

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

FASTVDO LLC,

Plaintiff,

v.

**UNIVERSAL STUDIOS LLC, and
UNIVERSAL STUDIOS HOME
ENTERTAINMENT PRODUCTIONS
LLC,**

Defendants.

Civil Action No.

DEMAND FOR JURY TRIAL

COMPLAINT

Plaintiff FastVDO LLC (“FastVDO”) alleges as follows:

PARTIES

1. FastVDO is a Florida limited liability corporation with a principal place of business at 750 N. Atlantic Ave., Cocoa Beach, FL 32931.
2. On information and belief, Universal Studios LLC (“Universal Studios”) is a Delaware corporation with a principal place of business at 100 Universal City Plaza, Universal City, CA 91608.
3. On information and belief, Universal Studios Home Entertainment Productions LLC (“USHE”) is a Delaware corporation with a principal place of business at 100 Universal City Plaza, Universal City, CA 91608. Universal Studios and USHE are collectively referred to as “Universal”.

JURISDICTION AND VENUE

4. This is an action for patent infringement arising under the patent laws of the United States of America, 35 U.S.C. § 1, *et seq.*, including § 271. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338(a).
5. This Court has personal jurisdiction over Universal because, among other reasons, Universal Studios and USHE are incorporated under the laws of the State of Delaware, and

Universal Studios and USHE have conducted and continue to conduct regular and ongoing business in Delaware. Additionally, on information and belief, Universal Studios and USHE have committed and continue to commit acts of direct and indirect infringement in this District by making, using, importing, offering for sale, and/or selling infringing products, and inducing others to perform method steps claimed by FastVDO's patent in Delaware.

6. Venue is proper in this district under 28 U.S.C. §§ 1391(b)-(c) and 1400(b) because, among other reasons, Universal Studios and USHE are incorporated under the laws of the State of Delaware, and Universal Studios and USHE have conducted and continue to conduct regular and ongoing business in Delaware. Additionally, on information and belief, Universal Studios and USHE have committed and continue to commit acts of direct and indirect infringement in this District by making, using, importing, offering for sale, and/or selling infringing products, and inducing others to perform method steps claimed by FastVDO's patent in Delaware.

COUNT I

(Infringement of U.S. Patent No. RE 40,081)

7. FastVDO is the owner by assignment and merger of United States Patent No. RE 40,081 ("the '081 patent"), entitled "Fast Signal Transforms With Lifting Steps." The '081 patent reissued on February 19, 2008, based on an initial application filed December 16, 1998. A true and correct copy of the '081 patent is attached hereto as Exhibit A. The '081 patent enables digital video compression through the coding and decoding of blocks of digital image intensities with a block coder and transform coder that utilizes an invertible linear transform having a +/- butterfly step, a lifting step, and a scaling factor. International Telecommunications Union – Telecommunication Standardization Sector (ITU-T) H.264 (also known as MPEG-4 Part 10, Audio Video Coding or AVC) (herein "H.264" or "MPEG-4 AVC") is a video compression standard that performs digital image compression by coding and decoding blocks of digital image intensities with a block coder and with a transform coder that includes an invertible linear transform, which is representable as a cascade using at least one +/-1 butterfly step, at least one

lifting step, and at least one scaling factor. The FastVDO patent is essential to the H.264 standard, and it was properly identified to the International Telecommunications Union on May 14, 2003, before the promulgation of the H.264 standard in March 2005. The claims of the FastVDO patent also encompass the VC-1 specification (“VC-1”) standardized by the Society of Motion Picture and Television Engineers.

8. On information and belief, in violation of one or more provisions of 35 U.S.C. § 271, Universal has infringed one or more claims of the ‘081 patent by making, using, importing, selling, or offering to sell products or services that encode video using an H.264 or VC-1 codec. Additionally, Universal has had knowledge of the ‘081 patent since at least November 8, 2012,¹ or alternatively since being served with this complaint, and Universal has induced infringement of the ‘081 patent since this time by encoding its movies to video with an H.264 or VC-1 codec (or causing these movies to be encoded using an H.264 or VC-1 codec), transmitting these videos to consumers (or causing these videos to be transmitted to consumers), and causing consumers to decode these videos with an H.264 or VC-1 codec for viewing. For example, Universal has directly or indirectly encoded the following movies to video with an H.264 codec: The Bourne Legacy², E.T.: The Extra-Terrestrial³, Moonrise Kingdom⁴, Snow White and the Huntsman⁵, Battleship⁶, Dr. Seuss’ The Lorax⁷, Alfred Hitchcock: The Masterpiece Collection⁸, and Despicable Me⁹. These movies are being distributed as Blu-Ray discs in

¹ See Exhibit B.

² See, e.g., <http://www.blu-ray.com/movies/The-Bourne-Legacy-Blu-ray/26539/> (attached hereto as Exhibit C).

³ See, e.g., <http://www.blu-ray.com/movies/ET-The-Extra-Terrestrial-Blu-ray/7850/> (attached hereto as Exhibit D).

⁴ See, e.g., <http://www.blu-ray.com/movies/Moonrise-Kingdom-Blu-ray/47446/> (attached hereto as Exhibit E).

⁵ See, e.g., <http://www.blu-ray.com/movies/Snow-White-and-the-Huntsman-Blu-ray/45293/> (attached hereto as Exhibit F).

⁶ See, e.g., <http://www.blu-ray.com/movies/Battleship-Blu-ray/45489/> (attached hereto as Exhibit G).

⁷ See, e.g., <http://www.blu-ray.com/movies/Dr-Seuss-The-Lorax-Blu-ray/41102/> (attached hereto as Exhibit H).

⁸ See, e.g., <http://www.blu-ray.com/movies/Alfred-Hitchcock-The-Masterpiece-Collection-Blu-ray/45102/> (attached hereto as Exhibit I).

⁹ See, e.g., <http://www.blu-ray.com/movies/Despicable-Me-Blu-ray/16206/> (attached hereto as Exhibit J).

MPEG-4 AVC format. Consumers decode these videos with an H.264 codec in their Blu-Ray compliant devices when they watch these movies. By continuing the representative aforementioned activities with knowledge of the '081 patent and its essentiality to the H.264 and VC-1 standard, Universal has known, or should have known, that it was inducing infringement by causing the method steps of the '081 patent to be performed.

PRAYER FOR RELIEF

FastVDO prays for the following relief:

1. A judgment that Universal Studios and UVHE have directly infringed (either literally or under the doctrine of equivalents) one or more claims of the '081 patent;
2. A judgment that Universal Studios and UVHE have induced the infringement of one or more claims of the '081 patent;
3. A permanent injunction enjoining Universal Studios, UVHE, and their respective officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert or participation with them, from infringing each of the '081 patent;
4. An award of damages resulting from the acts of infringement by Universal Studios and UVHE in accordance with 35 U.S.C. § 284;
5. A judgment and order finding that this is an exceptional case within the meaning of 35 U.S.C. § 285 and awarding to FastVDO its reasonable attorneys' fees;
6. A judgment and order requiring Universal Studios and UVHE to provide an accounting and to pay supplemental damages to FastVDO, including without limitation, pre-judgment and post-judgment interest; and
7. Any and all other relief to which FastVDO may show itself to be entitled.

DEMAND FOR JURY TRIAL

FastVDO demands a trial by jury on all issues so triable.

Dated: November 9, 2012

FARNAN LLP

/s/ Brian E. Farnan

Joseph J. Farnan, III (Bar No. 3945)

Brian E. Farnan (Bar No. 4089)

919 North Market Street, 12th Floor

Wilmington, DE 19801

(302) 777-0300

bfarnan@farnanlaw.com

*Attorneys for Plaintiff
FastVDO, LLC*

Of Counsel:

Alexander C.D. Giza

Marc A. Fenster

Kevin P. Burke

RUSS, AUGUST & KABAT

12424 Wilshire Boulevard, 12th Floor

Los Angeles, CA 90025-1031

(310) 826-7474

agiza@raklaw.com

mfenster@raklaw.com

kburke@raklaw.com