

1 John P. Schnurer, Bar No. 185725
 JSchnurer@perkinscoie.com
 2 Cheng (Jack) Ko, Bar No. 244630
 JKo@perkinscoie.com
 3 Michael J. Engle, Bar No. 259476
 MEngle@perkinscoie.com
 4 PERKINS COIE LLP
 11988 El Camino Real, Suite 200
 5 San Diego, CA 92130-3334
 Telephone: 858.720.5700
 6 Facsimile: 858.720.5799

7 James C. Pistorino, Bar No. 226496
 JPistorino@perkinscoie.com
 8 PERKINS COIE LLP
 3150 Porter Drive
 9 Palo Alto, CA 94304-1212
 Telephone: 650.838.4300
 10 Facsimile: 650.838.4350

11 Attorneys for Plaintiff ASUS Computer International

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RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

ASUS COMPUTER INTERNATIONAL

CV 12-02099
Case No.

PSG

Plaintiff,

v.

ROUND ROCK RESEARCH, LLC,

Defendant.

COMPLAINT FOR
DECLARATORY JUDGMENT OF
PATENT NON-INFRINGEMENT,
INVALIDITY, AND
UNENFORCEABILITY

DEMAND FOR JURY TRIAL

Plaintiff ASUS Computer International hereby pleads the following claims for
Declaratory Judgment against Defendant Round Rock Research, LLC, and alleges as follows:

PARTIES

1. Plaintiff ASUS Computer International ("ASUS") is a California corporation
having its principal place of business and corporate headquarters at 800 Corporate Way, Fremont,
California 94539.

1 jurisdiction over Round Rock will not offend traditional notions of fair play and substantial
2 justice.

3 9. Upon information and belief, in pursuit of its licensing campaign Round Rock
4 conducts business throughout the United States, and actively transacts business in this judicial
5 district in particular, including by attempting to license and litigate its patent portfolio.

6 10. The Court has specific jurisdiction over Round Rock because the cause of action
7 arises directly from Round Rock's contacts with California. Round Rock contacted Plaintiff
8 ASUS, a California corporation, by sending a demand letter directed to ASUS' Fremont,
9 California office on or about March 30, 2011. The March 30, 2011 demand letter asserted that
10 ASUS' "products incorporate and use features and functionality covered by various Round Rock
11 patents" and ASUS "therefore infringes these patents, either directly or indirectly." In the March
12 30, 2011 letter, Round Rock appointed IP Value, a company headquartered in Mountain View,
13 California that actively conducts business in California, as "its agent to commercialize Round
14 Rock's patents and other intellectual property rights worldwide." Upon information and belief,
15 Round Rock's Vice President of Licensing, Mr. Gerard A. deBlasi, served as the Executive Vice
16 President at IP Value from 2005 to 2011 and he currently serves on IP Value's Board of
17 Directors.

18 11. Round Rock's "agent" IP Value contacted ASUS again on or about April 11, 2011
19 by sending a letter directed to ASUS' Fremont, California office. The April 11, 2011 letter
20 affirmed that "IP VALUE Management, Inc. has been appointed by RRR [Round Rock Research]
21 as its agent to license the RRR patents" and asked to schedule a meeting with ASUS to discuss
22 these patents.

23 12. Over the next year, Round Rock has continued to assert its patents against ASUS
24 through a series of additional letters, emails, and presentations, including a meeting between
25 ASUS and Round Rock in Palo Alto, California on April 5, 2012. That meeting was attended by
26 Gerard deBlasi of Round Rock and Paul Riley of IP Value.

27 13. The Court recently found personal jurisdiction over Round Rock in the Northern
28 District of California based on nearly identical circumstances and at least two of the same patents-

1 in-suit. *SanDisk Corp. v. Round Rock Research LLC*, No. 3:11-cv-05243-RS, D.I. 60, Order
2 Denying Motion to Dismiss for Lack of Jurisdiction (N.D. Cal. Feb. 16, 2012). In that case, the
3 Court found that “Round Rock did not merely send letters into California informing SanDisk of
4 suspected infringement. Rather, it embarked on a course of conduct designed with the goal of
5 ultimately persuading SanDisk to enter into licensing agreements, which is, not coincidentally,
6 Round Rock’s primary business. To that end, Round Rock hired a company [IP Value] based in
7 California to perform the necessary analyses and to carry out the negotiations.” *Id.* at 4. “Round
8 Rock’s sole business lies in licensing its extensive technology portfolio. It hired an intermediary
9 [IP Value] based in California with the undisputed intent that negotiations between that
10 intermediary and SanDisk would take place in this state. Even assuming that Round Rock did not
11 particularly care where IP Value performed the necessary preparatory work for those negotiations,
12 it certainly could have foreseen that some substantial part of it might take place in California, as it
13 undisputedly did. Under all these circumstances, there is nothing unfair about subjecting Round
14 Rock to specific jurisdiction in this forum.” *Id.* at 6.

15 14. Round Rock also filed counterclaims for patent infringement in the *SanDisk* case,
16 thus utilizing the Northern District of California to further its patent licensing and litigation
17 efforts. *SanDisk*, No. 3:11-cv-05243-RS, D.I. 70 (N.D. Cal. Apr. 5, 2012). Round Rock has
18 asserted SanDisk infringes at least two of the same patents-in-suit, U.S. Patent Nos. 6,570,791
19 and 7,021,520.

20 15. Upon information and belief, Round Rock’s licensing “agent” IP Value is
21 headquartered in Mountain View, California and employs some or all of its senior executives, at
22 least four licensing executives, and an unknown number of analysts and other employees in its
23 California office. Upon information and belief, IP Value has been doing business in California by
24 actively soliciting patent licenses on Round Rock’s behalf from companies located in California.
25 Upon information and belief, Round Rock’s sole business is licensing and litigating its patent
26 portfolio yet Round Rock has only three employees, so IP Value performs all or a substantial
27 portion of Round Rock’s business.

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1 system-level consumer electronics products. Upon further information and belief, Round Rock
2 previously began a campaign to license its mostly component-level patent portfolio against
3 component manufacturers, which resulted in many of ASUS' suppliers being licensed to Round
4 Rock's patent portfolio. Upon further information and belief, in 2010 Round Rock began a
5 campaign to license its mostly component-level patent portfolio, no longer targeting the primarily
6 responsible component manufacturers, but rather targeting the buyers/customers of those
7 components, such as ASUS, despite having already licensed many of ASUS' suppliers.

8 21. Upon information and belief, in execution of its campaign, Round Rock wrote a
9 letter on or about March 30, 2011 to ASUS in Fremont, California, asserting that certain of
10 ASUS' products "incorporate and use features and functionality covered by various Round Rock
11 patents." The March 30, 2011 letter contained a table which listed, among other things, the '949
12 patent and the ASUS products Round Rock alleged applied to that patent.

13 22. ASUS was without knowledge of any of the patents listed in the March 30, 2011
14 letter prior to receiving the letter.

15 23. On or about April 14, 2011, Mr. Paul Riley of IP Value wrote another letter to
16 ASUS in Fremont, California, asking to schedule a meeting with ASUS to discuss the Round
17 Rock patents.

18 24. Upon information and belief, Round Rock met with ASUS on or about June 9,
19 2011, to discuss the purported value of Round Rock's portfolio of patents and pending
20 applications. Upon information and belief, during the June 9, 2011 meeting, Round Rock
21 demanded licensing and royalty payments from ASUS that were not fair and reasonable,
22 including because Round Rock's portfolio is more related to component suppliers than ASUS'
23 core business of consumer electronics products. The June 9, 2011 presentation identified at least
24 four of the patents-in-suit, including the '276, '949, '520, and '353 patents.

25 25. ASUS was without knowledge of any of the additional patents presented in the
26 June 9, 2011 meeting prior to attending the meeting.

27 26. Upon information and belief, in execution of the campaign to license its mostly
28 component-level patent portfolio, on October 14, 2011, Round Rock sued ASUS and its parent

1 ASUSTeK Computer Inc. in the U.S. District Court for the District of Delaware (Civil Action No.
2 1:11cv978) ("Delaware Action") claiming that one or more claims of nine other patents not at
3 issue in this case were being infringed by certain of ASUS' products and/or activities.

4 27. Upon information and belief, in further execution of this campaign, on October 14,
5 2011, Round Rock also sued Dell, Inc., another system-level product manufacturer and seller, in
6 the U.S. District Court for the District of Delaware (Civil Action No. 1:11cv976) asserting the
7 same patents as in the Delaware Action against ASUS.

8 28. On December 5, 2011, Round Rock sent a letter to ASUS with a copy to IP Value
9 that identified the '053 patent and various products of ASUS that Round Rock alleged were
10 infringed by the '053 patent.

11 29. On December 6, 2011, Round Rock amended its complaint against Dell and added
12 the '053 patent to its infringement contentions against Dell.

13 30. On December 6, 2011, Round Rock amended its complaint against ASUS in the
14 Delaware Action and added an additional U.S. patent to its infringement contentions against
15 ASUS.

16 31. On December 23, 2011, ASUS filed a declaratory judgment action in the Northern
17 District of California against Round Rock on the ten patents asserted in the Delaware Action
18 (none of which overlap with the patents-in-suit of this case), and seeking indemnification and
19 defense costs from certain of ASUS' suppliers. *ASUSTeK Computer Inc. v. Round Rock*
20 *Research, LLC*, No. 4:11-cv-6636-CW, D.I. 1 (N.D. Cal. Dec. 23, 2011).

21 32. Despite the ongoing litigation in the Northern District of California and the
22 District of Delaware, despite Round Rock's patents being primarily focused on components rather
23 than systems, and despite Round Rock knowing that many of ASUS' suppliers are licensed,
24 Round Rock has continued to assert its patent portfolio, including the patents-in-suit, against
25 ASUS.

26 33. On March 7, 2012, Round Rock provided a presentation that identified at least the
27 '791, '053, and '520 patents.

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1 34. On April 5, 2012, ASUS and Round Rock met in Palo Alto, California to discuss
2 Round Rock's lawsuits and patent portfolio.

3 35. On April 5, 2012, Round Rock filed counterclaims for patent infringement in the
4 Northern District of California against SanDisk that included at least the '791 and '520 patents.
5 *SanDisk Corp. v. Round Rock Research LLC*, No. 3:11-cv-05243-RS, D.I. 70 (N.D. Cal. Apr. 5,
6 2012). Thus, at least two of the patents-in-suit are already before the Northern District of
7 California.

8 36. Upon information and belief, the asserted patents are focused on specific
9 components supplied by third-party suppliers or a substantial portion of the claimed inventions is
10 allegedly being infringed by such components. Because ASUS sells system-level consumer
11 electronic products, not the allegedly infringing components, ASUS' suppliers are the real
12 parties-in-interest.

13 37. Upon information and belief, Micron, the original owner of Round Rock's patent
14 portfolio, has a history of licensing its patents to component-level manufacturers. For example,
15 upon information and belief, Micron licensed its patent portfolio to SanDisk on or about
16 December 20, 2002.

17 38. Upon information and belief and according to Round Rock's own website, Round
18 Rock has also licensed its patent portfolio to, among others, Samsung and Micron, both of whom
19 are or were component suppliers for ASUS' products. Therefore, the patents-in-suit are
20 unenforceable to the extent that any allegedly infringing products are supplied, directly or
21 indirectly, to ASUS by suppliers who have an express or implied license to one or more of the
22 patents-in-suit, and/or unenforceable under the doctrine of patent exhaustion.

23 39. ASUS contends that it has the right to make, use, sell, and/or offer to sell its
24 products and services in the United States, or import them into the United States unhampered by
25 Round Rock. ASUS denies that its products infringe any valid and enforceable claim of the
26 patents-in-suit. ASUS also contends that the patents-in-suit are invalid under the Patent Act, 35
27 U.S.C. § 101, *et seq.*, including, but not limited to, sections 102, 103 and 112, and unenforceable
28 due to express or implied licenses and/or patent exhaustion. ASUS thus seeks a declaration that it

1 does not infringe the patents-in-suit, that the patents-in-suit are invalid, and/or that the patents-in-
2 suit are unenforceable.

3 40. At least two of the patents-in-suit (the '791 and '053 patents) have all named
4 inventors listed as residing in the Northern District of California.

5 INTRADISTRICT ASSIGNMENT & RELATED CASES

6 41. This action for a declaratory judgment of non-infringement, invalidity and
7 unenforceability of patents is related to *SanDisk Corp. v. Round Rock Research LLC*, No. 3:11-
8 cv-05243-RS (N.D. Cal.), which is currently pending before Judge Richard Seeborg in the
9 Northern District of California. The *SanDisk* case and this case share the same defendant (Round
10 Rock) and at least two patents-in-suit: the '791 and '520 patents.

11 42. This action is also related to *ASUSTeK Computer Inc. v. Round Rock Research,*
12 *LLC*, No. 4:11-cv-6636-CW (N.D. Cal.), which is currently pending before Judge Claudia Wilken
13 in the Northern District of California. While the patents-in-suit differ, the *ASUSTeK* case and this
14 case both share overlapping parties, overlapping facts, and overlapping accused products.

15 FIRST CLAIM FOR RELIEF

16 **Declaratory Relief Regarding Non-Infringement of the '791 Patent**

17 43. ASUS incorporates herein the allegations of paragraphs 1-42.

18 44. An actual and justiciable controversy exists between ASUS and Round Rock as to
19 the non-infringement of the '791 patent, as set forth above.

20 45. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*,
21 ASUS requests the declaration of the Court that ASUS does not infringe and has not infringed,
22 either literally or under the doctrine of equivalents, either directly or indirectly, any valid and
23 enforceable claim of the '791 patent.

24 SECOND CLAIM FOR RELIEF

25 **Declaratory Relief Regarding Invalidity of the '791 Patent**

26 46. ASUS incorporates herein the allegations of paragraphs 1-42.

27 47. An actual and justiciable controversy exists between ASUS and Round Rock as to
28 the invalidity of the '791 patent, as set forth above.

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FIFTH CLAIM FOR RELIEF

Declaratory Relief Regarding Invalidity of the '276 Patent

57. ASUS incorporates herein the allegations of paragraphs 1-42.

58. An actual and justiciable controversy exists between ASUS and Round Rock as to the invalidity of the '276 patent, as set forth above.

59. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, ASUS requests the declaration of the Court that the '276 patent is invalid under the Patent Act, 35 U.S.C. § 101 *et seq.*, including, but not limited to, sections 102, 103, and 112.

SIXTH CLAIM FOR RELIEF

Declaratory Relief Regarding Unenforceability of the '276 Patent

Including Due to License and/or Exhaustion

60. ASUS incorporates herein the allegations of paragraphs 1-42.

61. An actual and justiciable controversy exists between ASUS and Round Rock as to the unenforceability of the '276 patent, as set forth above.

62. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, ASUS requests the declaration of the Court that the '276 patent is unenforceable to the extent that any allegedly infringing products are supplied, directly or indirectly, to ASUS by suppliers who have or had express licenses to the '276 patent.

63. ASUS further requests the declaration of the Court that the '276 patent is unenforceable to the extent that any allegedly infringing products are supplied, directly or indirectly, to ASUS by suppliers who have implied licenses to the '276 patent.

64. ASUS further requests the declaration of the Court that the '276 patent is unenforceable under the doctrine of patent exhaustion.

SEVENTH CLAIM FOR RELIEF

Declaratory Relief Regarding Non-Infringement of the '053 Patent

65. ASUS incorporates herein the allegations of paragraphs 1-42.

66. An actual and justiciable controversy exists between ASUS and Round Rock as to the non-infringement of the '053 patent, as set forth above.

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TENTH CLAIM FOR RELIEF

Declaratory Relief Regarding Non-Infringement of the '949 Patent

76. ASUS incorporates herein the allegations of paragraphs 1-42.

77. An actual and justiciable controversy exists between ASUS and Round Rock as to the non-infringement of the '949 patent, as set forth above.

78. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, ASUS requests the declaration of the Court that ASUS does not infringe and has not infringed, either literally or under the doctrine of equivalents, either directly or indirectly, any valid and enforceable claim of the '949 patent.

ELEVENTH CLAIM FOR RELIEF

Declaratory Relief Regarding Invalidity of the '949 Patent

79. ASUS incorporates herein the allegations of paragraphs 1-42.

80. An actual and justiciable controversy exists between ASUS and Round Rock as to the invalidity of the '949 patent, as set forth above.

81. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, ASUS requests the declaration of the Court that the '949 patent is invalid under the Patent Act, 35 U.S.C. § 101 *et seq.*, including, but not limited to, sections 102, 103, and 112.

TWELFTH CLAIM FOR RELIEF

Declaratory Relief Regarding Unenforceability of the '949 Patent

Including Due to License and/or Exhaustion

82. ASUS incorporates herein the allegations of paragraphs 1-42.

83. An actual and justiciable controversy exists between ASUS and Round Rock as to the unenforceability of the '949 patent, as set forth above.

84. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, ASUS requests the declaration of the Court that the '949 patent is unenforceable to the extent that any allegedly infringing products are supplied, directly or indirectly, to ASUS by suppliers who have or had express licenses to the '949 patent.

EIGHTEENTH CLAIM FOR RELIEF

Declaratory Relief Regarding Unenforceability of the '353 Patent

Including Due to License and/or Exhaustion

104. ASUS incorporates herein the allegations of paragraphs 1-42.

105. An actual and justiciable controversy exists between ASUS and Round Rock as to the unenforceability of the '353 patent, as set forth above.

106. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, ASUS requests the declaration of the Court that the '353 patent is unenforceable to the extent that any allegedly infringing products are supplied, directly or indirectly, to ASUS by suppliers who have or had express licenses to the '353 patent.

107. ASUS further requests the declaration of the Court that the '353 patent is unenforceable to the extent that any allegedly infringing products are supplied, directly or indirectly, to ASUS by suppliers who have implied licenses to the '353 patent.

108. ASUS further requests the declaration of the Court that the '353 patent is unenforceable under the doctrine of patent exhaustion.

PRAYER FOR RELIEF

WHEREFORE, ASUS prays that the Court enter declaratory judgment as follows:

(1) That ASUS and ASUS' products and services do not infringe and have not infringed, directly or indirectly, literally or under the Doctrine of Equivalents, any valid claim of the '791, '276, '053, '949, '520, or '353 patents;

(2) That the '791, '276, '053, '949, '520, or '353 patents are invalid;

(3) That the '791, '276, '053, '949, '520, or '353 patents are unenforceable;

(4) That Round Rock, and all persons acting on its behalf or in concert with it, including without limitation IP Value, be permanently enjoined and restrained from charging, orally or in writing, that the '791, '276, '053, '949, '520, or '353 patents are infringed by ASUS or any of ASUS' products or services, whether directly or indirectly, literally or under the Doctrine of Equivalents;

1 (5) That ASUS be awarded its costs, expenses, and reasonable attorney fees in this
2 action; and

3 (6) That ASUS be awarded such other and further relief as the Court may deem
4 appropriate.

5 **DEMAND FOR JURY TRIAL**

6 ASUS demands a trial by jury on all issues triable by a jury.

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9 DATED: April 26, 2012



JSchnurer@perkinscoie.com
Perkins Coie LLP
11988 El Camino Real, Suite 200
San Diego, CA 92130-3334
Telephone: 858.720.5700
Facsimile: 858.720.5799

Attorneys for Plaintiff

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