

Federal Court Dismisses Proposed Antitrust Class Action Challenging DVD Patent Licensing Program Administered By Philips

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WilmerHale secured an important win last week for client Koninklijke Philips Electronics N.V. (Philips) when United States District Judge Dana Sabraw dismissed with prejudice a proposed class action lawsuit by two Chinese companies against a DVD patent licensing program administered by Philips. This ruling effectively ends the district court phase of this litigation.

The plaintiffs, Wuxi Multimedia, Ltd. and Orient Power (Wuxi) Digital Technology, Ltd. represented by Handal & Associates, alleged that the licensing program was a vehicle for price fixing and monopolization of the DVD-player market, and that it included so-called "non-essential" patents in the package license, which the plaintiffs claimed amounted to an illegal "tie in." Plaintiffs also complained that the license terms facilitated price discrimination and that the licensing program was deployed unlawfully to shut some DVD-player manufacturers out of the market. The court granted Philips' motion (jointly filed with co-defendants Sony, Pioneer, and LG) in all respects, ruling for Philips on all nine counts of the complaint and dismissing the action with prejudice.

This ruling follows the Judge's earlier denial of an application by one of the plaintiffs for a Temporary Restraining Order barring Philips from terminating that plaintiff's patent license. The plaintiff claimed the termination was retaliation for its participation in this lawsuit, but, working closely with Philips' team in Hong Kong, WilmerHale's lawyers assembled a detailed factual record proving that the termination was justified and not retaliatory, an important result that affirmed Philips' authority to manage the licensing program effectively.

Members of the firm's Antitrust and Litigation Groups are handling this matter, and the team led by [William Kolasky](#) (who argued the winning motion), [Steve Hut](#), and [Ed DuMont](#) included Sam Broderick-Sokol, Jonathan Cedarbaum, Andrew Ewalt, and former colleague Barbara Blank.