

Quanta Hit With \$52M Verdict In Disc Patent Suit

By **Erin Coe**

Law360, New York (July 07, 2009) -- A federal jury in Texas has awarded \$52 million to Japan-based LaserDynamics Inc., finding that Quanta Computer Inc. infringed the company's patent covering computer technology to recognize a CD or DVD.

A jury in the U.S. District Court for the Eastern District of Texas on Monday found that Quanta contributed to or induced infringement of LaserDynamics' patent and that the infringement was willful. It also rejected Quanta's argument that the patent was invalid due to lack of enablement.

The \$52 million award is 2 percent of the value of Quanta sales of computers during the relevant time frame.

Quanta said in a statement that it planned to appeal the verdict.

It said that the claimed disk drive was one of the components assigned by notebook brand companies for assembly companies to purchase and manufacture for shipping, and that it should not be responsible for "relevant obligations."

“Quanta Computer does not admit the verdict, as it was unjustified and [lacked] sufficient ground evidence,” the company said.

An attorney representing LaserDynamics was unavailable for comment.

LaserDynamics filed the suit in August 2006 against Fremont, Calif.-based companies Asus Computer International, Quanta Storage America Inc. and Quanta Computer USA Inc. It later amended its complaint in September 2007, adding Taiwan-based affiliates Asustek Computer Inc., Quanta Computer Inc. and Quanta Storage Inc. as defendants.

An attorney representing Asus and Asustek said the two defendants settled with LaserDynamics in May.

The patent-in-suit, titled “Multistandard optical disk reading method having distinction process,” enables a computer to identify an inserted disc and find the appropriate software to read or play it.

The suit alleged that the defendants infringed the patent by making and selling DVD players, including computers and computer peripherals, and that their conduct was willful.

“Defendants’ wrongful actions were conducted without authorization or license to do so and will continue unless enjoined by this court,” according to the complaint.

The patent-in-suit is U.S. Patent Number 5,587,981.

LaserDynamics is represented by Duane Morris LLP, Capshaw DeRieux LLP, Trop Pruner & Hu PC and Thompson & Knight.

Quanta Computer Inc. and its affiliates are represented by Paul Hastings Janofsky & Walker LLP and Yarbrough-Wilcox PLLC.

Asus Computer International and Asustek Computer Inc. are represented by Paul Hastings Janofsky & Walker LLP and Ireland Carroll & Kelley PC.

The case is LaserDynamics Inc. v. Asus Computer International et al., case number 2:06-cv-00348, in the U.S. District Court for the Eastern District of Texas.

All Content © 2003-2009, Portfolio Media, Inc.