IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

FASTVDO LLC,

                Plaintiff,

    v.

AVID TECHNOLOGY, INC.,

                Defendant.

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, Avid Technology, Inc. ("Avid") is a Delaware corporation with a principal place of business at 75 Network Drive, Burlington, MA 01803.

JURISDICTION AND VENUE

3.   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).

4.   This Court has personal jurisdiction over Avid because, among other reasons, Avid is incorporated under the laws of the State of Delaware, and Avid has conducted and continues to conduct regular and ongoing business in Delaware. Additionally, on information and belief, Avid has committed and continues 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.

5.   Venue is proper in this district under 28 U.S.C. §§ 1391(b)-(c) and 1400(b) because, among other reasons, Avid is incorporated under the laws of the State of Delaware, and

Avid has conducted and continues to conduct regular and ongoing business in Delaware. Additionally, on information and belief, Avid has committed and continues 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)

6.   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 +/-1 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.

7.   On information and belief, in violation of one or more provisions of 35 U.S.C. § 271, Avid has infringed one or more claims of the '081 patent by making, using, selling, offering to sell, or importing video-editing software, hardware and solutions that use H.264 to code and/or decode video, including, but not limited to, Media Composer 6, Newscutter Nitris DX, Newscutter Mojo DX, Avid Studio, Pinnacle Video Transfer, Avid Interplay Central,

AirSpeed Multistream, and the Interplay Sphere. Additionally, Avid has had knowledge of the

'081 patent since at least November 8, 2012,[1] or alternatively since being served with this

complaint, and Avid has induced others, such as its customers and/or consumers of H.264

compressed content produced by its customers, to code and/or decode video with H.264 to

perform the method steps of the '081 patent, with its marketing materials, advertising materials,

manuals and customer support services since at least this time. For example, Avid markets the

AirSpeed Multi Stream as a "Multi-Format HD and SD Ingest and Playout" server that "delivers

workflow connected HD and SD acquisition and playback."[2] The specification for the AirSpeed

Multi Stream shows that it uses H.264 for video compression[3]:

Video Compression

- DV25 (4:1:1 and 4:2:0): DV 50 (4:2:2), IMX 30 and 50, HDV 25Mbps: XDCAM HD 17.5, 35 and 50 Mbps: AVC-Intra 50 and 100 Mbps: DNxHD 120/145 and 185/220 Mbps
- H.264/MPEG-4 800Kb/s video; two 192Kb/s audio channel pairs

Avid also explains in the datasheet for Interplay Sphere[4] that "Interplay Sphere gives editors,

reporters, and producers the ability to locally ingest, edit with both local and workgroup based

media, and move media fluidly between story site and production facility." *Id.* at 1. According

to this datasheet, "[e]ven before the edit is complete, locally acquired media on the timeline can

begin uploading in the background, without affecting the performance of the editor. When time

is short, lightweight H.264 proxies can be sent first, followed by the full resolution media." *Id.*

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[1] *See* Attachment B.
[2] *See* http://www.avid.com/US/products/AirSpeed-Multi-Stream/overview (attached hereto as Exhibit C).
[3] See http://www.avid.com/US/products/AirSpeed-Multi-Stream/specifications (attached hereto as Exhibit D).
[4] *See* http://www.avid.com/static/resources/common/documents/datasheets/interplay_sphere/avid_interplaysphere_broadcast_a4_us.pdf (attached hereto as Exhibit E).

at 1 (Creative Flow).[5] These marketing and technical support materials exemplify how Autodesk induces its customers to use its accused products to code and/or decode video with H.264, and/or code video with H.264 and transmit compressed video to others for decoding and viewing to perform the method steps of the '081 patent (e.g., coding and decoding blocks of digital image intensities with a block coder and transform coder that utilizes an invertible linear transform having a +/-1 butterfly step, a lifting step, and a scaling factor). By continuing the representative aforementioned activities with knowledge of the '081 patent and its essentiality to the H.264 standard, Avid 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 Avid has directly infringed (either literally or under the doctrine of equivalents) one or more claims of the '081 patent;

2.   A judgment that Avid has induced the infringement of one or more claims of the '081 patent;

3.   A permanent injunction enjoining Avid and its 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 Avid's acts of infringement 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;

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[5] *See also* http://www.avid.com/US/products/NewsCutter-Nitris-DX/features ("What's new in version 9.5 … Edit H.264/MPEG4 proxies") (attached hereto as Exhibit F); *see also* http://www.avid.com/US/products/NewsCutter-Mojo-DX/features ("What's new in version 9.5 … Edit H.264/MPEG4 proxies") (attached hereto as Exhibit G).

6.   A judgment and order requiring Avid 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
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