

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

AVAYLA LICENSING LLC,

Plaintiff,

v.

NEC CORPORATION,

Defendant.

Case No. 2:22-cv-0459

Jury Trial Demanded

ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

Avayla Licensing LLC (“Plaintiff”) hereby files this Original Complaint for Patent Infringement against NEC Corporation (“NEC” or “Defendant”), and alleges, upon information and belief, as follows:

THE PARTIES

1. Avayla Licensing LLC is a limited liability company organized and existing under the laws of the State of Texas with its principal place of business at 1401 Lavaca Street, Austin, TX 78701.
2. Defendant is a corporation organized and existing under the laws of Japan with its principal place of business located at 7-1 Shiba 5 Chome Minato-ku Tokyo, 108-8001, Japan. Upon information and belief, NEC does business in Texas and in the Eastern District of Texas, directly or through intermediaries.

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction over this case under 28 U.S.C. §§ 1331 and 1338.

4. This Court has personal jurisdiction over Defendant. Defendant has continuous and systematic business contacts with the State of Texas. Defendant transacts business within this District and elsewhere in the State of Texas. Further, this Court has personal jurisdiction over Defendant based on its commission of one or more acts of infringement of Plaintiff's Patents in this District and elsewhere in the State of Texas.
5. Defendant directly conducts business extensively throughout the State of Texas, by distributing, making, using, offering for sale, selling, and advertising its products and services in the State of Texas and in this District. Defendant has purposefully and voluntarily made its business services, including the infringing systems and services, available to residents of this District and into the stream of commerce with the intention and expectation that they will be purchased and/or used by consumers in this District.
6. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391 because, among other things, Defendant is not a resident in the United States, and thus may be sued in any judicial district pursuant to 28 U.S.C. § 1391(c)(3).

PATENTS-IN-SUIT

7. Plaintiff is the sole and exclusive owner, by assignment, of U.S. Patent 9,253,445 (the “445 Patent”), titled “Terminal Multipoint Control Unit, System and Method for Implementing High Definition Multiple Pictures” (hereinafter collectively referred to as the “Patents-in-Suite”).
8. By written instruments duly filed with the United States Patent and Trademark Office, Plaintiff is assigned all rights, title, and interest in the Patents-in-Suit. As such, Plaintiff has sole and exclusive standing to assert the Patents-in-Suit and to bring these causes of action.
9. The Patents-in-Suit are valid, enforceable, and were duly issued in full compliance with Title 35 of the United States Code.
10. The Patents-in-Suit were originally assigned to international industry power, ZTE Corporation.
11. The named inventors for the Patents-in-Suit are the named inventors on hundreds U.S. Patents that were also originally assigned to international industry leaders such as ZTE, Shenzhen China Star Optoelectronics Technology, Samsung, and Zhejiang University.
12. The Patents-in-Suit each include numerous claims defining distinct inventions. No single claim is representative of any other.
13. The priority date of each of the Patents-in-Suit is at least as early as June 30, 2009. As of the priority date, the inventions as claimed were novel, non-obvious, unconventional, and non-routine. Indeed, the Patents-in-Suit overcame a number of specific technological problems in the industry, and provided specific technological solutions.
14. The claims of the Patents-in-Suit are patent eligible under 35 U.S.C. § 101, 102, 103, and 112, as reflected by the fact that three different Patent Examiners all agreed and allowed the

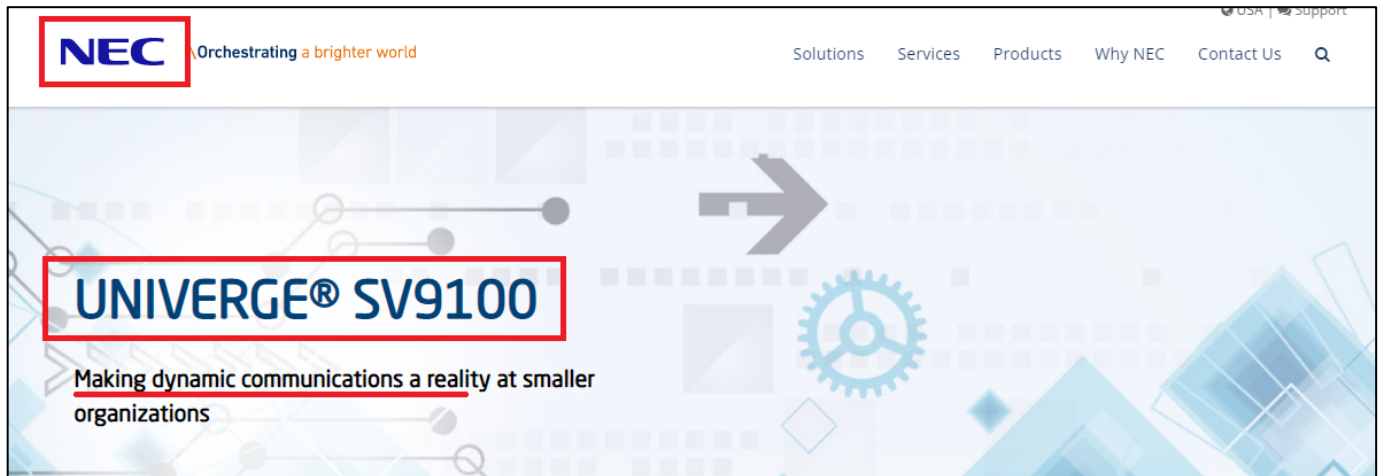
Patents-in-Suit over extensive prior art as disclosed and of record during the prosecution of the Patents-in-Suit. *See Stone Basket Innov. v. Cook Medical*, 892 F.3d 1175, 1179 (Fed. Cir. 2018) (“when prior art is listed on the face of a patent, the examiner is presumed to have considered it”) (citing *Shire LLC v. Amneal Pharm., LLC*, 802 F.3d 1301, 1307 (Fed. Cir. 2015)); *Exmark Mfg. v. Briggs & Stratton*, 879 F.3d 1332, 1342 (Fed. Cir. 2018).

15. After giving full proper credit to the prior art and having conducted a thorough search for all relevant art and having fully considered the most relevant art known at the time, the United States Patent Examiners allowed all of the claims of the Patents-in-Suit to issue. In so doing, it is presumed that Examiners used their knowledge of the art when examining the claims. *See K/S Himpp v. Hear-Wear Techs., LLC*, 751 F.3d 1362, 1369 (Fed. Cir. 2014). It is further presumed that Patent Examiners had experience in the field of the invention, and that the Patent Examiners properly acted in accordance with a person of ordinary skill. *In re Sang Su Lee*, 277 F.3d 1338, 1345 (Fed. Cir. 2002).
16. The claims of the Patents-in-Suit are novel and non-obvious, including over all non-cited art that is merely cumulative with the referenced and cited prior art. *See 37 C.F.R. § 1.56(b)* (information is material to patentability when it is not cumulative to information already of record in the application); *see also AbbVie Deutschland GmbH v. Janssen Biotech*, 759 F.3d 1285, 1304 (Fed. Cir. 2014); *In re DBC*, 545 F.3d 1373, 1382 (Fed. Cir. 2008). Likewise, the claims of the Patents-in-Suit are novel and non-obvious, including over all non-cited contemporaneous state of the art systems and methods, all of which would have been known to a person of ordinary skill in the art, and which were therefore presumptively also known and considered by the Examiners. *See, e.g., St. Clair I.P. Consultants v. Canon, Inc.*, 2011 WL 66166 at *6 (Fed. Cir. 2011); *In re Sang Su Lee*, 277 F.3d 1338, 1345 (Fed. Cir. 2002);

In re Koninklijke Philips Patent Litigation, 2020 WL 7392868 at *19 (N.D. Cal. 2020); *Standard Oil v. American Cyanamid*, 774 F.2d 448, 454 (Fed. Cir. 1985) (persons of ordinary skill are presumed to be aware of all pertinent prior art).

THE ACCUSED INSTRUMENTALITIES

17. Defendant makes, sells, advertises, offers for sale, uses, or otherwise provides a method for practices a method for implementing high-definition multiple pictures (e.g., HD video conferencing, with the help of UNIVERGE SV9100 platform MCU). The UNIVERGE SV9100 Platform has a video conferencing solution for HD video conferencing that contains SV9100 video MCU in its hardware providing adaptive bandwidth optimization and multiple participants layout functionality features. Collectively, all the foregoing is referred to herein as the “Accused instrumentalities.”



See https://www.necam.com/CommunicationsPlatforms/SV9000/Platforms/UNIVERGE_SV9100/

Streamlined Availability

With the UNIVERGE SV9100, smaller companies with 10 to 896 potential users gain access to NEC's cost effective, highly reliable and feature-rich communications platform. The SV9100 provides the flexibility and functionality required to fully support today's hybrid work model and a business's growth.

A Custom Fit

By using SV9100, NEC can tailor communications specific to an organization's brand, industry, changing business environment and for custom-built environments where employees acquire adaptive tools and services that make getting their job done easier.



See https://www.necam.com/CommunicationsPlatforms/SV9000/Platforms/UNIVERGE_SV9100/

Table 2-2 License Information

Feature Code	Item Name	Feature Name (WebPro/PCPro)
0002	SV9100 NETLINK NODE LIC-01	NetLink
0007	SV9100 HM LIC	Hotel/Motel
0017	SV9100 REMOVE LIC	
0030	SV9100 ENCRYPTION LIC	Encryption
0031	SV9100 NAT TRAVERSAL LIC	NAT Traversal
0041	SV9100 XMLPRO LIC	XML Pro
0042	SV9100 VIDEO MCU LIC	Video MCU

See <https://stctechsolutions.com/wp-content/uploads/2017/06/SV9100-Programming-Manual%20.pdf>

07	<p><u>MCU Mode for Remote Conference</u> Set the MCU video mode for remote conference. Mode 1 = CIF (352x288) Mode 2 = VGA (640x480)</p>	<p>0 = Disable 1 = Mode 1 2 = Mode 2</p>
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See <https://stctechsolutions.com/wp-content/uploads/2017/06/SV9100-Programming-Manual%20.pdf>

VIDEO CONFERENCING

Meet face-to-face and share your screen with this fully integrated video conferencing solution for more interactive and productive team meetings:

- HD video meetings with up to 100 participants
- Host and join meetings from your desktop or mobile device
- Share your screen and make annotations for more collaborative meetings
- Record meetings and access from anywhere
- Advanced security settings available for meeting hosts
- Powerful note taking features, plus meeting transcription via Artificial Intelligence



See <https://www.necam.com/docs/?id=6a31f0a5-6bc6-43f2-882b-cfcaee44443f>.

The SV9100 offers

- One of the easiest unified-communications-capable systems on the market.
- Simple integration into existing IT infrastructure.
- The ability to operate as an analogue, digital or IP system and can be cloud-enabled for UC.
- Easy to use cloud-based desktop and mobility apps with integrated video conferencing, team chat, secure file sync/share/backup and inbound and outbound calling from wherever.
- A variety of compatible desktop, handset and mobile devices for a fully equipped workforce.
- Cloud-based multi-channel contact center for the exceptional customer experience.
- Administrative and cost management tools for the insight the organization requires.
- Simplified user licensing for ease of use and budgeting.
- A trusted partner who can fully support dynamic communications and collaboration.

See https://www.necam.com/CommunicationsPlatforms/SV9000/Platforms/UNIVERGE_SV9100/

- Bandwidth Settings – choose Auto or High, Medium, Low bandwidth options to control your video quality. Choosing options other than Auto may result in a poor experience if you don't have the adequate bandwidth

See <https://s3.eu-central-1.amazonaws.com/z3r2zxopa4uuqpw5a4ju/univergeblue/files/US/NEC-UNIVERGE-BLUE-Meet-User-Guide.pdf>.

18. As shown, the accused system practices such that a terminal (e.g., UNIVERGE Meet, Conferencing mobile apps, etc.) receiving a capability set (e.g., image layout size, bitrate, resolution, etc.) sent by a Multipoint Control Unit (MCU) (e.g., SV9100 Video MCU, etc.), the capability set (e.g., image layout size, bitrate, resolution, etc.) including a high-definition video code stream format (e.g., HD video codec stream such as H.264, etc.) calculated by the MCU (e.g., SV9100 Video MCU, etc.) according to video conference control information (e.g., control information related to conference video stream such as number of participants, whether a participant enabled video capturing, etc.).
19. As shown, the accused system provides a user terminal such as UNIVERGE Meet, a user's smartphone mobile application, etc. The user terminal receives video conferencing capability set through SV9100 Video MCU (e.g., MCU).

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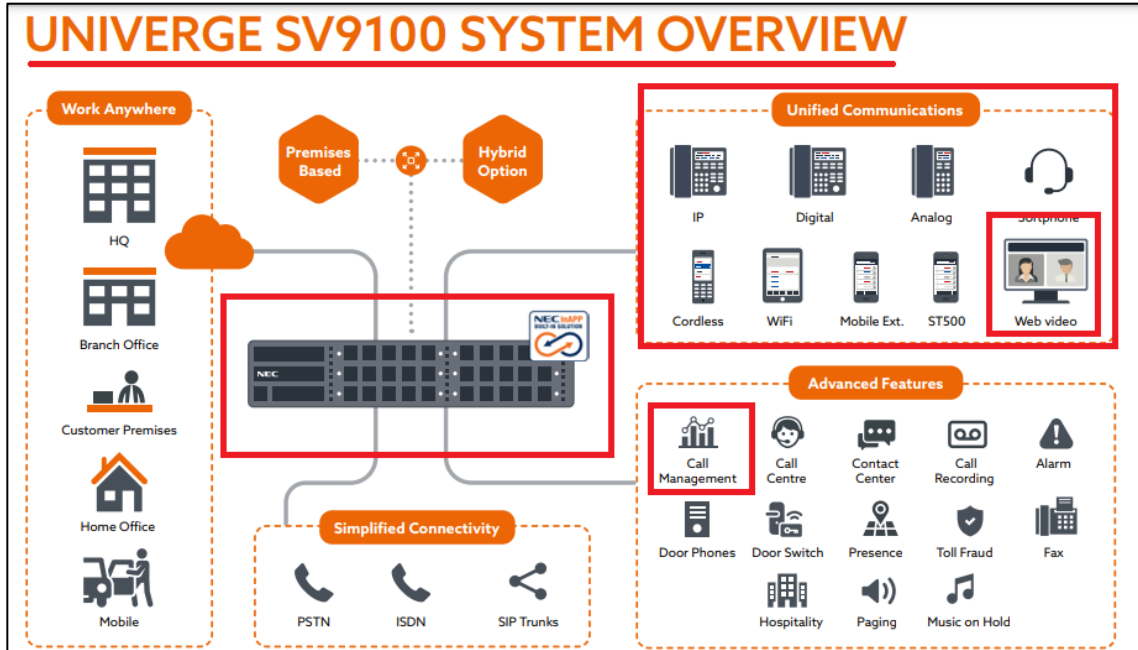
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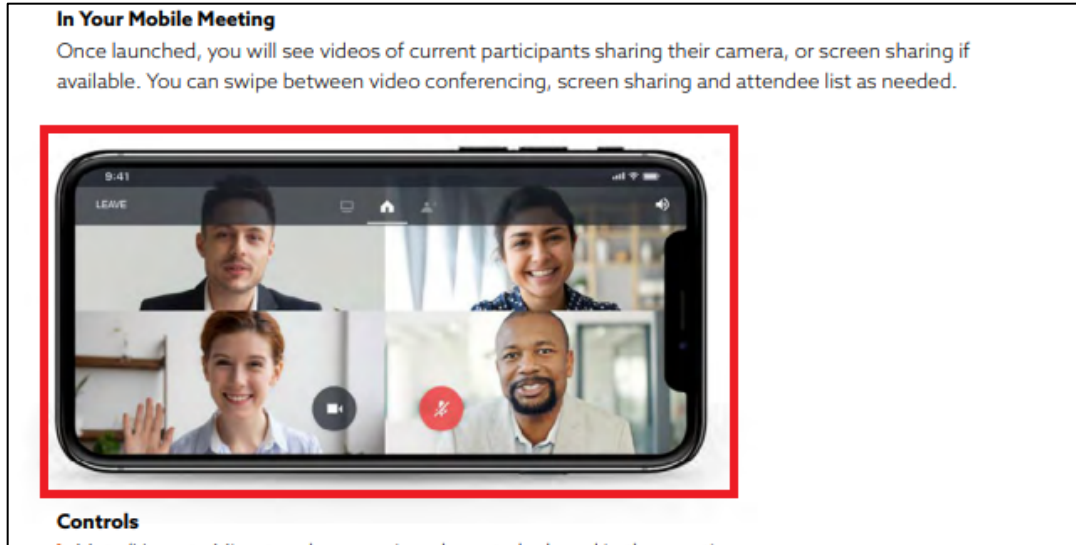
https://www.nec.com/en/global/solutions/univerge/support_downloads/pdf/SV9100_Brochure_NEC_UNIVERGE_eng.pdf

⚙️

Meeting Settings

- Audio & Video settings with Preview - fine tune your webcam and audio settings
- Custom Branding - upload a custom logo and/or background for your meeting
- Virtual Assistant (PRO & PRO PLUS only) - Determine if transcripts should be produced for all meetings, or just the ones you record
- General
 - Participant Management
 - Force new attendees to Join Muted
 - Enable or disable entry and exit chimes for your meetings
 - Video Layout
 - Enable Active Talker - This will bring the current talker to the center of the screen, if their webcam is enabled

See <https://s3.eu-central-1.amazonaws.com/z3r2zxopa4uuqpww5a4ju/univergeblue/files/US/NEC-UNIVERGE-BLUE-Meet-User-Guide.pdf>



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COUNT I
Infringement of U.S. Patent No. 9,253,445

20. Plaintiff incorporates the above paragraphs by reference.
21. Defendant has been on actual notice of the '445 Patent at least as early as the date it received service of the Original Complaint in this litigation.
22. The damages period begins at least as early as six years prior to the date of service of the Original Complaint in this litigation.
23. Defendant manufactures, sells, offers for sale, owns, directs, and/or controls the operation of the Accused Instrumentalities and generates substantial financial revenues and benefits therefrom.
24. Defendant has directly infringed and continues to directly infringe the claims of the '445 Patent. As exemplary, Claim 1 is by making, using, importing, selling, and/or offering for sale the Accused Instrumentalities. Defendant directly makes and sells the infringing Accused Instrumentalities at least because it is solely responsible for putting the infringing systems into service by directing or controlling the systems as a whole and by obtaining the benefits therefrom. More specifically, and on information and belief, with respect to the Accused Instrumentalities, Defendant:
 - (i) practices such that a terminal (e.g., Radisys Video Conferencing Solutions, Engage@work applications, etc.) receiving a capability set (e.g., image layout size, bitrate, resolution, etc.) sent by a Multipoint Control Unit (MCU) (e.g., Radisys Engage Media Server), the capability set (e.g., image layout size, bitrate, resolution, etc.) including a high-definition video code stream format (e.g., HD video codec stream such as H.264, etc.) calculated by the MCU (e.g., Radisys Engage Media Server) according to video conference control information (e.g., control information

related to conference video stream such as number of participants, whether a participant enabled video capturing, etc.);

- (ii) provides a user terminal such as Radisys Video Conferencing Solutions, a user's smartphone mobile application, etc. The user terminal receives video conferencing capability set from Radisys Engage Media Server (e.g., MCU);
- (iii) provides video conference call functionality through it to multiple user terminal devices. It sets calling functions such as video/audio, bitrate, etc. (e.g., capability set) for each terminal in the conference call. The MCU gathers bandwidth data for all connected terminals, calculates optimum stream format based on the participant numbers, videos to be streamed, network, etc. and sends the capability set to the terminal;
- (iv) practices such that the terminal (e.g., Radisys Video Conferencing Solutions, Engage@work applications, etc.) encoding a high-definition video image (e.g., HD video) according to the video code stream format (e.g., HD stream of video codecs such as H.264, etc.) and sending an encoded high-definition video code stream to the MCU (e.g., Radisys Engage Media Server); and
- (v) provides video conference call functionality through Radisys Engage Media Server (e.g., MCU) to multiple user terminal devices. It sets calling functions such as video/audio, bitrate, etc. (e.g., capability set) for each terminal in the conference call. The MCU gathers bandwidth data for all connected terminals, calculates optimum stream format based on the participant numbers, multiple video pictures from the participants, network congestion, etc. It sends the capability set to the terminal. The

user terminal encodes video streams including HD videos using the capability sent and sends it to MCU;

- (vi) practices such that the terminal (e.g., Radisys Video Conferencing Solutions, Engage@work applications, etc.) receiving a high-definition multipicture video code stream image obtained after the MCU (e.g., Radisys Engage Media Server) synthesizes the high-definition video code stream image into multiple pictures (e.g., video conference comprising participant's video stream) and displaying the high-definition multipicture video code stream image;
- (vii) supports HD video conferencing. MCU multiplexes video streams of each participant into a single stream and displays the video streams as multipicture video code stream image (e.g., tile video format);
- (viii) supports providing the video conference control information comprising a number of pictures of a conference (e.g., the video frames of participants displayed on a number of tiles depending upon the number of participating users, the number of pictures can change according to the dynamic layout as the participants are increased or decreased dynamically), a picture number of the terminal (e.g., when the user is the current speaker, it's picture number is considered as the first picture number on the layout), and whether the terminal is viewed by other terminals (e.g., based on layout and display control information (the participant can mute/unmute their Video/Audio, etc.)); and
- (ix) provides video conference call functionality using Radisys Engage Media Server MCU to multiple user terminal devices. It sets calling functions such as video/audio, bitrate, etc. (e.g., capability set) for each terminal in the conference call. The MCU

gathers bandwidth data for all connected terminals, calculates optimum stream format based on the participant numbers, videos to be streamed, network, etc. and sends the capability set to the terminal.

25. Further on information and belief, Defendant directly uses the infringing Accused Instrumentalities at least because it assembled the combined infringing elements and makes them collectively available in the United States, including via its Internet domain web pages and/or software applications, as well as via its internal systems and interfaces. Further, and on information and belief, Defendant has directly infringed by using the infringing Accused Instrumentalities as part of its ongoing and regular testing and/or internal legal compliance activities. Such testing and/or legal compliance necessarily requires Defendant to make and use the Accused Instrumentalities in an infringing manner. Still further, Defendant is a direct infringer by virtue of its branding and marketing activities, which collectively comprise the sale and offering for sale of the infringing Accused Instrumentalities.
26. As Figure 1 shows above, Defendant is making, using, and offering for sale the Accused Instrumentalities.
27. Additionally, upon information and belief, Defendant owns, directs, and/or controls the infringing method operation of the Accused Instrumentalities.
28. On information and belief, the infringement of the Patents-in-Suit by Defendant will now be willful through the filing and service of this Complaint.
29. In addition or in the alternative, Defendant now has knowledge and continues these actions and it indirectly infringes by way of inducing direct infringement by others and/or contributing to the infringement by others of the '445 Patent in the State of Texas, in this judicial district, and elsewhere in the United States, by, among other things, making, using,

importing, offering for sale, and/or selling, without license or authority, infringing services for use in systems that fall within the scope of the '445 Patent. This includes without limitation, one or more of the Accused Instrumentalities by making, using, importing offering for sale, and/or selling such services, Defendant injured Plaintiff and is thus liable to Plaintiff for infringement of the '445 Patent under 35 U.S.C. § 271.

30. Now with knowledge of the Patents-in-Suit, Defendant induces infringement under Title 35 U.S.C. § 271(b). Defendant will have performed actions that induced infringing acts that Defendant knew or should have known would induce actual infringements. *See Manville Sales Corp. v. Paramount Sys., Inc.*, 917 F.2d 544, 553 (Fed.Cir.1990), quoted in *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1306 (Fed.Cir.2006) (*en banc* in relevant part). “[A] finding of inducement requires a threshold finding of direct infringement—either a finding of specific instances of direct infringement or a finding that the accused products necessarily infringe.” *Ricoh*, 550 F.3d at 1341 (citing *ACCO Brands, Inc. v. ABA Locks Manufacturer Co.*, 501 F.3d 1307, 1313, (Fed. Cir. 2007)).
31. Plaintiff will rely on direct and/or circumstantial evidence to prove the intent element. *See Fuji Photo Film Co. v. Jazz Photo Corp.*, 394 F.3d 1368, 1377 (Fed. Cir. 2005) (“A patentee may prove intent through circumstantial evidence.”); *Water Techs. Corp. v. Calco, Ltd.*, 850 F.2d 660, 668 (Fed. Cir. 1988) (“While proof of intent is necessary, direct evidence is not required; rather, circumstantial evidence may suffice.”).
32. Defendant has taken active steps to induce infringement, such as advertising an infringing use, which supports a finding of an intention for the accused product to be used in an infringing manner. *See Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 932, 125 S. Ct. 2764, 162 L. Ed. 2d 781 (2005) (explaining that the contributory

infringement doctrine “was devised to identify instances in which it may be presumed from distribution of an article in commerce that the distributor intended the article to be used to infringe another’s patent, and so may justly be held liable for that infringement”).

33. In addition, on information and belief, and based in part upon the clear infringement by the Accused Instrumentalities, Defendant has a practice of not performing a review of the patent rights of others first for clearance or to assess infringement thereof prior to launching products and services. As such, Defendant has been willfully blind to the patent rights of Plaintiff.
34. The foregoing infringement on the part of Defendant has caused past and ongoing injury to Plaintiff. The specific dollar amount of damages adequate to compensate for the infringement shall be determined at trial but is in no event less than a reasonable royalty from the date of first infringement to the expiration of the Patents-in-Suit.
35. Each of Defendant’s aforesaid activities have been without authority and/or license from Plaintiff.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests the Court enter judgment against Defendant as follows:

1. Declaring that Defendant has infringed each of the Patents-in-Suit;
2. Awarding Plaintiff its damages suffered because of Defendant’s infringement of the Patents-in-Suit;
3. Enter a judgment awarding treble damages pursuant to 35 U.S.C. §284 for Defendant’s willful infringement of one or more of the Patents-in-Suit;
4. Awarding Plaintiff its costs, reasonable attorneys’ fees, expenses, and interest; and

5. Granting Plaintiff such further relief as the Court finds appropriate.

JURY DEMAND

Plaintiff demands trial by jury, under Fed. R. Civ. P. 38.

Respectfully Submitted

/s/ Christopher A. Honea

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