IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

FASTVDO LLC,	
Plaintiff,	
v.	**Civil Action No.**
GRASS VALLEY USA, LLC,	**DEMAND FOR JURY TRIAL**
Defendant.	

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, Grass Valley USA, LLC ("Grass Valley") is a Delaware corporation with a principal place of business at 475 Brannan Street, Suite 400, San Francisco, CA 94107.

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 Grass Valley because, among other reasons, Grass Valley is incorporated under the laws of the State of Delaware, and Grass Valley has conducted and continues to conduct regular and ongoing business in Delaware. Additionally, on information and belief, Grass Valley 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, Grass Valley is incorporated under the laws of the State of Delaware, and Grass Valley has conducted and continues to conduct regular and ongoing business in Delaware. Additionally, on information and belief, Grass Valley 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, Grass Valley has infringed one or more claims of the '081 patent by making, using, importing, selling, offering to sell media processing, editing, and delivery software and hardware

solutions use H.264 to code and/or decode video, including, but not limited to, ProCoder 3, EDIUS Elite, Edius Pro, Edius Neo, EDIUS Express, HDSpark with EDIUS, HDSpark with EDIUS Upgrade, HDSpark Pro with EDIUS, STORM Mobile, STORM 3G, STORM 3G Elite, EDIUS XRE, K2 Summit 3G Production Client, K2 Solo 3G HD/SD Server, and K2 Solo HD/SD Server. Additionally, Grass Valley has had knowledge of the '081 patent since at least November 8, 2012[1], or alternatively since being served with this complaint, and Grass Valley has induced others, such as its customers and/or consumers of H.264 content produced by its customers, to code and/or decode video with H.264 and practice 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, the marketing materials for EDIUS Express explain that: "EDIUS Express offers native editing in various formats including AVCHD and DSLR movie (H.264 QuickTime), and provides a seamless real-time workflow supporting mixing of all formats on the same timeline." *See* EDIUS Express product data sheet at 1.[2] "EDIUS Express includes custom-designed H.264 encoders and MPEG decoders to allow editing clips in their native format on the same timeline." *Id.* EDIUS Express supports "AVCHD export to SD card/Memory Stick/camera HDD." *Id.* Similarly, the EDIUS® Extended Feature Comparison Guide available on Grass Valley's website shows that EDIUS Elite, EDIUS Pro, and EDIUS Neo also "Import to AVCHD", "Export to AVCHD," and allow for "Real-Time editing of mixed formats." *See* EDIUS® Extended Feature Comparison Guide at 1, 2.[3] Additionally, the marketing materials for Grass Valley's media servers also feature their ability to perform digital image compression and decompression with H.264. For example, Grass Valley markets the K2 Summit 3G Production Client as "optimized for a broad range of production and applications" and "the only server that supports end-to-end SD/HD workflows in DVCPRO, MPEG-2, AVC-Intra, H/264/AVCHD and DNxHD." *See* K2 Summit 3G Production Client product data sheet at

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[1] *See* Exhibit B.
[2] Available at http://www.grassvalley.com/assets/media/5625/PRV-4167D-1_EDIUS_Express.pdf (attached hereto as Exhibit C).
[3] Available at http://www.grassvalley.com/assets/media/5623/PRV-4164M-1_EDIUS_Feature_CompGuide.pdf (attached hereto as Exhibit D).

1.[4] The K2 Summit 3G Production Client "provides agile codecs enabling playback of SD or HD content seamlessly on the same timeline with any supported format (DV/DVCPRO, MPEG-2, AVC-Intra, H.264 or DNxHD). "With seamless and automatic up/down/crossconversion of clips to your desired output resolution, the K2 Summit 3G provides full support for all SD and HD formats." *Id.* at 2. The K2 Summit 3G also offers proxy encoding with H.264 for streaming over IP networks or for use in distributed workflows to extend access to more users to produce content and remotely monitor playback channels while conserving system resources. *Id.* at 2-3. The K2 Summit Production Client has been used, for example, as part of Grass Valley's K2 Dyno Replay System by the Hall of Music Productions at Purdue University to build replays and highlight clips at sporting events. *See* Hall of Music Productions, Purdue University case study at 1, 3.[5] These marketing materials exemplify how Grass Valley 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 coder that utilizes an invertible linear transform having a +/- 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, Grass Valley 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 Grass Valley has directly infringed (either literally or under the doctrine of equivalents) one or more claims of the '081 patent;

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[4] Available at http://www.grassvalley.com/news/press/releases?news_title=K2+Summit+3G+Production+Client&tags%5B0%5D=k2+summit&tags%5B1%5D=k2+summit+3g (attached hereto as Exhibit E).
[5] Available at http://www.grassvalley.com/docs/Case_Studies/cameras/ldk8000/GV-4104M_Purdue_University_CS.pdf (attached hereto as Exhibit F).

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

3.   A permanent injunction enjoining Grass Valley 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 Grass Valley'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;

6.   A judgment and order requiring Grass Valley 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

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