

1 QUINN EMANUEL URQUHART & SULLIVAN, LLP
2 Frederick A. Lorig (Bar No. 057645)
3 fredlorig@quinnemanuel.com
4 Christopher A. Mathews (Bar No. 144021)
5 chrismathews@quinnemanuel.com
6 Diane C. Hutnyan (Bar No. 190081)
7 dianehutnyan@quinnemanuel.com
8 Bruce R. Zisser (Bar No. 180607)
9 brucezisser@quinnemanuel.com
10 Sidford Lewis Brown (Bar No. 107196)
11 sidfordbrown@quinnemanuel.com
12 865 South Figueroa Street, 10th Floor
13 Los Angeles, California 90017-2543
14 Telephone: (213) 443-3000
15 Facsimile: (213) 443-3100

16 Attorneys for Plaintiff
17 MULTIMEDIA PATENT TRUST

18 UNITED STATES DISTRICT COURT
19 SOUTHERN DISTRICT OF CALIFORNIA

20 MULTIMEDIA PATENT TRUST, a Delaware
21 statutory trust,

22 Plaintiff,

23 v.

24 LG ELECTRONICS, INC., a Korean
25 corporation, LG ELECTRONICS U.S.A., INC.,
26 a Delaware corporation, LG ELECTRONICS
27 MOBILECOMM U.S.A., INC., a California
28 corporation,

Defendants.

CASE NO. '12CV2731 BTM RBB

COMPLAINT FOR PATENT
INFRINGEMENT

DEMAND FOR JURY TRIAL

1 **COMPLAINT**

2 Plaintiff Multimedia Patent Trust ("MPT") for its complaint against Defendant LG
3 Electronics, Inc., LG Electronics U.S.A., Inc. ("LG U.S.A.") and LG Electronics MobileComm
4 U.S.A., Inc. ("LG MobileComm") (collectively "LG") hereby demands a jury trial and alleges as
5 follows:

6 **Jurisdiction and Venue**

7 1. This Court has jurisdiction over the subject matter of this action under 28 U.S.C.
8 §§ 1331 and 1338(a).

9 2. Venue is established in this judicial district pursuant to 28 U.S.C. §§ 1391(c) and
10 1400(b).

11 **Nature of the Action**

12 3. This is a civil action for infringement of United States Patent No. 5,136,377 and
13 5,227,878 (the "Patents-in-Suit"). This action is based upon the Patent Laws of the United States,
14 35 U.S.C. § 1 et seq.

15 **Parties**

16 4. Plaintiff Multimedia Patent Trust is a Delaware statutory trust under the Delaware
17 Statutory Trust Act, 12 Del. Code title 12 §§ 3801, et seq.

18 5. On information and belief, Defendant LG Electronics, Inc. is incorporated under
19 the laws of the Republic of Korea, having its principal place of business in Seoul, Republic of
20 Korea. On information and belief, LG Electronics, Inc. manufactures the products alleged to
21 infringe herein and controls the decisions of LG U.S.A. and LG Mobilecomm to infringe or
22 license the patents herein as agents of the principal parent corporation, LG Electronics, Inc.

23 6. On information and belief, Defendant LG U.S.A. is incorporated under the laws of
24 the state of Delaware, having its principal place of business at 1000 Sylvan Avenue, Englewood
25 Cliffs, NJ 07632. LG U.S.A.'s products accused of infringement in this Complaint are and have
26 been offered for sale and sold in this and other judicial districts for a period not yet known but
27 continuing to this date. On information and belief, LG USA operates marketing and/or
28 distribution facilities in this judicial district.

1 volume of uncompressed data that would need to be transmitted. The challenge that comes with
2 video compression, however, is assuring that the video image ultimately reproduced from the
3 reduced amount of digital data is of sufficient quality.

4 13. A video signal is encoded (compressed) prior to being transmitted over a medium
5 or before it is stored on a medium. When the video signal is read off the storage medium or is
6 received at the other end, it is decoded (decompressed) to recreate either the original signal or, in
7 the case of a lossy compression technique (by which certain unnecessary bits of data are
8 eliminated), a close approximation of the original signal. When encoding a video, the video signal
9 is processed using a variety of techniques that reduce the amount of data, such as transformation,
10 quantization, motion-compensated prediction and variable length encoding.

11 14. Lucent, and its predecessor AT&T, Inc., through their research arm Bell Labs, have
12 a long history of research and development in the area of video compression. The Patents-in-Suit
13 claim apparatus and methods, developed at Bell Labs, for the encoding of video data which are
14 used in software and devices supporting various international standards, including MPEG-4,
15 Part 2, H.263 and MPEG-4, Part 10 (H.264) video coding. Lucent transferred, assigned,
16 conveyed, delivered and vested to MPT all of Lucent's interests and rights in the Patent-in-Suit in
17 all countries and jurisdictions, along with the right to sue for past infringement (including all
18 current and future claims and causes of action).

19 15. On August 4, 1992, the USPTO issued U.S. Patent No. 5,136,377 ("the '377
20 Patent") to James D. Johnston, Scott C. Knauer, Kim N. Matthews, Arun N. Netravali, Eric D.
21 Petajan, Robert J. Safranek, and Peter H. Westerink for their invention entitled "Adaptive Non-
22 Linear Quantizer." MPT is now sole owner of the '377 patent. The '377 patent expired on
23 December 11, 2010. A copy of the '377 Patent is attached hereto as Exhibit A.

24 16. On July 13, 1993, the USPTO issued U.S. Patent No. 5,227,878 ("the '878 Patent")
25 to Atul Puri and Rangarajan Aravind for their invention entitled "Adaptive Coding and Decoding
26 of Frames and Fields of Video." MPT is now sole owner of the '878 patent. On September 27,
27 2005, the USPTO issued a Certificate of Correction for the '878 patent. The '878 patent expired
28

1 on November 15, 2011. A copy of the '878 Patent and its Certificate of Correction are attached
2 hereto as Exhibit B.

3 17. On December 20, 2010, MPT previously brought suit against LG for infringement
4 of the Patents-in-Suit in *Multimedia Patent Trust v. Apple et al.*, Case No. 10-cv-02618-H-(KSC)
5 (The "Apple Action").

6 18. On October 1, 2012, the Court in the Apple Action issued an order barring MPT
7 from presenting evidence as to infringement of any Qualcomm-based LG phone that uses a
8 Qualcomm chip other than the MSM6575 chip. October 1, 2012 Order at 9-11 (Doc. No. 357).

9 19. MPT filed a Motion for Reconsideration, asking the Court in the Apple Action to
10 reverse its decision barring evidence on these LG products. During the hearing on MPT's motion,
11 the Court confirmed that its decision to disallow MPT's presentation of evidence of infringement
12 on the excluded LG products was not on the merits, and found that the decision would cause no
13 prejudice to MPT since:

14 MPT is still free to sue Qualcomm on the other chips, and that's -- and if we say
15 that those aren't in the case, then -- and if we say -- if the Court is saying we're not
16 agreeing that they're necessarily representative, then there wouldn't be any *res*
judicata because it wasn't necessarily determined in this action.

17 Transcript of October 18, 2012 Telephonic Status Conference, at 20-21.

18 20. In its subsequent written order denying MPT's Motion for Modification, the Court
19 confirmed its assessment that its ruling would not prejudice MPT because MPT could still pursue
20 the excluded LG products in a future action:

21 In its motion, MPT argues that it is prejudiced by the Court's prior order limiting
22 its infringement contentions to the MSM6575 chip. (Doc. No. 364 at 3.) However,
23 any potential prejudice is likely mitigated by MPT's ability to pursue a future
patent infringement action related to the other chips against LG or Qualcomm.

24 October 19, 2012, Order, at 10, n.4 (Doc. No. 420).

25 **COUNT I**

26 **(Patent Infringement)**

27 21. Paragraphs 1 through 20 are incorporated by reference as if stated fully herein.
28

1 22. LG has offered to sell and sold, in the United States, and imported into the United
2 States, cellular telephones that rely on Qualcomm chips other than Qualcomm's MSM6575 chip
3 for their ability to encode and decode video. These phones include, but are not limited to, LG's
4 LG260, VX9400, VX8700, UX380, CU500V, Muziq LX570, VX8350, Rumor LX260, CU515,
5 Vu CU920, Voyager VX10000, Rhythm AX565, Scoop AX260, UX830, Spyder LG830, EnV2
6 VX9100, Rhythm AX585, Decoy VX8610, Invision CB630, LG380, Incite CT810, Swift AX500,
7 VX8360, Lyric MT375, EnV Touch VX11000, Tritan AX840, Tritan UX840, Force LX370,
8 Force LG370, Spyder II LG840, Versa VX9600, Arena GT950, eXpo GW820, Wine II AN430,
9 Wine II UN430, Rumor Touch LN510, Ally VS740, Apex US740, Vu Plus GR700, Fathom
10 VS750, Sentio GS505, Rumor Touch VM510, dLite GD570, Octane VN530, Optimus S LS670,
11 Banter Touch UN510, Banter Touch MN510, Optimus T P509, Quantum C900, Vortex VS660,
12 Optimus M MS690, Optimus U US670, Axis LGAS740, Revolution VS910, Optimus V VM670,
13 Phoenix P505, Thrive P506, and Genesis US760 model cellular phones (the "Accused LG
14 Phones"), that can variously encode and decode video in compliance with a variety of standards
15 promulgated by the International Organization for Standardization (ISO) and the International
16 Telecommunications Union (ITU), including MPEG-4, Part 2, H.263 and H.264.

17 23. The Accused LG Phones, by virtue of the manner in which they encode and/or
18 decode video, infringed one or more claims of the '377 and '878 patents.

19 24. LG, therefore, by the importing, offering to sell and selling of the Accused LG
20 Phones, has directly infringed and/or induced others to infringe the '377 and '878 patents. LG's
21 infringement of the '377 and '878 patents was without authorization of MPT.

22 25. As a result of LG's infringement of the '377 and '878 patents, MPT is entitled to a
23 reasonable royalty on each of the Accused LG Phones sold by LG that embody an apparatus
24 claimed by those patents.

25 26. LG's infringement of the '377 and '878 patents by way of the Accused LG Phones
26 has caused MPT and its existing licensees substantial and irreparable injury for which MPT is
27 entitled to receive damages adequate to compensate it for such infringement.

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1 27. LG has had actual knowledge of the claims of the '377 and '878 patents since no
2 later than August 13, 2008 when MPT notified LG of its infringement of these patents. Despite
3 such knowledge, LG refused to take a license, choosing instead to infringe the patents willfully
4 and deliberately in disregard of MPT's patent rights.

5 **PRAYER FOR RELIEF**

6 WHEREFORE, Multimedia Patent Trust respectfully requests the following relief:

7 A. A judgment holding LG liable for infringement of the Patents-in-Suit asserted
8 against it;

9 B. An accounting of damages resulting from LG's infringement of the Patents-in-Suit
10 asserted against it, together with pre-judgment and post-judgment interest;

11 C. A judgment holding that LG's infringement was willful, and a trebling of damages
12 pursuant to 35 U.S.C. § 284;

13 D. A judgment holding this Action to be an exceptional case, and an award to Plaintiff
14 Multimedia Patent Trust for its attorneys' fees and costs pursuant to 35 U.S.C. § 285; and

15 E. Such other and further relief as this Court deems just and proper.
16

17 DATED: November 6, 2012

QUINN EMANUEL URQUHART &
SULLIVAN, LLP

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22 By: s/Bruce R. Zisser
Bruce R. Zisser
Attorneys for Plaintiff
MULTIMEDIA PATENT TRUST
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JURY TRIAL DEMANDED

Multimedia Patent Trust demands a trial by jury on all issues triable of right by a jury.

DATED: November 6, 2012

QUINN EMANUEL URQUHART &
SULLIVAN, LLP

By: s/Bruce R. Zisser

Bruce R. Zisser
Attorneys for Plaintiff
MULTIMEDIA PATENT TRUST