

UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, DC

In the Matter of

CERTAIN LIQUID CRYSTAL DISPLAY
DEVICES, INCLUDING MONITORS,
TELEVISIONS, AND MODULES, AND
COMPONENTS THEREOF

Investigation No. 337-TA- ____

**THOMSON LICENSING SAS AND THOMSON LICENSING LLC'S
COMPLAINT UNDER SECTION 337 OF THE TARIFF ACT OF 1930, AS AMENDED**

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TABLE OF CONTENTS

	Page
TABLE OF EXHIBITS	III
APPENDIX OF ADDITIONAL MATERIALS	VI
I. INTRODUCTION	1
II. COMPLAINANTS	3
III. PROPOSED RESPONDENTS	4
A. Chimei Innolux Corporation	4
B. Innolux Corporation	4
C. Chi Mei Optoelectronics USA, Inc.	5
D. MStar Semiconductor, Inc.	5
IV. THE PRODUCTS-AT-ISSUE	6
V. THE PATENTS-AT-ISSUE	6
A. THE '941 PATENT	6
a) Identification and Ownership of the '941 patent	6
b) Non-Technical Description of the Invention of the '941 patent	7
c) Foreign Counterparts	8
B. THE '063 PATENT	8
a) Identification and Ownership of the '063 patent	8
b) Non-Technical Description of the Invention of the '063 patent	9
c) Foreign Counterparts	10
C. THE '674 PATENT	10
a) Identification and Ownership of the '674 patent	10
b) Non-Technical Description of the Invention of the '674 patent	11
c) Foreign Counterparts	12
D. THE '556 PATENT	12
a) Identification and Ownership of the '556 patent	12
b) Non-Technical Description of the Invention of the '556 patent	12
c) Foreign Counterparts	13

TABLE OF CONTENTS
(continued)

	Page
E. THE '006 PATENT	14
a) Identification and Ownership of the '006 patent	14
b) Non-Technical Description of the Invention of the '006 patent.....	14
c) Foreign Counterparts	15
VI. UNFAIR ACTS OF THE PROPOSED RESPONDENTS.....	16
VII. SPECIFIC INSTANCES OF UNFAIR IMPORTATION AND SALE	19
VIII. HARMONIZED TARIFF SCHEDULE ITEM NUMBERS	20
IX. LICENSEES	21
X. DOMESTIC INDUSTRY.....	21
XI. RELATED LITIGATION	22
A. USITC and District Court	22
B. Reexamination	23
XII. RELIEF REQUESTED.....	23

TABLE OF EXHIBITS

Exhibit No.	Description
1.	Certified copy of United States Patent 6,121,941 (the '941 patent)
2.	Certified copy of United States Patent 5,978,063 (the '063 patent)
3.	Certified copy of United States Patent 5,648,674 (the '674 patent)
4.	Certified copy of United States Patent 5,621,556 (the '556 patent)
5.	Certified copy of United States Patent 5,375,006 (the '006 patent)
6.	(6a) Public copy of '941 patent Assignment Papers and (6b-6c) Confidential – Assignment Papers for '941 patent
7.	Certified copy of Assignment Papers for '063 patent
8.	Certified copy of Assignment Papers for '674 patent
9.	Certified copy of Assignment Papers for '556 patent
10.	Certified copy of Assignment Papers for '006 patent
11.	Confidential – Assignment Papers for '006 patent (p. 9)
12.	Confidential – Thomson Consumer Electronics, Administrative Council 21 March 1995 Minutes
13.	Technicolor, S.A. 2009 20-F, Note 40, Sec. 2.1.2 and 6.7
14.	Confidential – Conversion from Thomson Licensing SA to Thomson Licensing SAS
15.	Confidential – Agreement By and Between Thomson Licensing SA and Thomson Licensing, Inc., Effective January 1, 2004
16.	State of Delaware Certificate of Conversion from a Corporation to a Limited Liability Company Pursuant to Section 18-214 of the Limited Liability Act
17.	Confidential – List of Thomson Licensing's Licensees
18.	Innolux Display Corporation and Subsidiaries, Consolidated Financial Statements and Report of Independent Accounts, June 30, 2008 and 2009
19.	Chimei Innolux OneSource One-Stop Report
20.	Respondents Chimei Innolux Corporation's and Innolux Corporation's Response to Sony Corporation's Complaint and the Notice of Investigation, <u>Certain Display Devices, Including Digital Televisions and Monitors</u> , Inv. No. 337-TA-713 (USITC June 8, 2010)
21.	Chimei Innolux Corporation, Company Overview, http://www.chimei-innolux.com/opencms/cmo/about_us/company_overview/?__locale=en
22.	Texas Secretary of State Entity Search Results for Innolux Corporation

Exhibit No.	Description
23.	Innolux Corporation Hoovers Report
24.	Defendant Innolux Corp.'s Answer, Defenses, and Counterclaims to Plasma Physics' and Solar Physics' Amended Complaint, <u>Plasma Physics Corp., et al. v. Innolux Display Corp., et al.</u> , No. 08-cv-01629-LDW-WDW (E.D.N.Y. July 29, 2008)
25.	Declaration of Jack Yang, <u>Honeywell Int'l Inc., et al. v. Apple Computer, Inc., et al.</u> , No. 04-cv-1337-JJF (D. Del. May 4, 2009)
26.	Delaware Secretary of State Entity Search Results for CMO USA
27.	California Secretary of State Entity Search Results for CMO USA
28.	Public Verified Complaint, <u>Certain Liquid Crystal Display Devices and Products Interoperable with the Same</u> , Inv. No. 337-TA-2751 (USITC Aug. 23, 2010)
29.	CMO USA Hoovers Report
30.	Dun and Bradstreet International Business Information Report: Chi Mei Optoelectronics USA, Inc.
31.	2008 Annual Report of Chi Mei Optoelectronics, Tables 4.2 and 8, Note 1
32.	Sales Receipts for Purchases in the U.S. of Accused Products
33.	Photographs of Acer LCD Monitor Model S243HL Containing MStar TSUM088GDI-LF-1 Scaler Chip
34.	Photographs of Westinghouse LCD Monitor Model L1916HW Containing Chimei Innolux A190Z1 Panel
35.	Photographs of Hyundai LCD Monitor Model X93W Containing Chimei Innolux MT190AW02V0 Panel
36.	MStar Home Page, http://www.mstarsemi.com/
37.	MStar Semiconductor OneSource One-Stop Report
38.	Claim Chart Demonstrating Infringement of Claims 1 and 4 of the '941 patent by Acer LCD Monitor Model S243HL Containing MStar TSUM088GDI-LF-1 Scaler Chip
39.	Claim Chart Demonstrating Infringement of Claims 1 and 11 of the '063 patent by Hyundai LCD Monitor Model X93W Containing Chimei Innolux MT190AW02V0 Panel
40.	Claim Chart Demonstrating Infringement of 1 and 16 of the '674 patent by Westinghouse LCD Monitor Model L1916HW Containing Chimei Innolux A190Z1 Panel

Exhibit No.	Description
41.	Claim Chart Demonstrating Infringement of Claim 3 of the '556 patent by Hyundai LCD Monitor Model X93W Containing Chimei Innolux MT190MAW02V0 Panel
42.	Claim Chart Demonstrating Infringement of Claims 4, 7, and 14 of the '006 patent by Hyundai LCD Monitor Model X93W Containing Chimei Innolux MT190MAW02V0 Panel
43.	Confidential – Domestic Investments to Exploit the Patents-at-Issue
44.	Complaint for Patent Infringement and Affidavit of D. Smith, Deputy Clerk, <u>Thomson Licensing SAS v. Chimei Innolux Corp., et al.</u> , No. 10-cv-00626-BMS (D.Del. July 23 and July 28, 2010)
45.	Public Verified Complaint, <u>Certain Color Television Receivers and Color Display Monitors, and Components Thereof</u> , Inv. No. 337-TA-534 (USITC Feb. 24, 2005)
46.	Complaint, <u>Thomson Licensing S.A. v. BenQ Corp., et al.</u> , No. 05-cv-1005-JSW (N.D. Cal. Mar. 9, 2005)
47.	Order 45: Initial Determination Granting Joint Motion to Terminate Investigation on the Basis of Settlement Agreements, <u>Certain Color Television Receivers and Color Display Monitors, and Components Thereof</u> , Inv. No. 337-TA-534 (USITC Dec. 20, 2005)
48.	Stipulation of Dismissal, <u>Thomson Licensing S.A. v. BenQ Corp., et al.</u> , No. 05-cv-1005-JSW (N.D. Cal. Dec. 8, 2005)

APPENDIX OF ADDITIONAL MATERIALS

As required by 19 C.F.R. § 210.12(c), a certified copy of each of the prosecution histories of the patents-at-issue, including the references cited therein, is submitted in the following appendices:

- Appendix A – Prosecution history for U.S. Patent No. 6,121,941
- Appendix B – Technical references cited in the prosecution history of U.S. Patent No. 6,121,941
- Appendix C – Prosecution history for U.S. Patent No. 5,978,063
- Appendix D – Technical references cited in the prosecution history of U.S. Patent No. 5,978,063
- Appendix E – Prosecution history for U.S. Patent No. 5,648,674
- Appendix F – Technical references cited in the prosecution history of U.S. Patent No. 5,648,674
- Appendix G – Prosecution history for U.S. Patent No. 5,621,556
- Appendix H – Technical references cited in the prosecution history of U.S. Patent No. 5,621,556
- Appendix I – Prosecution history for U.S. Patent No. 5,375,006
- Appendix J – Technical references cited in the prosecution history of U.S. Patent No. 5,375,006

I. INTRODUCTION

1. Complainants Thomson Licensing SAS and Thomson Licensing LLC (collectively, “Thomson Licensing”) request that the United States International Trade Commission (“USITC” or “Commission”) commence an investigation pursuant to 19 U.S.C. § 1337(a)(1)(B) (alternatively referred to herein as “Section 337”) to remedy the unlawful importation into the United States, sale for importation into the United States, sale within the United States, and/or offering for sale within the United States of certain liquid crystal display (LCD) devices, including monitors, televisions, and modules and components thereof, including LCD panels, LCD controllers, and birefringent film (collectively, the “Accused Products”).
2. On information and belief, the proposed Respondents, Chimei Innolux Corporation, Innolux Corporation, and Chi Mei Optoelectronics USA, Inc. (collectively, “Chimei Innolux”) and MStar Semiconductor, Inc. (MStar) have engaged in unfair acts in violation of Section 337 through the unlicensed importation, sale for importation, and/or sale within the United States after importation of Accused Products that directly and indirectly infringe one or more claims of U.S. Patent Nos. 6,121,941 (the ’941 patent), 5,978,063 (the ’063 patent), 5,648,674 (the ’674 patent), 5,621,556 (the ’556 patent), and 5,375,006 (the ’006 patent) (collectively, “the patents-at-issue”).
3. On information and belief, Chimei Innolux Accused Products infringe at least claims 1 and 4 of the ’941 patent; at least claims 1-4, 8, 11, 12, 14, 17, and 18 of the ’063 patent; at least claims 1, 7-9, 11, 13, 14, and 16-18 of the ’674 patent; at least claim 3 of the ’556 patent; and at least claims 4, 7, 8, 9, 10, and 14 of the ’006 patent.

4. On information and belief, MStar Accused Products included as components of Chimei Innolux Accused Products infringe at least claims 1 and 4 of the '941 patent.
5. A copy of the '941 patent accompanies this complaint as **Exhibit 1**. Thomson Licensing SAS owns by assignment the entire right, title, and interest in this patent.
6. A copy of the '063 patent accompanies this complaint as **Exhibit 2**. Thomson Licensing SAS owns by assignment the entire right, title, and interest in this patent.
7. A copy of the '674 patent accompanies this complaint as **Exhibit 3**. Thomson Licensing SAS owns by assignment the entire right, title, and interest in this patent.
8. A copy of the '556 patent accompanies this complaint as **Exhibit 4**. Thomson Licensing SAS owns by assignment the entire right, title, and interest in this patent.
9. A copy of the '006 patent accompanies this complaint as **Exhibit 5**. Thomson Licensing SAS owns by assignment the entire right, title, and interest in this patent.
10. As required by Section 337(a)(2) and defined by Section 337(a)(3), an industry in the United States relating to the patents-at-issue exists by virtue of at least Thomson Licensing LLC's licensing activities with respect to the patents-at-issue.
11. Thomson Licensing seeks a limited exclusion order pursuant to Section 337(d) excluding the importation of Chimei Innolux Accused Products, including those Accused Products containing Accused Products of MStar and other component manufacturers and designers, manufactured by or for Chimei Innolux or its affiliates in the United States. Thomson Licensing also seeks a cease-and-desist order pursuant to Section 337(f) directing Chimei Innolux to immediately cease the importation into the United States, sale for importation into the United States, and sale in the United States after importation of the Accused Products. Thomson Licensing also requests that the cease-and-desist order direct Chimei Innolux to

immediately cease the demonstration, sale, offer for sale, use, and movement or shipment of United States inventory of the Accused Products.

II. COMPLAINANTS

12. Complainant Thomson Licensing SAS is a French société par actions simplifiée organized and existing under the laws of France. Thomson Licensing SAS maintains its principal place of business at 1-5 rue Jeanne d'Arc, 92130 Issy-les-Moulineaux, France. Thomson Licensing SAS was formerly known as Thomson Licensing SA. (See **Confidential Exhibit 14.**)
13. Complainant Thomson Licensing LLC is organized and existing under the laws of Delaware. Thomson Licensing LLC maintains its principal place of business at 2 Independence Way, Princeton, New Jersey 08543. Thomson Licensing LLC is the successor in interest to Thomson Licensing Inc. (See **Exhibit 16.**)
14. Thomson Licensing SAS is a wholly-owned subsidiary of Technicolor, S.A., a French société anonyme. (See **Exhibit 13.**) Thomson Licensing LLC is a wholly-owned subsidiary of Technicolor USA, Inc., which is a wholly-owned subsidiary of Technicolor, S.A. (See **Exhibit 13.**)
15. Thomson Licensing SAS is the owner by assignment of all right, title, and interest in and to the '941 patent, the '063 patent, the '674 patent, the '556 patent, and the '006 patent. (See **Exhibits 7-10 and Confidential Exhibits 6, 11.**)
16. Thomson Licensing LLC is authorized by Thomson Licensing SAS to grant licenses under Thomson Licensing SAS's patents, including the patents-at-issue, to third parties for the manufacture and sale of consumer electronics products and grants such licenses throughout the world. (See **Confidential Exhibit 15.**)

17. Thomson Licensing has extended licenses to the patents-at-issue to over 180 companies. A listing of such licensees is appended as **Confidential Exhibit 17**.

III. PROPOSED RESPONDENTS

A. Chimei Innolux Corporation

18. On information and belief, Chimei Innolux Corporation (Chimei) is a Taiwanese corporation with its principal place of business at No. 160 Kesuyue Road, Jhunan Science Park, Miaoli County 350, Taiwan, R.O.C. (See **Exhibits 18-20**.) Chimei Innolux Corporation was formed in March 2010 following the merger of Innolux Display Corporation, Chi Mei Optoelectronics, and TPO Displays Corporation. (See **Exhibits 21, 28**.)
19. On information and belief, Chimei develops, manufactures or has manufactured, markets and sells Accused Products, including those Accused Products containing Accused Products of MStar. (See **Exhibits 18-21, 28**.) On information and belief, Accused Products are manufactured overseas, and Chimei and others then import Accused Products into the United States, sell Accused Products for importation into the United States, and/or sell Accused Products after they have been imported into the United States. Chimei Innolux Accused Products are sold in the United States under various brand names. (See **Exhibits 20, 25, 28, 32-35**.)

B. Innolux Corporation

20. On information and belief, Innolux Corporation (Innolux) is a subsidiary of Chimei, and is organized and existing under the laws of Texas with its principal place of business at 2525 Brockton Drive, Suite 300, Austin, Texas 78758. (See **Exhibits 18, 22-25**.)
21. On information and belief, Innolux distributes and markets Accused Products, including those Accused Products containing Accused Products of MStar, manufactured by or for

Chimei or its affiliates. (See **Exhibits 20, 24-25.**) On information and belief, Innolux imports such Accused Products into the United States, sells such Accused Products for importation into the United States, and/or sells such Accused Products after they have been imported into the United States. (See **Exhibits 20, 24-25, 32-35.**)

C. Chi Mei Optoelectronics USA, Inc.

22. On information and belief, Chi Mei Optoelectronics USA, Inc. (CMO USA) is a subsidiary of Chimei, and is incorporated in Delaware with its principal place of business at 101 Metro Drive Suite 510, San Jose, California, 95110. (See **Exhibits 26-31.**)
23. On information and belief, CMO USA distributes and markets Accused Products, including those Accused Products containing Accused Products of MStar, manufactured by or for Chimei or its affiliates. (See **Exhibits 28, 30-31.**) On information and belief, CMO USA imports such Accused Products into the United States, sells such Accused Products for importation into the United States, and/or sells such Accused Products after they have been imported into the United States. (See **Exhibits 28, 30-35.**)

D. MStar Semiconductor, Inc.

24. On information and belief MStar is a Taiwanese corporation with its principal place of business at 4F-1, No. 26, Tai-Yuan Street, ChuPei Hsinchu Hsien, Taiwan 302, R.O.C. (See **Exhibits 36-37.**)
25. On information and belief, MStar develops, manufactures or has manufactured, markets, and sells LCD controllers, which are Accused Products. (See **Exhibit 33.**) On information and belief, MStar manufactures, has manufactured and/or assisted in the manufacture of such Accused Products overseas, and such Accused Products are imported into the United States, sold for importation into the United States, and/or sold after they have been imported into the

United States. (See Exhibit 33.) For instance, MStar sells Accused Products to Chimei Innolux, the MStar Accused Products are incorporated into Chimei Innolux Accused Products, and the Chimei Innolux Accused Products, including the MStar Accused Products, are imported into the United States and sold in the United States after importation. (See Exhibit 33.)

IV. THE PRODUCTS-AT-ISSUE

26. The Accused Products include LCD devices, including monitors, televisions, modules, and panels manufactured, designed, distributed, sold, or offered for sale by or for Chimei Innolux. The Accused Products also include infringing components incorporated in the Chimei Innolux Accused Products, such as LCD modules and panels, LCD controllers, and birefringent film. Examples of the Accused Products are listed below and described in the attached claim charts. Photographs of certain examples of the Accused Products are attached as **Exhibits 33-35**.

V. THE PATENTS-AT-ISSUE

A. THE '941 PATENT

a) Identification and Ownership of the '941 patent

27. U.S. Patent No. 6,121,941, entitled "Method and Device for the Controlling of Matrix Displays," issued on September 19, 2000. The '941 patent was assigned by its inventor, Gangolf Hirtz, to Deutsche Thomson-Brandt GmbH. (See Exhibit 6a). In October 2003, Deutsche Thomson-Brandt GmbH transferred and assigned title to the '941 patent to Thomson (now known as Technicolor, S.A.), and Thomson sold and assigned its rights, title, and interest in the '941 patent to Thomson Licensing SAS. (See Confidential Exhibits 6b)

and 6c.) The '941 patent remains in full force and effect, and Thomson Licensing SAS is the owner of all right, title, and interest in and to the '941 patent.

b) Non-Technical Description of the Invention of the '941 patent¹

28. The '941 patent is directed to devices and methods that allow an improved or enhanced video image to be displayed on an LCD.

29. Video images are organized in successive frames made up of a series of horizontal lines to create an image on a display screen. Certain video image signal frames, such as those formatted for display on a cathode ray tube (CRT), have active regions and inactive periods. The active regions contain image information and the inactive periods represent blanking intervals. Blanking intervals allow time for the electron gun of a CRT display to be repositioned so the next line or frame of image information can be properly projected on the CRT after the previous horizontal line or frame has been painted by the gun. Matrix displays, such as LCDs, however, do not use mechanisms such as electron guns, and, therefore, do not require blanking intervals.

30. The '941 patent teaches and claims devices and methods that utilize the total time — that is, the time associated with the active regions and inactive periods — in CRT video image signals to create images that can be displayed on an LCD with more lines using a lower clock frequency than could have been used to generate the same display on a CRT. The active regions of an input video image signal are sampled and written into a buffer memory at a first rate, and they are read out of the memory at a second rate and processed and displayed on the LCD using the same total time available from the CRT video image.

¹ The text of this Complaint and the sections providing non-technical descriptions of the patents-at-issue are not intended to construe either the specification or the claims of the patents-at-issue.

c) Foreign Counterparts

31. The following is a list of foreign counterparts to the '941 patent:

Jurisdiction	App. No.	Filing Date	Status
WO/PCT	WO92/1954	8/26/1992	Abandoned
Republic of Korea	7000712/94	3/4/1994	Patent 0256841B1
Japan	JP2006000197381	7/19/2006	Abandoned
Japan	JP2005000236	1/4/2005	Patent JP03-853819
Japan	JP2003181595	6/25/2003	Patent 2004046176A2
Japan	JP1992504901	8/26/1992	Abandoned
Hong Kong	HK1996000113296	6/27/1996	Patent 0113296A
Spain	ES1992000918425	8/26/1992	Patent 2082497
European Patent Office	EP1992000918425	8/26/1992	Patent 0603226
Germany	DE1992059204522	8/26/1992	Pending
Germany	DE1991004129459	9/5/1991	Abandoned
China	CN1992000110261	9/2/1992	Patent 1070276
China	CN1992000110261	9/2/1992	Patent 1030806

32. To the best of Thomson Licensing's knowledge, information, and belief, there are no other foreign patent or foreign patent applications pending, filed, abandoned, withdrawn, or rejected corresponding to the '941 patent.

B. THE '063 PATENT

a) Identification and Ownership of the '063 patent

33. U.S. Patent No. 5,978,063, entitled "Smart Spacers For Active Matrix Liquid Crystal Projection Light Valves," issued on November 2, 1999. The '063 patent was assigned by its inventors, Gregory P. Crawford and Jackson Ho, to Xerox Corporation on April 15, 1997. A true and correct copy of the notice of assignment is attached to this Complaint. (See **Exhibit**

7.) Xerox Corporation and the Palo Alto Research Center, Inc. assigned various patents, including the '063 patent, to Thomson Licensing LLC on August 4, 2008. (See **Exhibit 7**.) Thomson Licensing LLC then assigned the '063 patent to Thomson Licensing SAS on December 31, 2008. (See **Exhibit 7**.) The '063 patent remains in full force and effect, and Thomson Licensing SAS is the owner of all right, title, and interest in and to the '063 patent.

b) Non-Technical Description of the Invention of the '063 patent

34. The '063 patent discloses and claims LCD panel spacer elements that are positioned and shaped to improve the fabrication process and display quality of an LCD.
35. Generally speaking, active matrix LCDs include a bottom substrate with an array of gate lines and data lines connected to thin film transistors (TFTs), a layer of liquid crystal material covering the bottom substrate, and a second substrate covering the layer of liquid crystal material. Ideally, there is a uniform distance between the top and bottom substrates; but the layer of liquid crystal material is unable, by itself, to maintain such a relationship. "Spacing elements," or "spacers," are used to maintain a uniform distance between the substrates.
36. Prior art spacing elements adversely impacted the alignment of the liquid crystals and the overall picture quality of active matrix LCDs. In addition, some types of spacers also made it difficult to apply an alignment layer and perform a "rubbing process," which is carried-out to enhance display quality, during LCD fabrication because the spacers would break or catch the rubbing mechanism.
37. The '063 patent teaches and claims an active matrix LCD structure, as well as a method for constructing an active matrix LCD, using several specially-shaped spacing elements placed between two substrate layers. The '063 patent spacers are formed in non-active areas of an active matrix LCD in order to minimize picture distortion while maintaining a uniform

distance between the substrates. The spacing elements also allow for an alignment layer to be placed over them and to be effectively mechanically rubbed.

c) Foreign Counterparts

38. The following is a list of foreign counterparts to the '063 patent:

Jurisdiction	App. No.	Filing Date	Status
Japan	JP2009000006064	1/14/2009	Pending
Japan	JP1998000102810	4/14/1998	Pending

39. To the best of Thomson Licensing's knowledge, information, and belief, there are no other foreign patent or foreign patent applications pending, filed, abandoned, withdrawn, or rejected corresponding to the '063 patent.

C. THE '674 PATENT

a) Identification and Ownership of the '674 patent

40. U.S. Patent No. 5,648,674, entitled "Array Circuitry With Conductive Lines, Contact Leads, And Storage Capacitor Electrode All Formed In Layer That Includes Highly Conductive Metal," issued on July 15, 1997. The '674 patent was assigned by its inventors, Richard L. Weisfield, Nizar S. Kheraj, and Mai T. Nguyen, to Xerox Corporation on April 30, 1995. A true and correct copy of the notice of assignment is attached to this Complaint. (See **Exhibit 8**.) Xerox Corporation and the Palo Alto Research Center Inc., assigned various patents, including the '674 patent, to Thomson Licensing LLC on August 4, 2008. (See **Exhibit 8**.) Thomson Licensing LLC then assigned the '674 patent to Thomson Licensing SAS on December 31, 2008. (See **Exhibit 8**.) The '674 patent remains in full force and effect, and Thomson Licensing SAS is the owner of all right, title, and interest in and to the '674 patent.

b) Non-Technical Description of the Invention of the '674 patent

41. The '674 patent is directed to an improved structure for the pixel electrode, and its associated capacitor, of an active matrix LCD thin film transistor (TFT).
42. Active matrix LCDs include a series of perpendicular gate lines and data lines. A TFT connects a pixel electrode to a data line at the intersection of each gate line and data line. The TFT acts as a switch that, when closed, allows charge from the data line to be placed on the corresponding pixel electrode. When the switch is open, the pixel electrode holds the charge. The charge on the pixel electrode creates a voltage difference across the liquid crystal layer and causes the molecules in that layer to rotate in an amount that corresponds to the charge. This rotation, in turn, controls the amount of light that passes through the LCD that is used to create an image on the screen.
43. In an ideal situation, when the TFT is closed, all of the charge placed on the pixel electrode would remain there until a new image requiring a different amount of charge is created. In reality, however, charge leaks from the pixel electrode, thus creating a slightly different alignment for the liquid crystal molecules. This causes a slightly different amount of light to pass through the LCD and distorts the intended image. To correct this, a capacitor is added to compensate for the depletion of the charge from the pixel electrode.
44. The '674 patent teaches and claims a structure that maximizes the area occupied by the pixel electrode and the added capacitor and can be more efficiently fabricated. The '674 patent accomplishes this by forming the data line, portions of the TFT, and the top electrode of the added capacitor from the same layer of a highly conductive metal. Furthermore, the structure taught and claimed by the '674 patent includes a pixel electrode made from indium tin oxide that is electrically connected to the TFT through the top electrode of the added capacitor.

c) Foreign Counterparts

45. To the best of Thomson Licensing's knowledge, information, and belief, there are no foreign patent or foreign patent applications pending, filed, abandoned, withdrawn, or rejected corresponding to the '674 patent.

D. THE '556 PATENT

a) Identification and Ownership of the '556 patent

46. U.S. Patent No. 5,621,556, entitled "Method Of Manufacturing Active Matrix LCD Using Five Masks," issued on April 15, 1997. The '556 patent was assigned by its inventors, Ronald T. Fulks, William Yao, and Chuang C. Tsai to Xerox Corporation on May 25, 1995. A true and correct copy of the notice of assignment is attached to this Complaint. (See **Exhibit 9**.) Xerox Corporation and the Palo Alto Research Center Inc., assigned various patents, including the '556 patent, to Thomson Licensing LLC on August 4, 2008. (See **Exhibit 9**.) Thomson Licensing LLC then assigned the '556 patent to Thomson Licensing SAS on December 31, 2008. (See **Exhibit 9**.) The '556 patent remains in full force and effect, and Thomson Licensing SAS is the owner of all right, title, and interest in and to the '556 patent.

b) Non-Technical Description of the Invention of the '556 patent

47. The '556 patent is directed to a method for manufacturing an improved bottom-gate TFT that communicates with a pixel electrode positioned above a passivation layer.

48. As described above in the '674 patent section, the amount of charge that is placed on a particular pixel electrode controls the rotation of the liquid crystal molecules above the electrode. In LCD panels, the passivation layer, which is used to isolate TFTs and pixel electrodes from other circuitry, can be placed above or below the pixel electrodes. Since the

passivation layer is interposed between the pixel electrode and the liquid crystal molecules in panels with the passivation layer placed above the pixel electrodes, those panels typically require more pixel electrode charge to rotate the LCD molecules than panels with the passivation layer below the electrodes.

49. The '556 patent active matrix LCD is made by forming bottom-gate type TFTs and pixel electrodes over a passivation layer. The passivation layer and gate insulating layer have specific relative etch rates to allow for the creation of a via through both layers resulting in simpler processing and better panel performance.

c) Foreign Counterparts

50. The following is a list of foreign counterparts to the '556 patent:

Jurisdiction	App. No.	Filing Date	Status
Japan	JP1996000128559	5/23/1996	Pending
Japan	JP1996000127583	5/23/1996	Pending
Japan	JP1995000095229	4/20/1995	Pending
European Patent Office	EP1996000303901	5/30/1996	Patent 0745886
European Patent Office	EP1996000303898	5/30/1996	Pending
European Patent Office	EP1995000302792	4/26/1995	Patent 0679922
Germany	DE1996600034888	5/30/1996	Pending
Germany	DE1995600023807	4/26/1995	Pending

51. To the best of Thomson Licensing's knowledge, information, and belief, there are no other foreign patent or foreign patent applications pending, filed, abandoned, withdrawn, or rejected corresponding to the '556 patent.

E. THE '006 PATENT

a) Identification and Ownership of the '006 patent

52. U.S. Patent No. 5,375,006, entitled "Twisted Nematic Liquid Crystal Display Devices With Optical Axis Of Birefringent Layer Inclined With Respect To Birefringent Layer Normal," issued on December 20, 1994. The '006 patent was assigned by its inventor, Gunther Haas to Thomson Consumer Electronics S.A. on July 21, 1993. A true and correct copy of the notice of assignment is attached to this Complaint. (See **Exhibit 10**.) Thomson S.A. was the successor in interest to Thomson Consumer Electronics S.A. and in December 2003, the '006 patent was assigned from Thomson S.A. to Thomson Licensing SAS. (See **Exhibit 13 and Confidential Exhibits 11, 12, 14**.) The '006 patent remains in full force and effect, and Thomson Licensing SAS is the owner of all right, title, and interest in and to the '006 patent.

b) Non-Technical Description of the Invention of the '006 patent

53. The '006 patent is directed to improving twisted nematic LCD display image quality at different viewing angles.
54. LCDs typically have a first substrate with a polarizer below, a layer of liquid crystal material and a second substrate with another polarizer on top of the liquid crystal material. The polarizers can be in a crossed configuration; that is, light passing through the bottom polarizer, if unperturbed by the liquid crystal layer, will not transmit through the second polarizer because their polarization axes are perpendicular.
55. The polarizers, however, are separated by the liquid crystal layer. When the liquid crystal molecules are positioned such that the LCD should not transmit light (i.e., completely black), light passing through the liquid crystal layer will still be slightly changed by the liquid crystal molecules, and, therefore, will be allowed to pass through the second polarizer at certain

viewing angles. This light leakage diminishes display characteristics at certain viewing angles.

56. The '006 patent teaches and claims a structure that addresses the light leakage by including a material extending in a plane parallel to and between the first and second polarizers. This material has a uniaxial negative birefringence along an axis inclined with respect to the normal to the plane in which the material extends. As a result, the light leakage is diminished.

c) Foreign Counterparts

57. The following is a list of foreign counterparts to the '006 patent:

Jurisdiction	App. No.	Filing Date	Status
European Patent Office	EP1993001100823	1/15/2001	Patent 1103839
European Patent Office	EP1993000401592	6/22/1993	Patent 0576342
France	FR1992009207831	6/26/1992	Patent 9207831
Germany	EP1993001100823	1/15/2001	Patent 1993069333703
Germany	EP1993000401592	6/22/1993	Patent 1993069332479
Great Britain	EP1993001100823	1/15/2001	Patent 1103839
Great Britain	EP1993000401592	6/22/1993	Patent 0576342
Japan	JP2005000368813	12/21/2005	Patent 03923992
Japan	JP1993000181988	6/28/1993	Patent 03268069
Japan	JP2001000313051	10/10/2001	Patent 03799257
Spain	ES2001000100823	6/22/1993	Patent 2231316
Spain	ES1993000401592	6/22/1993	Patent 2186673

58. To the best of Thomson Licensing's knowledge, information, and belief, there are no other foreign patent or foreign patent applications pending, filed, abandoned, withdrawn, or rejected corresponding to the '006 patent.

VI. UNFAIR ACTS OF THE PROPOSED RESPONDENTS

59. On information and belief, proposed Respondents Chimei Innolux and MStar import into the United States, sell for importation into the United States, and/or sell in the United States after importation certain LCD devices that infringe one or more of the patents-at-issue in violation of 35 U.S.C. § 271(a). Chimei Innolux Accused Products, including those products containing the MStar Accused Products, are sold in the United States under various brand names. (See **Exhibits 25, 28, 32-35.**)
60. On information and belief, at least the following Chimei Innolux Accused Products infringe the following patents-at-issue: (1) Acer LCD Monitor Model S243HL Containing MStar TSUM088GDI-LF-1 Scaler Chip infringes at least claims 1 and 4 of the '941 patent; (2) Hyundai LCD Monitor Model X93W containing Chimei Innolux MT190AW02V0 Panel infringes at least claims 1-4, 8, 11, 12, 14, 17, and 18 of the '063 patent, at least claim 3 of the '556 patent, and at least claims 4, 7, 8, 9, 10, and 14 of the '006 patent; (3) Westinghouse LCD Monitor Model L1916HW containing Chimei Innolux A190Z1 Panel infringes at least claims 1, 7-9, 11, 13, 14, and 16-18 of the '674 patent.
61. On information and belief, MStar Accused Products, including at least scaler chip Model No. TSUM088GDI-LF-1, are included as components of the above-listed Chimei Innolux Accused Products and infringe at least claims 1 and 4 of the '941 patent.
62. Infringing Chimei Innolux Accused Products, which in at least certain instances contain MStar's Accused Products, are being manufactured, assembled, and/or packaged and tested

overseas, specifically, at least in China. (See Exhibits 33-35.) These same Accused Products are then being imported into the United States, sold for importation into the United States, and/or sold after importation in the United States. (See Exhibits 32-35.) The aforesaid acts of Chimei Innolux constitute direct infringement of at least claims 1 and 4 of the '941 patent; at least claims 1-4, 8, 11, 12, 14, 17, and 18 of the '063 patent; at least claims 1, 7-9, 11, 13, 14, and 16-18 of the '674 patent; at least claim 3 of the '556 patent; and at least claims 4, 7, 8, 9, 10, and 14 of the '006 patent.

63. On information and belief, Chimei Innolux had notice and knowledge of its infringement of the patents-at-issue including by virtue of discussions during licensing negotiations conducted with Thomson Licensing LLC at least as of November 24, 2008, and through other correspondence and communications with Thomson Licensing LLC. Chimei Innolux has continued to infringe, directly, contributorily, and by inducement, the patents-at-issue after receiving notice of the infringement.
64. On information and belief, MStar had notice and knowledge of its infringement of the patents-at-issue, at least as of July 28, 2010, through Thomson Licensing's Complaint for Patent Infringement, filed in the U.S. District Court for the District of Delaware on July 23, 2010, and served on MStar through the Clerk of the Court by mailing the complaint and summons on July 28, 2010, pursuant to Fed. R. Civ. P. 4(f)(2)(C)(ii). (See Exhibit 44.)
65. On information and belief, Chimei Innolux and MStar each knowingly contributes to the infringement of at least claim 1 of the '941 patent by offering to sell within the United States, selling within the United States, or importing into the United States Accused Products used to perform the claimed methods and knowing that the Accused Products are especially made

or adapted for infringing use and are not staple articles or commodities of commerce suitable for substantial non-infringing use.

66. On information and belief, Chimei Innolux and MStar each actively and knowingly induces the infringement, with the intent to cause infringement, of at least claim 1 of the '941 patent by providing the Accused Products, along with directions, demonstrations, guides, manuals, training for use, and other materials that encourage and facilitate the infringing use by another.
67. A claim chart demonstrating how claims 1 and 4 of the '941 patent read onto the Acer LCD Monitor Model S243HL Containing MStar TSUM088GDI-LF-1 Scaler Chip is attached as **Exhibit 38**. This claim chart references documentation attached as part of **Exhibit 38**.
68. A claim chart demonstrating how claims 1 and 11 of the '063 patent read onto the Hyundai LCD Monitor Model X93W containing Chimei Innolux MT190AW02V0 Panel is attached as **Exhibit 39**. This claim chart references documentation attached as part of **Exhibit 39**.
69. A claim chart demonstrating how claims 1 and 16 of the '674 patent read onto the Westinghouse LCD Monitor Model L1916HW containing Chimei Innolux A190Z1 Panel is attached as **Exhibit 40**. This claim chart references documentation attached as part of **Exhibit 40**.
70. A claim chart demonstrating how claim 3 of the '556 patent reads onto the Hyundai LCD Monitor Model X93W containing Chimei Innolux MT190MAW02V0 Panel is attached as **Exhibit 41**. This claim chart references documentation attached as part of **Exhibit 41**.
71. A claim chart demonstrating how claims 4, 7, and 14 of the '006 patent read onto the Hyundai LCD Monitor Model X93W containing Chimei Innolux MT190MAW02V0 Panel is

attached as **Exhibit 42**. This claim chart references documentation attached as part of **Exhibit 42**.

VII. SPECIFIC INSTANCES OF UNFAIR IMPORTATION AND SALE

72. On information and belief, the Chimei Innolux Accused Products are imported into the United States, sold for importation into the United States, and/or sold after they are imported into the United States.

73. On information and belief, the Chimei Innolux Accused Products are manufactured, assembled, and/or packaged and tested in China. (See **Exhibits 33-35**.) Chimei Innolux Accused Products are then imported into the United States, sold for importation into the United States, and/or sold after importation into the United States by Chimei Innolux and others. (See **Exhibits 32-35**.) Chimei Innolux Accused Products, including those products containing the MStar Accused Products, are sold in the United States under various brand names. (See **Exhibits 25, 32-35**.)

74. Attached as **Exhibits 32-35** are receipts and photographs of the following Chimei Innolux LCD monitors bearing “China” designations: Acer LCD Monitor Model S243HL containing MStar TSUM088GDI-LF-1 Scaler Chip, Westinghouse LCD Monitor Model L1916HW containing Chimei Innolux A190Z1 Panel, and Hyundai LCD Monitor Model X93W containing Chimei Innolux MT190MAW02V0 Panel. Distributors in the United States sell Chimei Innolux Accused Products. (See **Exhibit 32**.) The aforesaid Chimei Innolux Accused Products bearing “China” designations have been imported and can be purchased in the United States. (See **Exhibits 32-35**.)

75. On information and belief, MStar Accused Products are imported into the United States, sold for importation into the United States, and/or sold after they are imported into the United States.
76. On information and belief, the MStar Accused Products are manufactured, assembled, and/or packaged and tested at least in China. (See **Exhibit 33**.) MStar's Accused Products are then incorporated into Chimei Innolux Accused Products, and the Chimei Innolux Accused products, including the MStar Accused Products, are imported into the United States and sold after importation into the United States by Chimei Innolux and others. (See **Exhibits 32-33**.)
77. Attached as **Exhibits 32 and 33** are a receipt and photographs of a Chimei Innolux LCD monitor, specifically the Acer LCD Monitor Model S243HL bearing "China" designations and containing MStar scaler chip Model No. TSUM088GDI-LF-1. Distributors in the United States sell Chimei Innolux Accused Products that contain MStar Accused Products, such as the MStar scaler chip Model No. TSUM088GDI-LF-1. (See **Exhibits 32-33**.) The MStar Accused Products, including at least scaler chip Model No. TSUM088GDI-LF-1, included as components of Chimei Innolux Accused Products bearing "China" designations have been imported and can be purchased in the United States. (See **Exhibits 32-33**.)

VIII. HARMONIZED TARIFF SCHEDULE ITEM NUMBERS

78. On information and belief, the Chimei Innolux Accused Products are believed to fall within at least the following classifications of the Harmonized Tariff Schedule of the United States: item numbers 8528.51.00.00, 8528.59.30.50, 8528.72.08.00, 8528.72.72.50, 8529.90.53.00, and 8542.31.00.00. The Harmonized Tariff Schedule numbers are for illustrative purposes only, and are not intended to be restrictive of the scope of the Accused Products.

IX. LICENSEES

79. Thomson Licensing has licensed the patents-at-issue to over 180 companies. A list of such licensees is attached to this complaint as **Confidential Exhibit 17**.

X. DOMESTIC INDUSTRY

80. As required by Section 337(a)(2) and defined by Section 337(a)(3), a domestic industry in the United States exists in connection with the patents-at-issue.

81. Thomson Licensing conducts significant domestic industry activities in the United States relating to the patents-at-issue. These activities include Thomson Licensing LLC's substantial investment in the exploitation of the patents-at-issue through an extensive program of licensing those patents for use by others.

82. Thomson Licensing LLC has invested substantial resources, labor, and capital in order to exploit the patents-at-issue in the United States through such licenses. Thomson Licensing LLC is authorized, under the terms of an agreement between it and Thomson Licensing SAS, to grant non-exclusive licenses under all patents owned or controlled by Thomson Licensing SAS, including the patents-at-issue, to third parties for the manufacture and sale of consumer electronics products. That agreement is appended as **Confidential Exhibit 15**.

83. Thomson Licensing LLC conducts extensive licensing activities in the United States, operating primarily from its facility in Princeton, New Jersey. The details of Thomson Licensing LLC's licensing program, including the revenues and costs related to its licensing activities regarding the patents-at-issue, are set forth in **Confidential Exhibit 43**.

XI. RELATED LITIGATION

A. USITC and District Court

84. Prior to filing this Complaint, on July 23, 2010, Thomson Licensing filed a complaint in the U.S. District Court for the District of Delaware against Chimei Innolux Corporation, Innolux, CMO USA, and MStar alleging infringement of the patents-at-issue. The parties filed joint stipulations on August 16, 2010, and August 17, 2010, extending the deadline for the defendants to answer, or otherwise respond to, Thomson Licensing's complaint to November 15, 2010.
85. There has been no other prior litigation involving the patents-at-issue.
86. The patents-at-issue are part of Thomson Licensing's LCD monitor licensing program, among other Thomson Licensing programs. Thomson Licensing has previously brought suit in both the USITC and the U.S. District Court for the Northern District of California on patents from its LCD licensing program. On February 24, 2005, Thomson Licensing filed a complaint before the USITC involving patents from its LCD licensing program against BenQ Corp., BenQ Optronics (Suzhou) Co., Ltd., BenQ America Corp. (collectively, "BenQ"), and AU Optronics Corp. (AUO). The USITC instituted an investigation into BenQ's and AUO's infringing behavior on March 23, 2005. On March 9, 2005, Thomson Licensing filed a complaint in the U.S. District Court for the Northern District of California involving the same patents from its LCD licensing program that were asserted against BenQ and AUO in the USITC investigation. The District Court action was stayed on May 4, 2005, pending a final determination of the USITC proceedings. After a full trial on the merits in October 2005, the USITC investigation was terminated when BenQ agreed to license Thomson Licensing's LCD patents and licensing and settlement agreements between the parties were

completed. The settlement and licensing agreements resolved both the USITC investigation and the related District Court action. (See **Exhibits 45-48.**)

B. Reexamination

87. A request for an ex parte reexamination of the '674 patent was filed with the United States Patent and Trademark Office (Patent Office) on April 20, 2010. The request seeks reexamination of claims 1, 2, 7-17, and 19-26. On June 3, 2010, the Patent Office docketed the request to an examiner in the Reexamination Group Art Unit. On August 6, 2010, the Patent Office granted the request for ex parte reexamination.
88. A request for an ex parte reexamination of the '556 patent was filed with the Patent Office on April 22, 2010. The request seeks reexamination of all thirteen claims of the '556 patent. On May 10, 2010, the Patent Office docketed the request to an examiner in the Reexamination Group Art Unit. On July 13, 2010, the Patent Office granted the request for ex parte reexamination.
89. A request for an ex parte reexamination of the '006 patent was filed with the Patent Office on June 14, 2010. The request seeks reexamination of claims 1-6 and 14 of the '006 patent. On June 30, 2010, the Patent Office docketed the request to an examiner in the Reexamination Group Art Unit. On July 16, 2010, the Patent Office granted the request for ex parte reexamination.
90. On information and belief, there are no other reexamination proceedings relating to the patents-at-issue.

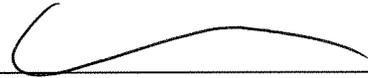
XII. RELIEF REQUESTED

91. WHEREFORE, by reason of the foregoing, Thomson Licensing respectfully requests that the United States International Trade Commission:

- a. institute an immediate investigation pursuant to Section 337 of the Tariff Act of 1930, as amended, into the unlawful importation into the United States, the sale for importation into the United States, and/or the sale within the United States after importation by Chimei Innolux and others of certain LCD devices, including monitors, televisions, and modules, and components thereof, including LCD panels, LCD controllers, and birefringent film, used in LCD devices that infringe one or more claims of the United States patents-at-issue;
- b. determine that there has been a violation of Section 337;
- c. issue a limited exclusion order pursuant to Section 337(d) excluding from entry into the United States all Accused Products manufactured, imported, sold or sold for importation by or on behalf of Chimei Innolux, or any of their affiliates, subsidiaries, other related business entities or their successors or assigns that infringe one or more claims of the United States patents-at-issue;
- d. issue a permanent cease-and-desist order pursuant to Section 337(f) prohibiting Chimei Innolux, their affiliates, subsidiaries, successors, or assigns, from importing, selling, marketing, advertising, demonstrating, distributing, offering for sale, or otherwise transferring, including the movement or shipment of inventory, in the United States, and soliciting U.S. agents or distributors for, any imported Accused Products that infringe one or more claims of the United States patents-at-issue; and

e. issue such other and further relief as the Commission deems appropriate.

Respectfully submitted,



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Counsel for Complainants, Thomson
Licensing SAS and Thomson Licensing
LLC

VERIFICATION OF COMPLAINT

I, Robert D. Shedd, am the Vice President of U.S. Patent Operations and am employed by Thomson Licensing LLC. I am duly authorized to sign this Complaint on behalf of Thomson Licensing SAS and Thomson Licensing LLC. I have read the Complaint and am aware of its contents. Based on the knowledge, information, and belief formed after an inquiry reasonable under the circumstances, Thomson Licensing SAS and Thomson Licensing LLC hereby certify, in accordance with 19 C.F.R. §§ 210.4(c)(1) through (3) and § 210.12(a), the following:

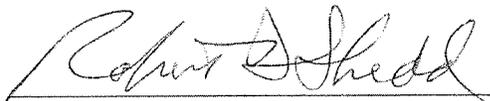
1. The Complaint is not being presented for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of the investigation or related proceeding;

2. The claims and other legal contentions in the Complaint are warranted by existing law or by a non-frivolous argument for the extension, modification, or reversal of existing law or the establishment of new law; and

3. The allegations or other factual contentions in the Complaint have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery.

I declare under oath and under penalty of perjury that the foregoing is true and correct.

Executed 26th of August 2010



Robert D. Shedd
Vice President, U.S. Patent Operations
Thomson Licensing LLC