
Philips Prevails in Antitrust Litigation Over DVD-Player Patent Licenses

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On June 5, Koninklijke Philips Electronics, N.V. (Philips) prevailed in an antitrust litigation when the US Court of Appeals for the Federal Circuit summarily affirmed a [district court order](#) dismissing with prejudice the action against Philips.

In 2004, two companies, Wuxi Multimedia, Inc. and Orient Power (Wuxi), filed a putative class action lawsuit alleging that Philips and its co-defendants, Sony Corp., LG Electronics, and Pioneer Corp., had violated Sections 1 and 2 of the Sherman Act through their joint licensing program for essential DVD-player related patents. Plaintiffs asserted a variety of theories, including price fixing, price discrimination, tying, group boycott, charging royalties for expired and invalid patents, and requiring inappropriate grantback licenses. The complaint also sought a declaratory judgment that the defendants had misused their patents.

The district court dismissed the Second Amended Complaint with prejudice in January 2006, noting that Plaintiffs had repeatedly failed to allege sufficient facts to state a claim under any of their theories, and instead had described a thriving competitive market for DVD players. Plaintiffs appealed and, two days after hearing oral argument, the Federal Circuit affirmed

without an opinion.

William J. Kolasky, who argued the case for all Defendants, A. Stephen Hut, Jr., and Jonathan G. Cedarbaum led the team of WilmerHale lawyers, which included Kenneth H. Merber and Andrew J. Ewalt.