

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

EON CORP. IP HOLDINGS, LLC,	§	
	§	
Plaintiff,	§	Civil Action No. 6:12-cv-00944-LED
v.	§	
	§	JURY TRIAL REQUESTED
ASUS COMPUTER INTERNATIONAL	§	
AND ASUSTEK COMPUTER INC.,	§	
	§	
Defendants.		

PLAINTIFF EON CORP. IP HOLDINGS, LLC'S SECOND AMENDED COMPLAINT

Plaintiff EON Corp. IP Holdings, LLC (“EON”), by and for its Second Amended Complaint against ASUSTeK Computer Inc. and ASUS Computer International (together “ASUS”) for infringement of U.S. Patent No. 5,592,491 (the “491 Patent”), U.S. Patent No. 5,388,101 (the “101 Patent”), and U.S. Patent No. 5,663,757 (the “757 Patent”) (collectively, the “Patents-in-Suit”) pursuant to 35 U.S.C. § 271, alleges as follows:

I. THE PARTIES

1. Plaintiff EON Corp. IP Holdings, LLC is a Texas limited liability company with its principal place of business located at 719 W. Front Street, Suite 108, Tyler, Texas 75702. EON is a wholly owned subsidiary of EON Corporation, formerly known as TV Answer, Inc., a Delaware corporation founded in 1986. EON Corporation is a pioneering wireless technology research and development company that has been in continuous operation since its inception. In the early 1990s, the Federal Communications Commission granted EON Corporation’s petition for an allocation of wireless spectrum specifically for its proposed innovative wireless service offering, known then as Interactive Video and Data Services. While the “IVDS” offering did not originally realize its full commercial potential, the company’s technological advances in interactive digital wireless communications became the subject of a vast intellectual property

portfolio covering many communication techniques and devices that have become commonplace in recent years. EON, as the licensing division of EON Corporation, has been approaching companies in the wireless and interactive video industries to properly license its foundational technologies. In the current skeptical and hostile licensing environment, the largest communications companies often play a game of ostrich, burying their head in the sand and giving wireless consumers the products and services they demand despite at least a general recognition that in doing so they are traversing property boundaries owned by others. These companies refuse to license even those technologies with a strong pedigree and licensing track record. Costly and contentious patent litigation is the necessary result of this reckless but profitable behavior. Many of ASUS's major competitors in the wireless industry have properly paid for using EON's technology. By this action, EON engages a compulsory process that will require ASUS to do the same.

2. Defendant ASUSTeK Computer Inc. is a corporation organized under the laws of the Taiwan with its principal place of business located at No. 15, Li-Te Road, Peitou, Taipei, Taiwan, R.O.C. Upon information and belief, Defendant ASUS Computer International is a corporation organized and existing under the laws of California with its principal place of business at 44370 Nobel Drive, Fremont, California 94538. Upon information and belief, Defendant ASUS Computer International is a wholly-owned subsidiary of Defendant ASUSTek Computer, Inc. In addition to ASUS's continuous and systematic conduct of business in Texas, the causes of action against ASUS arise from or are connected with ASUS's purposeful acts committed in Texas, including ASUS's selling, offering to sell, using, inducing others to use, and contributing to the use of cellular handsets and related products, applications, and services containing interactive television programming that embody one or more claims of the Patents-in-

Suit. ASUS may be served with process through its registered agent, CT Corporation System, 350 North St. Paul Street, Suite 2900, Dallas, Texas 75201-4234.

II. JURISDICTION AND VENUE

3. This is an action for patent infringement under the Patent Laws of the United States, Title 35 of the United States Code (“U.S.C.”). The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a). Venue lies in this judicial district pursuant to 28 U.S.C. §§ 1391 and 1400(b).

4. This Court has personal jurisdiction over ASUS under the laws of the State of Texas, including Texas Civil Practice and Remedies Code § 17.042.

5. This Court has personal jurisdiction over ASUS. ASUS has conducted and does conduct business within the State of Texas, directly or through intermediaries or agents, or offers for sale, sells, and advertises (including through the provision of interactive web pages) handsets and related products, applications, and services that directly and/or indirectly infringe the Patents-in-Suit.

III. FACTUAL ALLEGATIONS

A. The ’757 Patent

6. On September 2, 1997, after a full and fair examination, the United States Patent and Trademark Office (“USPTO”) duly and legally issued the ’757 Patent, titled “Software Controlled Multi-Mode Interactive TV Systems.” The claims of the ’757 Patent were confirmed during reexamination, as evidenced by the Reexamination Certificate issued on August 14, 2012. A true and correct copy of the ’757 Patent and Reexamination Certificate are attached hereto as Exhibit A.

7. Broadly speaking, the '757 patent claims a subscriber's wireless data processing station with interactive video capabilities. This technology has recently become ubiquitous, as entities like ASUS now manufacture and sell wireless data processing stations and deliver quality interactive video content for wireless data station users at affordable prices. EON's technology is fundamental to the development of these products and services.

8. Without reference to the particular construction of any claim terms, features of the technology claimed in the '757 Patent include: (1) a software operating system in the wireless data processing station for controlling received interactive video content; (2) selectable content options on a video screen display; (3) the ability to create customizable programming menus or guides for individual subscribers on the display screen; and (4) wireless transmission and reception facilities in the wireless data processing station that allow for the sending and receiving of interactive control signals, including messages with subscriber IDs.

9. ASUS makes, uses, sells, offers for sale, imports and/or exports wireless data processing stations that deliver interactive video programming to subscribers throughout the United States and its territories.

10. EON is the assignee through an exclusive license of all right, title, and interest in and to the '757 Patent and possesses all rights of recovery under the '757 Patent, including the exclusive right to recover for infringement. The '757 Patent is valid and enforceable.

11. ASUS has been and is presently infringing at least one claim of the '757 Patent literally or under the doctrine of equivalents, directly or indirectly, including by knowingly and specifically intending to contribute to or induce infringement by others, alone or with mobile network operators (*e.g.*, cellular providers), mobile interactive video content (and associated application) providers, and/or end-users.

12. For example, ASUS directly infringes by making, using, selling, offering for sale, importing, and/or exporting wireless data processing stations (*e.g.*, Nexus 7, Padfone, Padfone 2, Transformer Pad Infinity TF700T, Transformer Pad TF 300TG, Transformer Pad TF300T, Transformer Pad TF300TL, Eee Transformer Pad Prime TF201, Eee Pad Transformer TF101G, Eee Pad Transformer TF101, Asus Eee Pad Transformer, Asus VivoBook, VivoTab RT, VivoTab Smart, Eee Slate B121, Eee Slate Ep121, Eee Pad Slider SL101, and similar interactive-video-enabled devices) that are especially configured for receiving mobile interactive video content (*e.g.*, television shows and movies provided via Google Play Movies & TV, Netflix, YouTube, MyNet, or similar video services) and embody one or more claims of the '757 Patent.

13. ASUS indirectly infringes by contributing to direct infringement by its customers and mobile network operators by selling, offering for sale, importing, and/or exporting these wireless data processing stations and interactive video services that are configured for use in and constitute a material portion of the patented invention (*e.g.*, data processing stations that deliver interactive television or television-quality entertainment and informational content to subscribers).

14. ASUS induces direct infringement of the '757 Patent, for example, by advertising and instructing customers how to access and use interactive video services such as AT&T U-Verse Live TV, Google Play Movies & TV, Netflix, and YouTube on the accused wireless data processing stations. ASUS's customers that are mobile network operators and end-users of the wireless data processing stations' interactive video features directly infringe the apparatuses and methods of '757 Patent by making, using, selling, offering to sell, importing into the United

States, and/or exporting from the United States the accused wireless data processing stations and interactive video services.

15. ASUS acted and continues to act intentionally and with knowledge of its infringement of the '757 Patent at least since the date this lawsuit was filed or served.

16. ASUS's mobile video services and compatible wireless data processing stations offer program selection and interactive, mobile video functionalities that are not staple articles or commodities of commerce suitable for substantial non-infringing use.

B. The '101 and '491 Patents (the "Dinkins Patents")

17. On February 7, 1995, after a full and fair examination, the USPTO duly and legally issued the '101 Patent, titled "Interactive Nationwide Data Service Communication System for Stationary and Mobile Battery Operated Subscriber Units." The claims of the '101 Patent were confirmed during reexaminations, as evidenced by Reexamination Certificates issued on January 17, 2012 and August 14, 2012. A true and correct copy of the '101 Patent and Reexamination Certificate are attached hereto as Exhibit B.

18. EON is the assignee through an exclusive license with EON Corporation of all right, title, and interest in and to the '101 Patent and possesses all rights of recovery under the '101 Patent, including the exclusive right to recover for infringement. The '101 Patent is valid and enforceable.

19. The '101 Patent describes a multi-faceted communication structure designed to enable two-way wireless digital signals to be exchanged between one or more base stations and remote, low-powered subscriber units placed at a distance from the base stations. Broadly and without reference to the particular construction of any claim terms, features of the communications technology claimed in the '101 Patent include individual low power subscriber

units that transmit and receive wireless digital information from a network of cells to provide customers with a range of interactive and wireless data services.

20. On January 7, 1997, the USPTO duly and legally issued the '491 Patent, titled "Wireless Modem", after a full and fair examination. A true and correct copy of the '491 Patent is attached hereto as Exhibit C.

21. EON is the assignee under an exclusive license with EON Corporation of all rights, title, and interest in and to the '491 Patent and possesses all rights of recovery under the '491 Patent, including the right to recover for past infringement. The '491 Patent is valid and enforceable.

22. The '491 Patent is a continuation-in-part of the '101 Patent. The '491 Patent enables communication in a two-way network between subscriber units and the network base station or network hub switching center via multiple paths (*e.g.*, a Wide-Area-Network (WAN) path or a Local-Area-Network (LAN) path). The '491 Patent teaches deploying a wireless modem in the home or office as an alternate network access point for subscriber units. The '491 Patent overcomes persistent coverage and capacity issues in cellular deployments without the need for additional costly network infrastructure (*e.g.*, base stations), and thereby helps to stabilize the cost of communication services within the network. Therefore, wireless interactive video services requiring increased bandwidth or speed become feasible. In fact, one of the many advantages of the patented technology is the provision of high bandwidth applications and services to multiple subscribers at peak load capacity in and out of the home or office by combining cellular access with a wireless modem LAN using, for instance, Wi-Fi technology.

23. The technology taught and claimed in the '101 and '491 Patents was invented by then EON head engineer, Gilbert Dinkins, and these patents are collectively referred to as the "Dinkins Patents."

24. ASUS has been and is presently infringing at least one claim of each of the Dinkins Patents literally or under the doctrine of equivalents, directly or indirectly by knowingly and specifically intending to contribute to or induce infringement by others, alone or with wireless network operators, application providers, customers, and/or end users. ASUS makes, uses, sells, offers for sale, imports, and/or exports subscriber units (*e.g.*, wireless devices such as Nexus 7, Padfone, Padfone 2, VivoTab RT, and similar devices) and modems (*e.g.*, wireless access points such as RT-N66U, RT-N65U, WL-330N, RT-N10E B1, RT-N12 D1, RT-N10U B, RT-N10U, RT-N12HP, RT-N10 D1, RT-N10+ D1, RT-N10 C1, RT-N10LX, RT-N12E, RT-N12E, RT-N10E, RT-N10+ C1, RT-N56U, RT-N12 C1, RT-N15U, RT-N12LX, RT-N53, RT-N13U B1, RT-N12 B1, WL-330N3G, RT-N10 B1, RT-N12, RT-N10, RT-N13U, RT-N16, RT-G32, WL-330gE, WL-500gP V2, WL-520gC, and WL-520gU, and similar devices) that fall within the scope of at least one claim of each of the Dinkins Patents or are especially configured for use in and constitute a material portion of the patented inventions.

25. ASUS indirectly infringes by contributing to direct infringement by its customers and mobile network operators through the selling, offering for sale, importing, and/or exporting of, for example, dual-mode (Wi-Fi and cellular or Wi-MAX enabled) subscriber units that are specially configured for use in and constitute a material portion of the patented invention.

26. ASUS induces others, including its customers and mobile network operators, to directly infringe the Dinkins Patents, for example, by providing subscriber units with multi-path

capability to customers and instructing them in how to switch between WAN and LAN communication paths.

27. ASUS induces infringement by actively instructing and encouraging its customers to use ASUS's subscriber units in infringing network configurations by touting the advantages that its products can provide to such users, by providing technical assistance in integrating its products into such network configurations, or by providing service manuals or other instructions explaining how to use the ASUS subscriber units in a way that infringes the claims of the Dinkins Patents. In addition, ASUS actively promotes the advantages that its subscriber units can offer end users, including wider coverage and availability for its users and the applications they desire and increased communication speeds throughout the user experience both at home or on the go. ASUS's customers, end users and network operators directly infringe the apparatus and method claims of the Dinkins Patents by importing, exporting, making, using, selling, and/or offering to sell infringing networks that include ASUS's subscriber units.

28. ASUS acted and continues to act intentionally and with knowledge of its infringement of the Dinkins Patents at least since the date this lawsuit was filed or served.

29. ASUS's subscriber units are made especially for performing the communication methods and for use on networks that infringe the Dinkins Patents and are not staple articles or commodities of commerce suitable for substantial noninfringing use. For example, ASUS's subscriber units are made especially for performing the communication methods and for use on networks that infringe the Dinkins Patents because they include multimode or dual path communication features and functions that are not staple articles or commodities of commerce suitable for substantial noninfringing use.

IV. CAUSE OF ACTION

Infringement of the Patents-in-Suit

30. EON repeats and realleges the allegations set forth in Paragraphs 1 through 29 as if those allegations had been fully set forth herein.

31. Defendants, without authorization or license and in violation of 35 U.S.C. § 271(a), (b), (c), and (f), have been and are infringing the '757 Patent, the '101 Patent, and the '491 Patent directly, by inducement, and contributorily.

32. Since at least the filing of this action, Defendants' infringement has been and continues to be willful.

33. EON has no adequate remedy at law against Defendants' acts of infringement, and Defendants' infringement will continue unless enjoined by this Court.

34. Defendants' unauthorized use of EON's patented-technology causes EON and its licensees harm.

35. EON has suffered and will continue to suffer irreparable injury as a result of Defendants' infringement, including through the harm described in the preceding paragraph.

36. EON is in compliance with any requirements of 35 U.S.C. § 287, if applicable.

37. EON has been damaged by Defendants' infringement and will continue to be damaged until enjoined by this Court.

V. PRAYER FOR RELIEF

WHEREFORE, in consideration of the foregoing, Plaintiff respectfully requests that this Honorable Court enter judgment against Defendants, and in favor of Plaintiff. Plaintiff prays that this Court:

A. award Plaintiff all relief available under § 284 of the Patent Act, including monetary damages, for the Defendants' infringement in an amount to be determined by the trier of fact;

B. award Plaintiff all relief available under § 285 of the Patent Act, including the costs of this litigation as well as expert witness and attorneys' fees.

C. order payment of all applicable interests, including prejudgment interest;
and

D. award Plaintiff whatever equitable relief is deemed appropriate.

VI. DEMAND FOR JURY TRIAL

EON demands a trial by jury of any and all issues triable of right before a jury.

Dated: February 20, 2013

Respectfully Submitted,

/s/ Daniel Scardino

Daniel Scardino
Texas State Bar No. 24033165
Cabrach J. Connor
Texas State Bar No. 24036390
Jeffery R. Johnson
Texas State Bar No. 24048572
REED & SCARDINO LLP
301 Congress Avenue, Suite 1250
Austin, Texas 78701
Tel.: (512) 474-2449
Fax: (512) 474-2622
dscardino@reedscardino.com
cconnor@reedscardino.com
jjohnson@reedscardino.com

Deron Dacus
Texas State Bar No. 00790553
THE DACUS FIRM, P.C.
821 ESE Loop 323, Suite 430
Tyler, Texas 75701
Tel. & Fax: (903) 705-1117
ddacus@dacusfirm.com

**ATTORNEYS FOR PLAINTIFF
EON CORP. IP HOLDINGS, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on February 20, 2013, I electronically submitted the foregoing document with the clerk of court for the U.S. District Court, Eastern District of Texas, using the electronic case files system of the court. The electronic case files system sent a “Notice of Electronic Filing” to individuals who have consented in writing to accept this Notice as service of this document by electronic means, all other counsel of record not deemed to have consented to electronic service were served with a true and correct copy of the foregoing by first class mail today, February 20, 2013.

/s/ Daniel Scardino
Daniel Scardino