

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X		
WI-LAN INC.,	:	
	:	
Plaintiff,	:	10 Civ. 432 (LAK) (AJP)
	:	
v.	:	
	:	
LG ELECTRONICS, INC. and LG ELECTRONICS U.S.A., INC.,	:	
	:	
Defendants.	:	
	:	
-----X		

Defendant LG Electronics U.S.A., Inc. (“LGEUS”), by and through its undersigned counsel of record, for its Answer to Plaintiff Wi-LAN, Inc.’s (“Wi-LAN”) First Amended Complaint, states as follows:

PRELIMINARY STATEMENT

Wi-LAN’s Amended Complaint is both meritless and misleading. Wi-LAN takes a contract dispute concerning a patent license agreement and converts it into a fraud and patent infringement action for the sole purpose of extorting unjustified royalties from LGEUS. While Wi-LAN tries to cloak its rhetoric in the legitimacy of the patent laws, there is nothing legitimate about Wi-LAN’s purported claims.

In apparent recognition that its claims are defective, Wi-LAN acts as if it is an enforcement agent of the Federal Communications Commission (“FCC”), devoting much of its Amended Complaint to irrelevant allegations concerning an FCC investigation of LGEUS initiated in August 2007 relating to LGEUS’s compliance with the FCC’s new DTV V-chip technology requirements. That matter was amicably resolved pursuant to a publicly disclosed Consent Decree entered in April 2008; the Consent Decree has since expired and is wholly

unrelated to Wi-LAN's fraud and patent infringement counts. Wi-LAN's motivation is transparent: it seeks to disguise the weakness of its claims by embarrassing LGEUS and hoping that the threat of continuing publicity about the FCC matter will spur LGEUS to pay Wi-LAN royalties that Wi-LAN knows it is not entitled to under the license agreement between Wi-LAN and LGEUS' parent company, LG Electronics, Inc. ("LGE"). Worse yet, it suggests that Wi-LAN will ignore its legal obligations in proving infringement of its patented methods and, instead, merely argue that if LGEUS complies with the FCC's regulations then it must infringe Wi-LAN's patent.

Interestingly, Wi-LAN's original complaint accused the defendants of breach of contract, fraud, and patent infringement. Apparently realizing the inconsistency of asserting a breach of contract claim, confirming that LGEUS's accused products are licensed, while simultaneously asserting its patent infringement claim against those same products, Wi-LAN's Amended Complaint no longer includes the breach of contract claim. Conveniently, on April 7, 2010, the day before it filed the Amended Complaint (and almost three months after filing this lawsuit and more than two and a half years after sending a notice of LGE's purported material breach) Wi-LAN sent LGE a letter purporting to terminate the parties' patent license agreement. This letter was neither timely nor effective.

Wi-LAN's patent infringement claim accuses LGEUS of infringing a single U.S. patent, U.S. Pat. No. 5,828,402 (the "'402 patent" or "patent in suit"), which issued in 1996. Wi-LAN's broad allegations of infringement amount to a claim that Wi-LAN invented parental control technology. While Wi-LAN characterizes its invention as the "world famous V-Chip invention," parental control technology was invented more than 10 years before the inventor of the '402 patent even filed his patent application, covering what Wi-LAN characterizes as "flexible" V-

chip technology. Wi-LAN's asserted patent claims, however, only cover certain methods for updating a rating scheme used to facilitate parental control and, importantly, do not include any apparatus or device claims. This nuance is critical in this case because of the distinctions in finding infringement between method and apparatus claims. A method claim is only infringed if each and every step **is actually performed** by the accused method. Thus, a device that is **capable** of performing, but never actually performs, each step of the patented method does not and cannot infringe a method claim. While knowing and appreciating this distinction, Wi-LAN alleges infringement of method claims in its Amended Complaint anyway.

With a not so subtle twist, here, Wi-LAN alleges that for LGEUS's accused television receivers to comply with the FCC rules governing V-Chip technology requirements for digital television receivers sold in the United States, they must practice the patented method of the '402 patent, which contains solely method and not any apparatus or system claims. Wi-LAN is wrong. Neither LGEUS's accused television receivers, nor any other U.S. television receivers can infringe Wi-LAN's patented method for flexible V-Chip technology because, even assuming *arguendo* that they were **capable** of receiving a revised ratings table necessary to infringe the patented method, they never **actually receive** nor will they **actually receive** the "second configuration data." The Parental Guidance Rating System that sets the ratings table data that broadcasters transmit in along with their video transmissions in the United States has never changed the ratings table and has agreed not to do so. Thus, even assuming the accuracy of Wi-LAN's assertion that the FCC's rules require that digital television receivers sold in the United States **have the ability** to reconfigure, using remotely transmitted signals (the Parental Guidance Rating Systems used in the V-Chips of the receivers), the United States has never changed the ratings table supplied to television receivers for selectively blocking video programs. Notably,

the '402 patent is not directed to the mere ability of a receiver to accept a re-configured ratings table. Thus, no U.S. television receivers have ever used the patented method covering Wi-LAN's "flexible V-Chip" invention. Nevertheless, Wi-LAN has and continues to try to tax the entire U.S. television receiver market. The defendants provided information to Wi-LAN long ago that confirmed its claims are meritless.

ANSWER

BACKGROUND

1. LGEUS denies that it has blatantly and willfully disregarded the FCC's regulations and Wi-LAN's rights in the patented V-Chip invention. LGEUS is without information sufficient to admit or deny the remaining allegations of this paragraph and, accordingly, denies same.

THE PARTIES

2. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

3. Admitted.

4. Admitted.

5. Denied.

JURISDICTION AND VENUE

6. To the extent the allegations of this paragraph purport to state a legal conclusion, no response is required. To the extent a response is deemed to be required, LGEUS admits that Wi-LAN's Amended Complaint purports to state causes of action under the Patent Act, 35 U.S.C. § 1, *et seq.* and under New York law, but denies that any such claims by Wi-LAN are meritorious with respect to LGEUS. LGEUS denies the remaining allegations of this paragraph.

7. LGEUS admits that this Court has subject matter jurisdiction over this case pursuant to 28 U.S.C. §§ 1331, 1338 and 1367, but denies that any of Plaintiff's claims asserted against LGEUS are meritorious. LGEUS denies the remaining allegations of this paragraph.

8. To the extent the allegations of this paragraph purport to state a legal conclusion, no response is required. To the extent a response is deemed required, LGEUS further states Plaintiff has not asserted any contract claims and, thus, the forum selection terms of the license agreement are irrelevant. LGEUS denies the remaining allegations of this paragraph.

9. To the extent the allegations of this paragraph purport to state a legal conclusion, no response is required. To the extent a response is deemed required, LGEUS admits that venue is proper in this district pursuant to 28 U.S.C. §§1391(b) and 1400(b). LGEUS denies the remaining allegations of this paragraph.

PATENT-IN-SUIT

10. LGEUS admits that the '402 patent issued on October 27, 1998 and is entitled "Method and Apparatus for Selectively Blocking Audio and Video Signal." LGEUS further admits that the '402 patent names Tim Collings as an inventor. LGEUS denies the remaining allegations of this paragraph.

11. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

12. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

13. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

14. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

15. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

16. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

17. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

18. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

19. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

20. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

LICENSING AGREEMENT WITH LG

21. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

22. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

23. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

24. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

25. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

26. To the extent the allegations in this paragraph are even understood, LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

27. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

28. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

29. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

30. Denied.

31. To the extent the allegations of this paragraph apply to LGEUS, the allegations are denied. LGEUS is without information sufficient to admit or deny the remaining allegations of this paragraph and, accordingly, denies same.

32. LGEUS admits that there is a license agreement between Tri-Vision and LGE, dated May 17, 2006. LGEUS denies the remaining allegations of this paragraph.

33. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

34. Denied.

35. To the extent the allegations of this paragraph apply to LGEUS, the allegations are denied. LGEUS is without information sufficient to admit or deny the remaining allegations of this paragraph and, accordingly, denies same.

36. Denied.

37. Denied.

38. LGEUS admits that LGEUS entered into a Consent Decree with the FCC on or about April 18, 2008. LGEUS denies the remaining allegations of this paragraph.

39. Denied.

40. Denied.

41. LGEUS is without information sufficient to admit or deny the remaining allegations of this paragraph and, accordingly, denies same.

42. Denied.

43. LGEUS is without information sufficient to admit or deny the allegations of this paragraph and, accordingly, denies same.

44. LGEUS is without information sufficient to admit or deny the remaining allegations of this paragraph and, accordingly, denies same.

45. Denied.

46. To the extent the allegations of this paragraph apply to LGEUS, the allegations are denied. LGEUS is without information sufficient to admit or deny the remaining allegations of this paragraph and, accordingly, denies same.

COUNT 1 -- FRAUDULENT INDUCEMENT

47. LGEUS incorporates by reference its responses to paragraphs 1-46 as if fully set forth herein.

48. Denied.

49. Denied.

50. Denied.

51. Denied.

52. Denied.

53. Denied.

COUNT 2 -- PATENT INFRINGEMENT

54. LGEUS incorporates by reference its responses to paragraphs 1-53 as if fully set forth herein.

55. Denied.

56. Denied.

57. Denied.

58. Denied.

59. Denied.

RELIEF REQUESTED

LGEUS denies that Wi-LAN is entitled to judgment in its favor, or to any other relief whatsoever.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE
(Non-Infringement)

1. LGEUS does not infringe, directly or indirectly, literally or pursuant to the doctrine of equivalents, any claim of the patent in suit.

SECOND AFFIRMATIVE DEFENSE
(License / Patent Exhaustion)

2. LGEUS does not and cannot infringe the patent in suit, because it has, at all times relevant herein, been licensed under the patent in suit and continues to be licensed under the patent in suit, by virtue of the license between LGE and Tri-Vision.

3. Further evidencing that LGEUS was and remains licensed under the '402 patent at all relevant times, and notwithstanding Wi-LAN's purported termination letter on April 7, 2010,

Wi-LAN's website continues to advertise LGE as a licensee under its patented V-Chip technology. See "WiLAN - Licensing - V-Chip," <http://67.192.1.247/Licensing/V-Chip/default.aspx>, May 5, 2010, Exhibit 1.

4. Alternatively, LGEUS is not liable to Wi-LAN for damages for patent infringement that may have occurred prior to April 7, 2010, the date Wi-LAN purported to terminate its license to LGE of the patent in suit.

THIRD AFFIRMATIVE DEFENSE
(Invalidity)

5. The claims of the patent in suit are invalid for failure to meet the conditions of patentability set forth in 35 U.S.C. §§ 102, 103, and/or 112.

FOURTH AFFIRMATIVE DEFENSE
(Lack of Notice)

6. Plaintiff's requested relief is barred or otherwise limited by 35 U.S.C. § 287, in that Plaintiff and/or one or more of its licensees failed to properly mark all articles purportedly covered by one or more claims of the patent in suit with the relevant patent number. Additionally, Plaintiff cannot recover damages from LGEUS, if any are awarded, with respect to the patent in suit, prior to the date on which LGEUS received notice of Plaintiff's infringement contentions regarding the patent in suit on January 19, 2010.

FIFTH AFFIRMATIVE DEFENSE
(Equitable Relief Unavailable)

7. Plaintiff is not entitled to injunctive relief, whether preliminary or permanent, because:

- (a) Plaintiff cannot show it is likely to succeed on the merits;
- (b) Plaintiff is a non-practicing, patent licensing entity that is obligated to license the '402 on fair and non-discriminatory grounds pursuant to the

policies of certain standards setting organizations to which it submitted the '402 patent, and cannot show irreparable harm if injunctive relief is not granted;

- (c) the balance of hardships between Plaintiff and LGEUS does not warrant injunctive relief; and
- (d) the public interest would not be served by granting injunctive relief against LGEUS.

SIXTH AFFIRMATIVE DEFENSE

(Laches)

8. Wi-LAN's claims are barred, at least in part, with respect to Wi-LAN's claims for pre-suit damages due to laches because Wi-LAN's unreasonably delayed in filing this action, and unreasonably delayed in prosecuting the asserted claims, after LGEUS had invested, and continues to invest, time and money into building its business and goodwill.

SEVENTH AFFIRMATIVE DEFENSE

(Innocent Intent)

9. LGEUS has engaged in all relevant activities in good faith, thereby precluding Wi-LAN, even if it prevails, from recovering its reasonable attorneys' fees and/or costs under 35 U.S.C. § 285.

EIGHTH AFFIRMATIVE DEFENSE

(Prosecution History Estoppel)

10. By reason of proceedings in the United States Patent and Trademark Office ("USPTO") during the prosecution of the applications that ultimately led to the issuance of the patent in suit, Wi-LAN is estopped from asserting that any claim of the patent in suit is infringed by LGEUS under the doctrine of equivalents.

NINTH AFFIRMATIVE DEFENSE
(Unenforceability Due to Inequitable Conduct Before the USPTO)

11. On information and belief, the named inventor of the patent in suit, Timothy Collings (“Collings”) had knowledge of highly material prior art that was known and available to the public more than one year prior to the earliest claimed priority date of the patent in suit.

12. Specifically Collings published without restriction an article he had written entitled “Violence and Television: The Canadian Example” (the “Collings Article”) at the International Symposium, Canadian Studies Centre, Sorbonne Nouvelle University, Paris, France, held June 16-18, 1994.

13. The Collings Article anticipates or, taken individually or in combination with other references, renders obvious one or more claims of the patent in suit and was material to the patentability of the pending claims in the applications leading to the patent in suit.

14. In particular, the Collings Article discloses, among other things, blocking the display of the video if the result of the comparison between the extracted information and the stored preference information indicates that the video should not be displayed, and allowing the video to be displayed if the result of the comparison indicates that the video should be displayed.

15. The Collings Article is both material to the patentability of the patent in suit and non-cumulative of the prior cited by the Examiner during the prosecution of the applications leading to the patent in suit, as evidenced by the USPTO’s recent Order Granting Request for Ex Parte Reexamination, dated March 2, 2010, and finding a Substantial New Question of Patentability affecting Claims 7-15 of the patent in suit, in view of the Collings Article, together with General Instrument’s “System Information

Description” and U.S. Patent No. 4,685,131. The Collings Article published more than one year before the patent in suit’s priority date of June 19, 1996.

16. While Collings and others associated with the filing and prosecution of the applications resulting in issuance of the patent in suit were well aware of the substance and materiality of the Collings Article, the alleged inventors, their counsel, their assignees, their agent(s), representative(s), and/or other associated person(s) involved in the preparation or prosecution of the patent in suit knowingly withheld the existence of the Collings Article from the patent examiner with the intent to deceive the PTO. Accordingly, the alleged inventors, their counsel, and/or their assignees breached their duties of candor, good faith, and honesty to the PTO in violation of 37 C.F.R § 1.56.

TENTH AFFIRMATIVE DEFENSE
(Failure to State a Claim)

17. Wi-LAN failed to state a claim for which relief may be provided.

18. Wi-LAN failed to state a claim for fraud because it has not plead its fraud claim with the particularity required by Rule 9(b) of the Federal Rules of Civil Procedure.

19. Wi-LAN failed to state a claim for patent infringement because it admits that LGEUS is licensed under the patent in suit and, even assuming *arguendo* that the License Agreement was terminated by notice sent on April 7, 2010, there was no basis for asserting patent infringement on the date this lawsuit was filed.

COUNTERCLAIMS

Counterclaim-Plaintiff LGEUS alleges as follows on information and belief for its Counterclaims against Plaintiff and Counterclaim-Defendant Wi-LAN.

NATURE OF THE LAWSUIT

20. These Counterclaims are for declarations of patent non-infringement and patent invalidity and unenforceability arising under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202 et seq., and the patent laws of the United States, 35 U.S.C. § 1, et seq. In addition, LGEUS seeks a declaration that the License Agreement is valid, enforceable and not terminated. Finally, LGEUS asserts a counterclaim for breach of contract associated with Wi-LAN's unlawful and unjustified attempt to terminate the License Agreement.

THE PARTIES

21. Counterclaim-Plaintiff LGEUS is a Korean company with its principal place of business at LG Twin Towers, 20, Yeouido-dong, Yeongdeungpo-gu, Seoul 150-721, Korea. LGEUS is a world leader in the field of electronics and consumer appliances, including television receivers.

22. On information and belief, Counterclaim-Defendant Wi-LAN is a Canadian company with its principal place of business at 11 Holland Avenue, Ottawa, Ontario, Canada K1Y 4S1.

JURISDICTION AND VENUE

23. This Court has subject matter jurisdiction over these counterclaims under 28 U.S.C. §§ 1331, 1367, 1338, and 2201-02.

24. Venue is proper in this judicial district under 28 U.S.C. §§ 1367, 1391(b), and 1400(b).

25. By virtue of the Complaint filed by Wi-LAN in this action, there is an actual and justiciable controversy between LGEUS and Wi-LAN, concerning non-infringement, invalidity and unenforceability with respect to the '402 patent. In addition, there is an actual

and justiciable controversy between LGEUS and Wi-LAN, concerning the existence, status and enforceability of a license agreement between the parties under the '402 patent. A judicial declaration is necessary and appropriate to resolve this controversy.

COUNT I
Declaratory Judgment of Noninfringement

26. LGEUS realleges and incorporates herein the foregoing responses, affirmative defenses and allegations.

27. LGEUS has not in the past, and does not now make, use, sell, offer to sell, or import any products that infringe any valid claim of the '402 Patent, either directly or indirectly, and LGEUS does not and has not infringed, contributed to the infringement of, or induced infringement of any valid claim of the '402 Patent either directly or under the doctrine of equivalents.

28. This case qualifies as an exceptional case under 35 U.S.C. § 285.

COUNT II
Declaratory Judgment of Invalidity

29. LGEUS realleges and incorporates herein the foregoing responses, affirmative defenses and allegations.

30. One or more claims of the '402 Patent are invalid for failing to comply with one or more requirements for patentability set forth in 35 U.S.C. §§ 101, 102, 103, 112, *et seq.*

31. This case qualifies as an exceptional case under 35 U.S.C. § 285.

COUNT III
Declaratory Judgment of Unenforceability

32. LGEUS realleges and incorporates herein the foregoing responses, affirmative defenses and allegations, including but not limited to the facts asserted in support of the Ninth Affirmative Defense.

33. The '402 Patent is unenforceable because Wi-LAN failed to comply with its duty of candor and good faith in dealing with the USPTO.

34. The details surrounding Wi-LAN's inequitable conduct are explained in paragraphs 10-15 above, which are incorporated by reference herein.

35. This case qualifies as an exceptional case under 35 U.S.C. § 285.

COUNT IV
Declaration that the License Agreement is Effective and Not Terminated

36. LGEUS realleges and incorporates herein the foregoing responses, affirmative defenses and allegations.

37. On May 26, 2006, Wi-LAN's predecessor, Tri-Vision Electronics Inc. ("Tri-Vision"), and LGE entered into a License Agreement in which Tri-Vision granted to LGE a license under the patent in suit to make, have made, import, export, use and sell television receivers which are, or the use of which is, within the scope of the patent in suit.

38. The License Agreement also provided that Tri-Vision would not claim against the rights of distributors and retailers, including LGEUS, who purchase licensed products from LGE. LGEUS is therefore a third-party beneficiary of the License Agreement.

39. On information and belief, on November 26, 2007, Wi-LAN, through its counsel, sent a letter to LGE notifying LGE that it was in material breach of the License Agreement.

40. On information and belief, LGE exchanged numerous correspondence with Wi-LAN during the first half of 2008 explaining that LGE had not breached the License Agreement.

41. On information and belief, LGE has duly performed all terms and conditions of the License Agreement required of LGE.

42. Wi-LAN admits that it is required by law to license the '402 patent to LGEUS, and others, on fair and non-discriminatory terms.

43. Nevertheless, on information and belief, more than two and a half years after notifying LGE of its purported breach, nearly three months after filing this lawsuit and the day before it filed its Amended Complaint, Wi-LAN sent LGE a letter dated April 7, 2010, purporting to terminate the License Agreement.



44. Notwithstanding its April 7, 2010 letter, Wi-LAN's website continues to advertise LGE as a licensee under its patented V-Chip technology. *See* "WiLAN – Licensing – V-Chip," <http://67.192.1.247/Licensing/V-Chip/default.aspx>, May 5, 2010, Exhibit 1; *see also* "WiLAN V-CHIP LICENSING," http://67.192.1.247/Theme/WiLan/files/documents_licensing/Wi-LAN%20V-chip%20-%20Companies%20Licensed%20April%2019%202010.pdf, downloaded May 28, 2010, Exhibit 2.

45. The License Agreement is valid, enforceable and continues to bind the parties thereto, Wi-LAN's termination was unjustified and invalid, and the License Agreement was not terminated but, instead, remains in full force and effect.

COUNT V
Federal Trademark Infringement (15 U.S.C. § 1114)

46. LGEUS realleges and incorporates herein the foregoing responses, affirmative defenses and allegations.

47. To protect its company reputation and product investments, LGEUS’s parent, LG Corp., has filed for and obtained federal trademark registrations for its significant trademarks. Specifically, LG Corp. has obtained federal registrations for the marks identified in the table below (collectively, the “LG Marks”).

Mark	Reg. No.	Reg. Date
	2339441	11-APR-2000
	3661175	28-JUL-2009
	3392769	04-MAR-2008

48. LGE is licensed by LG Corp. to use and enforce the LG Marks. LGE in turn has sublicensed these same rights to LGEUS

49. Wi-LAN has advertised its patent licensing services on its website using the LG Marks. *See* Exhibit 1.

50. Wi-LAN's use of the LG Marks is without authorization and constitutes trademark infringement in violation of 15 U.S.C. § 1114(1)(b).

51. Wi-LAN's unauthorized use of the LG Marks as alleged herein is likely to cause confusion as to source or sponsorship, in that consumers are likely to believe mistakenly that Wi-LAN is affiliated with, connected with, sponsored by, approved by, or otherwise associated with LGEUS.

52. Wi-LAN's knowing, intentional and unlawful use of the LG Marks is demonstrated by its contention in this lawsuit that LGEUS is not licensed under its patented V-Chip technology, which was directly contradicted by Wi-LAN's continuing use of the LG Marks to advertise its services on its website.

53. It was only after LGEUS pointed out this contradiction in its original Answer that Wi-LAN self-servingly removed the LG Marks from its website (*see* "Wi-LAN - Licensing - V-Chip," <http://67.192.1.247/Licensing/V-Chip/default.aspx>, May 13, 2010, Exhibit 3), although Wi-LAN continues to advertise LGE as being licensed (*see* Exhibit 2).

54. Wi-LAN's knowing and intentional unauthorized use of the LG Marks and other acts of unfair competition alleged herein constitute intentional and willful trademark infringement, in violation of 15 U.S.C. § 1114.

55. As a result of Wi-LAN's aforesaid acts, LGEUS has suffered and continues to suffer irreparable injury.

56. LGEUS has no adequate remedy at law. Unless and until Wi-LAN is enjoined by this Court, its infringing acts will continue to confuse the public, and cause irreparable injury to LGEUS and to its goodwill and business reputation.

COUNT VI

False Designation of Origin and Unfair Competition (15 U.S.C. § 1125)

57. LGEUS realleges and incorporates herein the foregoing responses, affirmative defenses and allegations.

58. Wi-LAN's unauthorized use of the LG Marks as alleged herein is likely to cause confusion as to source or sponsorship, in that consumers are likely to believe mistakenly that Wi-LAN is affiliated with, connected with, sponsored by, approved by, or otherwise associated with LGEUS.

59. Wi-LAN's knowing and intentional unauthorized use of the LG Marks and other acts of unfair competition alleged herein constitute intentional and willful false designation of origin and unfair competition with the intent to deceive, in violation of Section 43(a)(1)(A) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A).

60. As a result of Wi-LAN's aforesaid acts, LGEUS has suffered and continues to suffer irreparable injury.

61. LGEUS has no adequate remedy at law. Unless and until Wi-LAN is enjoined by this Court, its infringing acts will continue to confuse the public, and cause irreparable injury to LGEUS and to its goodwill and business reputation.

COUNT VII

Deceptive Acts and Practices (New York General Business Law § 349)

62. LGEUS realleges and incorporates herein the foregoing responses, affirmative defenses and allegations.

63. Wi-LAN's unauthorized use of the LG Marks as alleged herein is likely to cause confusion as to source or sponsorship, in that consumers are likely to believe mistakenly that Wi-LAN is affiliated with, connected with, sponsored by, approved by, or otherwise associated with LGEUS.

64. Wi-LAN's knowing and intentional unauthorized use of the LG Marks and other deceptive acts alleged herein constitute intentional and willful deceptive acts and practices, in violation of New York General Business Law § 349.

65. As a result of Wi-LAN's aforesaid acts, LGEUS has suffered and continues to suffer irreparable injury and other damages.

66. LGEUS has no adequate remedy at law. Unless and until Wi-LAN is enjoined by this Court, its infringing acts will continue to confuse the public, and cause irreparable injury to LGEUS and to its goodwill and business reputation.

LGEUS'S PRAYER FOR RELIEF

WHEREFORE, LGEUS respectfully prays that the Court grant the following relief:

A. Entry of judgment in LGEUS's favor on each and every count of Wi-LAN's First Amended Complaint and LGEUS's Counterclaims;

B. Entry of an order directing that LGEUS is not liable to Wi-LAN for any damages pursuant to Wi-LAN's Amended Complaint;

C. Entry of a judicial declaration that LGEUS has not infringed and is not infringing, directly or indirectly, literally or pursuant to the doctrine of equivalents, or otherwise any claim of U.S. Patent No. 5,828,402;

D. Entry of a judicial declaration that the claims of U.S. Patent No. 5,828,402 are invalid;

E. Entry of a judicial declaration that the claims of U.S. Patent No. 5,828,402 are unenforceable;

F. Entry of a judicial declaration that the May 17, 2006 License Agreement remains in force and effect;

H. Entry of an order preliminarily and permanently enjoining Wi-LAN from using or displaying LGEUS's trademarks and to serve on LGEUS and the Court a report in writing under oath setting forth in detail the manner and form in which Wi-LAN has complied with the injunction;

I. Entry of an order that LGEUS is a prevailing party and that this is an exceptional case, and awarding LGEUS its costs, disbursements, and reasonable attorneys' fees pursuant to 35 U.S.C. § 285, 15 U.S.C. § 1117(a), New York General Business Law § 349(h), and any other applicable statutes, rules, or common law; and

J. Such other and further relief that the Court deems just and appropriate.

JURY DEMAND

LGEUS requests a trial by jury on all issues so triable.

Dated: New York, New York
June 1, 2010

GREENBERG TRAUIG, LLP

/s/ Jeffrey G. Mote

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*Attorneys for Defendants LG Electronics,
Inc. and LG Electronics U.S.A., Inc.*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on June 1, 2010, the foregoing **Amended Answer to Plaintiff Wi-LAN, Inc.'s First Amended Complaint** was electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all counsel that have appeared for any party in this matter.

/s/ Jeffrey G. Mote
Jeffrey G. Mote

EXHIBIT 1

HOME > LICENSING > V-CHIP

V-CHIP TECHNOLOGIES**Introduction**

In 1991 Professor Tim Collings developed a technology that allows users of digital television receivers to filter out programming that they consider inappropriate. This technology came to be known as V-Chip. A Canadian company, Tri-Vision International, entered into a partnership with Professor Collings to further develop and commercialize this technology. V-Chip technology was legislated by former U.S. President Bill Clinton in 1996 and has been available in the U.S. and Canada since 1999. A partnership between Tri-Vision International and Samsung Electronics developed the first V-Chip-enabled TV, which was launched at the Consumer Electronics Show in 1999.

Also in 1999, Tri-Vision began licensing V-Chip technology to TV manufacturers. Wi-LAN Inc. acquired Tri-Vision International in 2007 to bring additional resources and expertise to licensing the valuable V-Chip technology. At present, millions of V-Chip-enabled TVs and DTV receivers sold each year are licensed to WiLAN's V-Chip technology.

In the United States, the Federal Communication Commission (FCC) has mandated that V-Chip be included in all digital TV sets with picture screens 13" or larger, as well as digital television receivers (DVD Players, PVRs) that are sold without an associated display.

Many organizations have spoken about the valuable role that WiLAN's V-Chip technology plays in protecting children from inappropriate content that pervades television today.

"In the scientific literature on media violence, the connection of media violence to real-life aggressive behavior and violence has been substantiated...television ratings system and the V-Chip are tools that can help protect children from potentially harmful content"

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"Research over many decades has shown that watching violent TV is a problem, because it makes some kids under some conditions more likely to behave aggressively...One solution that the government offered was V-Chip"

Annenberg Public Policy Center at the University of Pennsylvania

"CEA again is taking a leadership role, working in partnership with the content, cable and broadcast industries in a voluntary agreement to educate parents about the V-Chip. CEA believes that it is our obligation as an industry to ensure that parents are aware of the tools they have to protect their children from offensive content."

Consumer Electronics Association

Portfolio

WiLAN's portfolio of patented inventions, including V-Chip, that apply to consumer electronics devices consists of over 185 issued and pending patents that cover the United States, various countries in Europe and Asia as well as Canada.

Licensees

Our patented V-Chip technology has been licensed by over 110 companies including:



Trademarks are property of their respective owners.

To find out more information about licensing our V-Chip technologies or request a license, please complete and submit the following information form.

Email Address *

First Name *

Last Name *

Company *

Title

EXHIBIT 2



V-CHIP LICENSING

- 1) AccessHD Ltd., Hong Kong
- 2) Acer Incorporated, Taiwan
- 3) AjinVision, Korea
- 4) AKAI Electric Co., Ltd., Japan
- 5) AmTRAN Technology Co., Ltd., Taiwan
- 6) Apex Digital, Inc., USA
- 7) Artec Electronics Co., Ltd., China
- 8) Atico International Inc., USA
- 9) AV Guangzhou Limited, China
- 10) Bang & Olufsen a/s, Denmark
- 11) BenQ Corporation of Taiwan
- 12) Cast Information Co., Ltd., Korea
- 13) CE Digital (Zhenjiang) Co., Ltd., China
- 14) Changzhou Xingqui Electronic Co., Ltd., China
- 15) China Hualu Group, Co., Ltd., China
- 16) Chunghwa Picture Tubes, Ltd. Taiwan
- 17) Coby Manufacturing Co. (HK), Hong Kong
- 18) Coretronic Corporation, Taiwan
- 19) Cosmo Canada Ltd., Canada
- 20) Cyberlink Corporation, Taiwan
- 21) Daewoo Electronics Corporation, Korea
- 22) DiBoss Co., Ltd., Korea
- 23) Digital Stream Technology Inc., Korea
- 24) Dongguan Contel Electronics Co.,Ltd., China
- 25) Eastern Asia Technology Ltd., Singapore
- 26) Emerson Radio Macao Commercial Offshore Ltd., China
- 27) Ensky Technology PTE Ltd., Singapore
- 28) eRae Electronics Inc., Korea
- 29) Esto Inc., Korea
- 30) Everex Electronics Ltd., Hong Kong
- 31) Express LUCK Industrial Ltd., China
- 32) Falcon Digital Co. Ltd. of Hong Kong
- 33) Fujitsu Ltd., Japan
- 34) Funai Corporation, Japan
- 35) Good Mind Innovation Co., Ltd. Taiwan
- 36) Hannstar Display Corp., Taiwan
- 37) Harsper Co., Ltd. of Korea
- 38) Hisense USA Corporation, USA
- 39) Hitachi America Ltd., U.S.A
- 40) Homecast Co., Ltd., Korea
- 41) Hon Hai Precision Industry Co., Ltd., Taiwan
- 42) Humax Co., Ltd., Korea
- 43) Hyundai IT Corp., South Korea
- 44) Imation Electronic Products, USA
- 45) IVI Digital Company Limited, Hong Kong
- 46) Jabil Circuit Inc., US
- 47) Jiangsu Shinco Digital Technology Co., Ltd. of China

- 48) Jiangxi Lianchuang Electronic Co., Ltd., China
- 49) JVC of Japan Ltd., Japan
- 50) Konka Group Co., Ltd., China
- 51) Korat Denki, Thailand
- 52) LG Electronics Inc. of Korea
- 53) LG Electronics Inc., Korea
- 54) Lite-On Technology Corporation of Taiwan
- 55) Manhattan Digital, USA
- 56) Matsushita Electric, Japan
- 57) Maxmedia Corp, USA
- 58) Michley Electronics Inc., USA
- 59) Microtek International Inc. of Taiwan
- 60) Nakamichi Corporation Ltd. Singapore
- 61) NEC Display Solutions, Japan
- 62) Newlane Limited of Hong Kong
- 63) Nexgen Mediatech Inc of Taiwan
- 64) NIVS (HZ) Audio & Video Tech. Co., Ltd., China
- 65) OEM Company,
- 66) OEM Company, China
- 67) OEM Company, China
- 68) OEM Company, Japan
- 69) Optoma Technology Inc., US
- 70) Orion Group, U.S.A.
- 71) PCT International Inc., USA
- 72) PDI Communication Systems Inc., USA
- 73) Perpetual Action Group, Hong Kong
- 74) Philips Electronics, Netherlands
- 75) Phoebe Micro Inc., USA
- 76) Pioneer Corporation, Japan
- 77) PowerRay Co., Ltd., Taiwan
- 78) Proview Technology (Shenzhen) Co. Ltd., China
- 79) Qingdao Haier Electronics Co., Ltd., China
- 80) RISUN Electric Informtion Technology Co., Ltd., China
- 81) Runco International Inc., United States
- 82) Samsung Electronics Inc., Korea
- 83) SANYO TV International Corporation of the United States
- 84) Seiko Epson Corporation, Japan
- 85) Setec Corp., Taiwan
- 86) Shanghai Weixin Electronics Co., Ltd., China
- 87) Shenyang Tongfang, MultiMedia Co., Ltd., China
- 88) Shenzhen Jiuzhou Electric Group Co., China
- 89) Shenzhen Junlan Electronic Ltd., China
- 90) Shenzhen KXD Multi-Media Co., Ltd., China
- 91) Shenzhen MTC Co., Ltd., China
- 92) Shenzhen Qiyue Optronics Co., Ltd., China
- 93) Skardin Industrial Corp., Taiwan
- 94) Sony Electronics Inc., U.S.A.
- 95) Soultech Limited, Hong Kong
- 96) Starlight Marketing Ltd., Hong Kong
- 97) Starlink Electronics Corporation, Taiwan
- 98) Static IP Inc., Canada
- 99) Sun Cupid Ltd., Hong Kong
- 100) Syntax-Brillian Corp.
- 101) Taiwan G.Credit Co., Ltd., China

- 102) Taiwan Kolin Company, Taiwan
- 103) Tatung Co., Taiwan
- 104) Tecwell Inc., USA
- 105) TigerDirect.ca, Inc., Canada
- 106) Top Powersonic Co. Ltd of Taiwan
- 107) Top Victory Investments Limited of Hong Kong
- 108) Toshiba Canada Ltd., Canada
- 109) TTE Corporation (RCA), U.S.A.
- 110) Tunbow Electronics Ltd., Hong Kong
- 111) Ultima Electronics Corp, Taiwan
- 112) Unique Craft Int'l Holdings Ltd. Hong Kong
- 113) ViewSonic Corp., USA
- 114) Westinghouse Digital Electronics LLC, USA
- 115) Wistron Corporation of Taiwan
- 116) World Electric, Thailand
- 117) Xiamen Overseas Chinese Co., Ltd., China
- 118) Yung Fu Technology Electrical Corp., Taiwan
- 119) Zentech Manufacturing Inc., USA
- 120) ZheJiang Tianle Digital Electric Co., Ltd., China
- 121) ZheJiang XingXing Electronic Technology Co. Ltd., China
- 122) Zinwell Corporation, Taiwan

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Form with fields for Email Address, First Name, Last Name, Company, Title, Address (line 1), Address (line 2), and City.

Zip/Postal Code

Country

Telephone No *

Fax No *

Please describe your interest/request (Details may include: i) What technologies would you like to license? ii)What products do you manufacture/sell?)