

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION**

LG ELECTRONICS, INC.,

Plaintiff,

v.

**FUNAI ELECTRIC COMPANY, LTD.,
FUNAI CORPORATION, INC., and
P&F USA, INC.,**

Defendants.

Civil Action No. 5:09-CV-114

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff LG Electronics, Inc. (“LGE”) hereby files this Complaint for Patent Infringement against Defendants Funai Electric Company Ltd. (“Funai Electric”), Funai Corporation, Inc. (“Funai Corp.”), and P&F USA, Inc. (“P&F”) (collectively, “Funai Defendants”), and hereby alleges as follows:

PARTIES

1. Plaintiff LG Electronics, Inc. is a foreign corporation organized and existing under the laws of the Republic of Korea with its principal place of business at LG Twin Towers, 20 Yeouido-dong, Yeongdeungpo-gu, Seoul, 150-721, South Korea. LGE designs, makes, and sells many different products world-wide for consumer use including personal computers, mobile telephone handsets, DVD recorders and players, washing machines, and, most relevant here, televisions. LGE is the owner of record of the patents involved in this action.

2. On information and belief, Funai Electric is a limited liability corporation organized under the laws of Japan. Funai Electric’s principal place of business is at 7-7-1 Nakagaito Daito, Osaka 574-0013 Japan. Funai Electric operates an Audio-Visual Equipment

business, which includes the design, manufacture, use, sale, importation and/or distribution of video displays accused of infringement herein.

3. On information and belief, Funai Corp. is a New Jersey corporation with its principal place of business at 201 Route 17 North, Suite 903, Rutherford, NJ 07070. On information and belief, Funai Corp. is a U.S.-based subsidiary of Funai Electric, and oversees Funai Electric's U.S. sales operations. Funai Corp. designs, manufactures, uses, sells, imports, and/or distributes video displays accused of infringement herein.

4. On information and belief, P&F is a Georgia corporation with its principal place of business at 3015 Windward Plaza, Ste. 100, Alpharetta, GA 30005-8724. On information and belief, P&F is a wholly-owned subsidiary of Funai Electric. On information and belief, P&F is responsible for the sourcing, distribution, marketing, and sales activities of Philips-branded displays in the United States and Canada on behalf of Funai Electric. P&F designs, manufactures, uses, sells, imports, and/or distributes video displays accused of infringement herein.

JURISDICTION AND VENUE

5. This is an action for patent infringement arising under the patent laws of the United States, including 35 U.S.C. § 271. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a) because this action arises under the patent laws of the United States, including 35 U.S.C. § 271 et seq.

6. This Court has personal jurisdiction over the Funai Defendants because each does business in Texas and in this judicial district and/or has infringed or caused infringement in Texas and in this judicial district.

7. The Court has personal jurisdiction over the Funai Defendants because each has established minimum contacts with the forum and the exercise of jurisdiction over them would not offend traditional notions of fair play and substantial justice. On information and belief, the Funai Defendants knowingly and intentionally participate in a stream of commerce between, for example, Japan and the United States with a portion of such stream including sales of video displays (hereinafter the “accused products”) that embody the system, practice the method, and/or produce the product covered by one or more claims of patents owned by LGE, as asserted in greater detail hereinafter. By way of example, the accused products include those ultimately sold and/or offered for sale within this judicial district under the Sylvania brand name such as, for example, TVs with model No. LC427SSX. In accordance with established distribution channels for the accused products, the Funai Defendants reasonably anticipated that accused products would end up in this district and be sold therein.

8. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391 and 1400(b).

THE LGE PATENTS-IN-SUIT

9. LGE is the owner by assignment of all right, title, and interest in and to United States Patent No. 5,790,096 (“the ’096 patent”), entitled “Automated Flat Panel Display Control System for Accommodating Broad Range of Video Types and Formats.” The ’096 patent was duly and legally issued by the United States Patent and Trademark Office (“USPTO”) on August 4, 1998.

10. LGE is the owner by assignment of all right, title, and interest in and to United States Patent No. 5,537,612 (“the ’612 patent”), entitled “Remotely Selectable Audio/Video/Text Disruption.” The ’612 patent was duly and legally issued by the USPTO on July 16, 1996.

11. LGE is the owner by assignment of all right, title, and interest in and to United States Patent No. 5,459,522 (“the ’522 patent”), entitled “Method for Acquisition and Display of an On-Screen Program Guide.” The ’522 patent was duly and legally issued by the USPTO on Oct. 17, 1995.

COUNT 1 – INFRINGEMENT OF THE ‘096 PATENT

12. LGE realleges and incorporates herein by reference the allegations in paragraphs 1-11 above.

13. The Funai Defendants are directly infringing, contributing to the infringement of, or inducing others to infringe the ‘096 patent by, for example, making, using, offering to sell, or selling the accused products within, or importing the accused products into, the United States, or inducing others to make, use, offer to sell, or sell the accused products within, or import the accused products into, the United States.

14. As a result of the Funai Defendants’ unlawful infringement of the ‘096 patent, LGE has suffered and will continue to suffer damage. LGE is entitled to recover damages adequate to compensate for that infringement.

15. The Funai Defendants’ acts of infringement herein have been made with full knowledge of LGE’s rights in the ‘096 patent. Such acts constitute willful and deliberate infringement, entitling LGE to enhanced damages and reasonable attorney fees.

16. The Funai Defendants’ acts of infringement have caused and will continue to cause irreparable injury to LGE unless and until enjoined by this Court.

COUNT 2 – INFRINGEMENT OF THE ‘612 PATENT

17. LGE realleges and incorporates herein by reference the allegations in paragraphs 1-16 above.

18. The Funai Defendants are directly infringing, contributing to the infringement of, or inducing others to infringe the '612 patent by, for example, making, using, offering to sell, or selling the accused products within, or importing the accused products into, the United States, or inducing others to make, use, offer to sell, or sell the accused products within, or import the accused products into, the United States.

19. As a result of the Funai Defendants' unlawful infringement of the '612 patent, LGE has suffered and will continue to suffer damage. LGE is entitled to recover damages adequate to compensate for that infringement.

20. The Funai Defendants' acts of infringement herein have been made with full knowledge of LGE's rights in the '612 patent. Such acts constitute willful and deliberate infringement, entitling LGE to enhanced damages and reasonable attorney fees.

21. The Funai Defendants' acts of infringement have caused and will continue to cause irreparable injury to LGE unless and until enjoined by this Court.

COUNT 3 – INFRINGEMENT OF THE '522 PATENT

22. LGE realleges and incorporates herein by reference the allegations in paragraphs 1-21 above.

23. The Funai Defendants are directly infringing, contributing to the infringement of, or inducing others to infringe the '522 patent by, for example, making, using, offering to sell, or selling the accused products within, or importing the accused products into, the United States, or inducing others to make, use, offer to sell, or sell the accused products within, or import the accused products into, the United States.

24. As a result of the Funai Defendants' unlawful infringement of the '522 patent, LGE has suffered and will continue to suffer damage. LGE is entitled to recover damages adequate to compensate for that infringement.

25. The Funai Defendants' acts of infringement herein have been made with full knowledge of LGE's rights in the '522 patent. Such acts constitute willful and deliberate infringement, entitling LGE to enhanced damages and reasonable attorney fees.

26. The Funai Defendants' acts of infringement have caused and will continue to cause irreparable injury to LGE unless and until enjoined by this Court.

JURY DEMAND

Pursuant to Federal Rule of Civil Procedure 38, Plaintiff LGE demands a jury trial on all issues so triable.

PRAYER FOR RELIEF

Wherefore, Plaintiff LGE prays that this Court:

(1) Enter judgment that the Funai Defendants have infringed the '096, '612, and '522 patents;

(2) Permanently enjoin the Funai Defendants and their officers, agents, employees, representatives, successors and assigns, and any others acting in concert with them, from infringing the '096, '612, and '522 patents;

(3) Order Funai Defendants to account for and pay to LGE the damages resulting from the Funai Defendants' infringement adequate to compensate for that infringement, including pre- and post-judgment interest as allowed by law, costs, and all other damages permitted by 35 U.S.C. § 284;

- (4) Award LGE treble damages as a result of the Funai Defendants' willful infringement;
- (5) Award LGE its costs in this action, declare that this case is an exceptional one under 35 U.S.C. § 285, and award LGE its reasonable attorney's fees; and
- (6) Award LGE such further, necessary and proper relief as this Court may deem just and reasonable.

Dated: August 12, 2009

Respectfully submitted,

By: /s/ James A. Fussell, III

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