, California 95050. Rovi may be served through its registered agent for service of process, Corporation Service Company, at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

7. Upon information and belief, Defendant TVG-PMC, Inc. (“TVG-PMC”), is a corporation organized and existing under the laws of the state of Delaware with its principal place of business at 2830 De La Cruz Blvd., Santa Clara, California 95050. TVG-PMC may be served through its registered agent for service of process, Corporation Service Company, at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

JURISDICTION AND VENUE

8. This action arises under the United States Patent Laws, codified at 35 U.S.C. § 1, *et seq.*, and the Declaratory Judgment Act, 28 U.S.C. §§ 2201 *et seq.*

9. This Court has exclusive subject matter jurisdiction over Counts I through V under 28 U.S.C. §§ 1331 and 1338(a) and supplemental jurisdiction over Count VI under 28 U.S.C. § 1367.

10. This Court has personal jurisdiction over Echostar and DISH (collectively, the “Infringing Defendants”) because, upon information and belief, the Infringing Defendants have transacted business in this District, have committed acts of infringement in this District, and continue to commit acts of infringement in this District, entitling PMC to relief. This Court has personal jurisdiction over Rovi and TVG-PMC (collectively, “Gemstar”) because they submitted to this Court’s jurisdiction when they filed a motion to intervene. (Docket No. 211.)

11. Venue is proper in the Eastern District of Texas pursuant to 28 U.S.C. §§ 1391(b), (c) and 1400(b), because the Infringing Defendants have committed acts of direct and indirect infringement in the Eastern District of Texas and have transacted business in, and have established minimum contacts with, the Eastern District of Texas.

INFRINGEMENT OF THE HARVEY PATENTS

12. On October 23, 1990, United States Patent No. 4,965,825 (the ‘825 Patent), entitled “Signal Processing Apparatus and Methods,” was duly and lawfully issued by the United

States Patent and Trademark Office in the name of inventors John C. Harvey and James W. Cuddihy, claiming the priority date under 35 U.S.C. § 120 of the 1981 Harvey Application. A true and correct copy of the '825 Patent is attached as Exhibit A. PMC is the assignee of the '825 Patent and holds the right to sue and recover for infringement thereof.

13. On April 28, 1982, United States Patent No. 5,109,414 (the '414 Patent), entitled "Signal Processing Apparatus and Methods," was duly and lawfully issued by the United States Patent and Trademark Office in the name of inventors John C. Harvey and James W. Cuddihy, claiming the priority date under 35 U.S.C. § 120 of the 1981 Harvey Application. A true and correct copy of the '414 Patent is attached as Exhibit B. PMC is the assignee of the '414 Patent and holds the right to sue and recover for infringement thereof.

14. On August 3, 1993, United States Patent No. 5,233,654 (the '654 Patent), entitled "Signal Processing Apparatus and Methods," was duly and lawfully issued by the United States Patent and Trademark Office in the name of inventors John C. Harvey and James W. Cuddihy, claiming the priority date under 35 U.S.C. § 120 of the 1981 Harvey Application. A true and correct copy of the '654 Patent is attached as Exhibit C. PMC is the assignee of the '654 Patent and holds the right to sue and recover for infringement thereof.

15. On August 2, 1994, United States Patent No. 5,335,277 (the '277 Patent), entitled "Signal Processing Apparatus and Methods," was duly and lawfully issued by the United States Patent and Trademark Office in the name of inventors John C. Harvey and James W. Cuddihy, claiming the priority date under 35 U.S.C. § 120 of the 1981 Harvey Application. A true and correct copy of the '277 Patent is attached as Exhibit D. PMC is the assignee of the '277 Patent and holds the right to sue and recover for infringement thereof.

16. On March 23, 1999, United States Patent No. 5,887,243 (the '243 Patent), entitled "Signal Processing Apparatus and Methods," was duly and lawfully issued by the United States Patent and Trademark Office in the name of inventors John C. Harvey and James W. Cuddihy, claiming the priority date under 35 U.S.C. § 120 of the 1981 Harvey Application. A true and correct copy of the '243 Patent is attached as Exhibit E. PMC is the assignee of the '243 Patent and holds the right to sue and recover for infringement thereof.

17. Defendants Echostar and DISH manufacture and use a Direct Broadcast Satellite ("DBS") system and offer for sale, sell and provide services which directly or contributorily infringe, are used to conduct processes which infringe, or which induce others to infringe the Harvey Patents. The DBS system generally receives program content at broadcast reception and satellite uplinking facilities, such as the Digital Broadband Operation Centers located in Cheyenne, WY and Gilbert, AZ, and the Regional Mini Broadcast Centers located in Monee, IL; New Braunfels, TX; Mt. Jackson, VA; and Spokane, WA and transmits such program content, via satellite, to millions of remote satellite receivers, such as Integrated Receiver Decoders ("IRDs"), located in subscribers' homes and businesses throughout the United States. These receivers include but are not limited to the following series: 111, 301, 311, 322, 351, 381, 411, 501/508, 510, 522, 625, 721, 811, 921, 942, ViP 211, ViP 222, ViP 612, ViP 622, ViP 722, 1000/1500, 2000/2112/2150/2200/3200, 2700/2800/3700, 3000/3500, 3800/3900, 3750, 4000/4500, 4700/4900, 5000/5500, 6000, 7100/7200, JVC IRR.

18. Other satellite receivers and accused equipment used in satellite uplink centers/head-ends, broadcasting centers, content servers, data collection centers, or other content management/distribution centers that implement the various accused functions such as program packaging (or grooming), IPPV, VOD, interactive applications, data collection, access control

and authorization, etc. include those identified by Defendant EchoStar and DISH in response to PMC's Third Set of Interrogatories (Nos. 7-8) propounded to EchoStar and DISH in this litigation. That response was served by EchoStar and DISH on May 24, 2010, and is hereby incorporated by reference, as are any supplementations thereto.

19. Echostar and DISH also directly infringe, contribute to infringement, or induce others to infringe the Harvey Patents by transmitting and using a DBS signal specifically encoded to enable the subject receivers to function in a manner that infringes the Harvey Patents, and by selling and offering for sale services via DBS transmission processes which infringe the Harvey Patents.

20. Echostar and DISH manufacture, use, sell, offer to sell and/or import into the United States for subsequent sale or use IRDs for use with the DBS system that directly and/or contributorily infringe, are used to conduct processes which infringe, or which induce others to infringe the Harvey Patents.

21. Additional detail regarding PMC's infringement accusations is set forth in its Infringement Contentions provided to EchoStar and DISH in this litigation.

22. The Infringing Defendants have engaged in these accused activities without license or permission from PMC. In particular, the accused activities are not covered by any sublicense the Infringing Defendants may have obtained from Gemstar based on the Exclusive IPG License Agreement between PMC and TVG-PMC, Inc., dated December 29, 2000 ("IPG License").

23. Echostar and DISH are therefore liable to Plaintiff under 35 U.S.C § 271.

The Infringing Defendants Have Been on Notice of Plaintiff's Patent Rights

24. The Infringing Defendants have received actual notice from PMC of their infringement of the above-described patents. In spite of this actual notice, the Infringing

Defendants have continued their direct and/or contributory infringement and/or induced infringement of PMC's valuable patent rights and in willful and reckless disregard thereof. The Infringing Defendants' infringement of the Harvey Patents is willful and deliberate, entitling PMC to increased damages under 35 U.S.C. § 284; additionally, this case is exceptional, entitling PMC to recover attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

Plaintiff's Have Been Irreparably Harmed by the Infringing Defendants' Continued Infringement

25. PMC has been irreparably harmed by the Infringing Defendants' infringement of PMC's valuable patent rights. The Infringing Defendants' continuing acts of infringement damage PMC's reputation and goodwill as leading providers of technology and know-how in the cable and satellite broadcast communications industry. Moreover, the Infringing Defendants' unauthorized, infringing use of PMC's patented apparatus and processes has threatened the value of this intellectual property.

26. The Infringing Defendants' disregard for PMC's property rights similarly threatens PMC's ability to secure licenses from other entities, because the Infringing Defendants derive a competitive advantage from using PMC's technology without paying compensation. Moreover, the Infringing Defendants' infringing activities have deprived PMC of licensing revenue and/or other revenue in connection with the sale of products, services, and systems that would have made, but for the Infringing Defendants' infringement. Accordingly, unless and until the Infringing Defendants' continued acts of infringement are enjoined, PMC will suffer further irreparable harm for which there is no adequate remedy at law.

COUNT I (Infringing Defendants)

(Patent Infringement of the '825 Patent)

27. Paragraphs 1 through 26 are incorporated by reference as if fully restated herein.

28. PMC is the assignee of the '825 Patent.

29. Each of the Infringing Defendants makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use products and/or services and/or employs systems and/or components and/or makes use of processes that infringe, directly and/or through contributory and/or induced infringement, claims 3, 16 and 17 of the '825 Patent (the "Specified '825 Claims"), which on November 10, 2009 were confirmed as patentable by the Patent and Trademark Office during the reexamination of the '825 Patent [Reexamination Control No. 90/006,536] initiated by a third party.

30. Each of the Infringing Defendants has acted willfully, intentionally and deliberately in derogation of PMC's patent rights. PMC has been damaged by the Infringing Defendants' infringement and will suffer irreparable injury unless the Infringing Defendants are permanently enjoined by this Court.

COUNT II (Infringing Defendants)

(Patent Infringement of the '414 Patent)

31. Paragraphs 1 through 30 are incorporated by reference as if fully restated herein.

32. PMC is the assignee of the '414 Patent.

33. Each of the Infringing Defendants makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use products and/or services and/or employs systems and/or components and/or makes use of processes that infringe, directly and/or through contributory and/or induced infringement, claims 7, 10, 13 and 23 of the '414 Patent (the

“Specified ‘414 Claims”), which on August 4, 2009 were confirmed as patentable by the Patent and Trademark Office during the reexamination of the ‘414 Patent [Reexamination Control No. 90/006,838] initiated by a third party.

34. Each of the Infringing Defendants has acted willfully, intentionally and deliberately in derogation of PMC’s patent rights. PMC has been damaged by the Infringing Defendants’ infringement and will suffer irreparable injury unless the Infringing Defendants are permanently enjoined by this Court.

COUNT III (Infringing Defendants)

(Patent Infringement of the ‘654 Patent)

35. Paragraphs 1 through 34 are incorporated by reference as if fully restated herein.

36. PMC is the assignee of the ‘654 Patent.

37. Each of the Infringing Defendants makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use products and/or services and/or employs systems and/or components and/or makes use of processes that infringe, directly and/or through contributory and/or induced infringement, claims 7-10 and 59 of the ‘654 Patent (the “Specified ‘654 Claims”), which on October 2, 2007 were confirmed as patentable in a re-examination conducted by the United States Patent and Trademark Office [Reexamination Control No. 90/006,606].

38. Each of the Infringing Defendants has acted willfully, intentionally and deliberately in derogation of PMC’s patent rights. PMC has been damaged by the Infringing Defendants’ infringement and will suffer irreparable injury unless the Infringing Defendants are permanently enjoined by this Court.

COUNT IV (Infringing Defendants)

(Patent Infringement of the '277 Patent)

39. Paragraphs 1 through 38 are incorporated by reference as if fully restated herein.

40. PMC is the assignee of the '277 Patent.

41. Each of the Infringing Defendants makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use products and/or services and/or employs systems and/or components and/or makes use of processes that infringe, directly and/or through contributory and/or induced infringement, claims 3, 11, 14, 19, 20, 22-26, 28, 37, 41-43 and 55 of the '277 Patent (the "Specified '277 Claims"), which have been confirmed as patentable by the Patent and Trademark Office during the reexamination of the '277 Patent [Reexamination Control No. 90/006,563] initiated by a third party.

42. Each of the Infringing Defendants has acted willfully, intentionally and deliberately in derogation of PMC's patent rights. PMC has been damaged by the Infringing Defendants' infringement and will suffer irreparable injury unless the Infringing Defendants are permanently enjoined by this Court.

COUNT V (Infringing Defendants)

(Patent Infringement of the '243 Patent)

43. Paragraphs 1 through 42 are incorporated by reference as if fully restated herein.

44. PMC is the assignee of the '243 Patent.

45. Each of the Infringing Defendants makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use products and/or services and/or employs systems and/or components and/or makes use of processes that infringe, directly and/or through contributory and/or induced infringement, claims 13 and 15 of the '243 Patent (the "Specified

‘243 Claims’), which on October 13, 2009 were confirmed as patentable by the Patent and Trademark Office Examiner responsible for conducting the reexamination of the ‘243 Patent [Reexamination Control No. 90/006,688] initiated by a third party.

46. Each of the Infringing Defendants has acted willfully, intentionally and deliberately in derogation of PMC’s patent rights. PMC has been damaged by the Infringing Defendants’ infringement and will suffer irreparable injury unless the Infringing Defendants are permanently enjoined by this Court.

COUNT VI (All Defendants)

(Declaratory Judgment Regarding IPG License)

47. Paragraphs 1 through 46 are incorporated by reference as if fully restated herein.

48. This claim arises under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 *et seq.*

49. On December 29, 2000, Gemstar (through TVG-PMC) and PMC entered into a series of licenses, including the IPG License, which was an exclusive Interactive Program Guide (“IPG”) field-of-use license. The IPG License was a limited field-of-use license that only granted Gemstar rights to PMC’s patents in a limited “Interactive Program Guide field of use.”

50. At the time of the IPG field-of-use license, Gemstar was doing business in the interactive program guide field. Gemstar published TV GUIDE magazine, distributed TV Guide Network, and operated tvguide.com. Gemstar provided TV Guide and on-screen program guide services to cable and satellite television providers. Gemstar was not a cable or satellite television provider, nor did Gemstar manufacture or distribute set-top boxes.

51. On March 1, 2004, Gemstar licensed to the Infringing Defendants a number of patents in its portfolio, including a sublicense under the IPG License. The IPG License granted Gemstar no rights in the Harvey Patents outside the limited IPG field of use, and thus the

Infringing Defendants' sublicense from Gemstar did not and could not convey any patent rights outside the IPG field.

52. In this case, PMC asserts that the Infringing Defendants' devices infringe patent claims directed to a number of specific functionalities. Each one of the accused functionalities involves one or more of the transmission, encryption, decryption, processing, recording, or delivery of television or radio programming. None of the accused products and features falls within the defined IPG field.

53. PMC seeks a declaratory judgment that (1) the license PMC granted Gemstar is limited to a defined "IPG" (Interactive Program Guide) field of use, (2) the sublicense Gemstar granted the Infringing Defendants is constrained to that same field of use, and (3) the infringement claims in this case fall outside and are not covered by Gemstar's limited IPG field of use.

JURY DEMAND

54. PMC demands a trial by jury.

PRAYER FOR RELIEF

WHEREFORE, PMC prays for relief against Defendants as follows:

a. Judgment that the Infringing Defendants have infringed, induced others to infringe, and committed acts of contributory infringement with respect to the Harvey Patents;

b. A declaratory judgment that (1) the license PMC granted Gemstar is limited to a defined "IPG" (Interactive Program Guide) field of use, (2) the sublicense Gemstar granted the Infringing Defendants is constrained to that same field of use, and (3) the infringement claims in this case fall outside and are not covered by Gemstar's limited IPG field of use;

c. Judgment that the Infringing Defendants' patent infringement has been, and continues to be, willful;

d. A permanent injunction enjoining the Infringing Defendants, their respective officers, agents, servants, employees, and those acting in privity with them, from further infringement, contributory infringement and/or inducing infringement of the Harvey Patents;

e. Awarding PMC damages adequate to compensate for the infringement by the Infringing Defendants, but in no event less than a reasonable royalty for the use made of the inventions by the Infringing Defendants, together with interests and costs under 35 U.S.C. § 284;

f. Trebling the aforesaid damages due to the Infringing Defendants' willful infringement, pursuant to 35 U.S.C. § 284;

g. Awarding pre- and post-judgment interest on the damages assessed;

h. Declaring this case exceptional pursuant to 35 U.S.C. § 285, and awarding PMC its reasonable attorney fees;

i. Costs of court; and

j. Awarding to PMC such other and further relief as the Court deems just.

DATED: July 18, 2012

Respectfully submitted,

/s/ Stephen D. Susman

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**ATTORNEYS FOR PLAINTIFF
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COMMUNICATIONS, L.L.C.**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served by email via the Eastern District of Texas ECF System to all counsel of record on this the 18th day of July, 2012. The Gemstar entities will be served pursuant to Federal Rule of Civil Procedure 4(e)(2)(C).

/s/ Daniel J. Shih
Daniel J. Shih