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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

T-MOBILE U.S.A., INC.,

Plaintiff,

v.

AU OPTRONICS CORPORATION; AU
OPTRONICS CORPORATION AMERICA,
INC.; CHI MEI CORPORATION; CHIMEI
INNOLUX CORPORATION; CHI MEI
OPTOELECTRONICS USA, INC.; CMO
JAPAN CO. LTD.; NEXGEN MEDIATECH,
INC.; NEXGEN MEDIATECH USA, INC.;
CHUNGHWA PICTURE TUBES LTD.;
TATUNG COMPANY; TATUNG COMPANY
OF AMERICA, INC.; SEIKO EPSON
CORPORATION; EPSON IMAGING
DEVICES CORPORATION; EPSON
ELECTRONICS AMERICA, INC.;
HANNSTAR DISPLAY CORPORATION;
HITACHI, LTD.; HITACHI DISPLAYS,
LTD.; HITACHI ELECTRONIC DISPLAYS
(USA), INC.; LG DISPLAY CO. LTD.; LG
DISPLAY AMERICA, INC.; PHILIPS
ELECTRONICS NORTH AMERICA
CORPORATION; SAMSUNG
ELECTRONICS CO., LTD.; SAMSUNG
SEMICONDUCTOR, INC.; SAMSUNG
ELECTRONICS AMERICA, INC.;
SAMSUNG SDI CO., LTD.; SAMSUNG SDI

Case No.

**COMPLAINT FOR
DAMAGES AND
INJUNCTIVE RELIEF

DEMAND FOR JURY TRIAL**

COMPLAINT FOR DAMAGES AND INJUNCTIVE
RELIEF – Page 1
Case No.

Susman Godfrey, LLP
1201 Third Avenue, Suite 3800
Seattle WA 98101-3000
Phone: 206.516.3880

1 AMERICA, INC.; SANYO CONSUMER
2 ELECTRONICS, LTD.; SHARP
3 CORPORATION; SHARP ELECTRONICS
4 CORPORATION; TOSHIBA
5 CORPORATION; TOSHIBA AMERICA
6 ELECTRONICS COMPONENTS, INC.;
7 TOSHIBA MOBILE DISPLAY
8 TECHNOLOGY CO., LTD.; TOSHIBA
9 AMERICA INFORMATION SYSTEMS, INC.,

Defendants.

10 Plaintiff T-Mobile U.S.A., Inc. (“T-Mobile,” and also as defined subsequently
11 herein) for its Complaint against all defendants named herein, hereby alleges as follows:

12 **I. INTRODUCTION**

13 1. T-Mobile sells mobile wireless handsets and wireless telecommunications
14 services to millions of customers throughout the United States. From 1996 to 2006 (“the
15 Conspiracy Period,” and also as subsequently defined herein), T-Mobile purchased billions
16 of dollars worth of mobile wireless handsets in the United States. The majority of mobile
17 wireless handsets T-Mobile purchased during the Conspiracy Period contained liquid crystal
18 display panels (“LCD Panels,” and also as subsequently defined herein).

19 2. During the Conspiracy Period, through hundreds of in-person meetings,
20 telephone calls, emails, and other communications in the United States and abroad,
21 defendants and their co-conspirators conspired with the purpose and effect of fixing, raising,
22 stabilizing, and maintaining prices for LCD Panels, including LCD Panels included in
23 mobile wireless handsets sold to T-Mobile. Because the U.S. market for LCD Panels and
24 products containing those panels has always been one of the largest and most-profitable
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1 markets for defendants and their co-conspirators, defendants purposely fixed prices to
2 unlawfully maintain and increase their profits from sales to customers in the U.S.

3 3. During the Conspiracy Period, LCD Panels used in hand-held devices such as
4 mobile wireless handsets included different technologies: thin film transistor panels (“TFT-
5 LCD Panels”) and super-twist nematic panels (“STN-LCD Panels”). STN-LCD Panels
6 included both color super-twist nematic (“CSTN-LCD Panels”) panels, and monochrome
7 super-twist nematic (“MSTN- LCD Panels”) panels. Defendants’ conspiracy involved both
8 TFT-LCD Panels and STN-LCD Panels; defendants engaged in meetings, discussions and
9 exchanges of competitive price information regarding both TFT-LCD Panels and STN-LCD
10 Panels; and defendants agreed to set prices and restrict output of both TFT-LCD Panels and
11 STN-LCD Panels.
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13
14 4. T-Mobile, as one of the largest wireless telecommunications providers in the
15 U.S. and one of the most significant purchasers of mobile wireless handsets, increased
16 consumer demand in the U.S. for mobile wireless handsets during the Conspiracy Period
17 and thus demand for LCD Panels manufactured by defendants. T-Mobile served as one of
18 the principal distribution channels for mobile wireless handsets for the U.S. market.
19 Defendants knew that T-Mobile was among the most important purchasers of mobile
20 wireless handsets containing the LCD Panels they manufactured, and that the LCD Panels
21 they price fixed would end up in mobile wireless handsets purchased by T-Mobile in the
22 U.S. Defendants were thus aware that T-Mobile would be affected by their conspiracy to
23 fix the price of LCD Panels, and would suffer injury in the U.S. when it purchased handsets
24 containing defendants’ LCD Panels.
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1 5. At least seven LCD Panel manufacturers have admitted in criminal
2 proceedings to participating in this conspiracy and carrying out this conspiracy in the United
3 States and California: defendants LG Display Co. Ltd. (together with its wholly-owned
4 subsidiary, LG Display America, Inc.), Sharp Corporation, Chunghwa Picture Tubes, Ltd.,
5 Epson Imaging Devices Corporation, Chi Mei Optoelectronics Corporation and HannStar
6 Display Corporation. On or about November 12, 2008, LG Display Co. Ltd., LG Display
7 America, Inc., Sharp Corporation and Chunghwa Picture Tubes, Ltd. agreed to plead guilty
8 and pay a total of \$585 million in criminal fines for their roles in the conspiracy to fix the
9 price of LCD Panels. On or about August 25, 2009, Epson Imaging Devices Corporation
10 agreed to plead guilty and pay a \$26 million criminal fine for its role in the conspiracy to fix
11 the price of LCD Panels. On or about December 9, 2009, Chi Mei Optoelectronics
12 Corporation agreed to plead guilty and pay a \$220 million criminal fine for its role in the
13 conspiracy. And on or about June 29, 2010, HannStar Display Corporation agreed to plead
14 guilty and pay a \$30 million criminal fine for its role in the conspiracy.
15

17 6. Defendants engaged in conspiratorial conduct both within and outside the
18 United States. Defendants' conduct in the United States was centered in California.
19 Defendants LG Display Co. Ltd., LG Display America, Inc., Sharp Corporation, Chunghwa
20 Picture Tubes, Ltd., and Epson Imaging Devices Corporation all admitted during their plea
21 hearings that acts in furtherance of the conspiracy were carried out within California. Each
22 agreed that: "Acts in furtherance of this conspiracy were carried out within the Northern
23 District of California. TFT- LCD affected by this conspiracy was sold by one or more of the
24 conspirators to customers in this District." Case 3:08-cr-00803, Document 10-1 at 4; Case
25 3:08-cr-00802, Document 9-1 at 5; Case 3:08-cr-00804, Document 10-1 at 4; Case 3:09-cr-
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1 00854, Document 15-1 at 4 (N.D. Cal.). Defendant LG Display America, Inc., which
2 admitted to participating in the conspiracy, maintains its principal place of business in San
3 Jose, California. Similarly, defendants Chunghwa Picture Tubes, Ltd., Epson Imaging
4 Devices Corporation, and Chi Mei Optoelectronics Corporation, which also admitted to
5 participating in the conspiracy, used California corporations with principal places of
6 business in Long Beach, California (defendants Tatung Company of America, Inc., Epson
7 Electronics America, Inc., and Chi Mei Optoelectronics USA, Inc. respectively), as their
8 sales agents in the United States for LCD Products (as defined subsequently herein)
9 containing LCD Panels that were affected by the conspiracy. Many of the other defendants
10 also maintained offices and operations in California during the Conspiracy Period, including
11 AU Optronics Corporation America, Inc., Nexgen Mediatech USA, Inc., Samsung
12 Semiconductor, Inc., Toshiba America Electronic Components, Inc., and Toshiba America
13 Information Systems, Inc.

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16 7. Defendants engaged in and implemented their conspiracy in the U.S. through
17 the offices they maintained in California. Defendants' employees in their California offices
18 engaged in communications and meetings with other defendants to exchange price and
19 supply information and reach agreements regarding LCD Panel prices to be charged to their
20 customers in the U.S. and elsewhere. Defendants' employees in California also received
21 information from their counterparts elsewhere regarding the substance of defendants'
22 agreements with respect to LCD Panel prices and supply, and were instructed to use this
23 information in the course of price negotiations with customers in the United States.
24 Defendants' California offices were thus the means through which they implemented their
25 conspiracy in the United States. Defendants, including Samsung (as subsequently defined
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1 herein), used their employees in their California offices to implement their price fixing
2 agreements with respect to small LCD Panels used in mobile wireless handsets.

3 8. As a result of defendants' conspiracy to fix the price of LCD Panels, the
4 prices of handsets containing LCD Panels purchased by T-Mobile were artificially inflated.
5 Defendants' conspiracy also artificially inflated the price of LCD Panels incorporated into
6 the LCD Products T-Mobile purchased for its own internal use during the Conspiracy
7 Period, such as desktop computer monitors and notebook computers, and therefore
8 artificially inflated the price of such LCD Products. T-Mobile thus suffered damages as a
9 result of defendants' conspiracy, and brings this action to recover the overcharges paid for
10 the mobile wireless handsets and other LCD Products it purchased during the Conspiracy
11 Period.
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14 9. T-Mobile brings this action seeking injunctive relief under Section 16 of the
15 Clayton Act, 15 U.S.C. § 26 for violations of Section 1 of the Sherman Act, 15 U.S.C. § 1,
16 and to recover damages under Section 4 of the Clayton Act, and under California, New
17 York, and other state's laws identified herein, as well as to recover the costs of suit,
18 including reasonable attorneys fees, for the injuries that T-Mobile suffered as a result of
19 defendants' conspiracy to fix, raise, maintain and stabilize the prices of LCD Panels.
20

21 **II. JURISDICTION AND VENUE**

22 10. T-Mobile brings this action under Section 1 of the Sherman Act, 15 U.S.C. §
23 1, and Section 4 of the Clayton Act, 15 U.S.C. § 15, to recover treble damages for its direct
24 purchases of LCD Panels from certain defendants. In addition, T-Mobile brings this action
25 under Section 1 of the Sherman Act and Section 16 of the Clayton Act, 15 U.S.C. § 26, to
26 obtain injunctive relief against all defendants.
27

1 11. T-Mobile also brings this action pursuant to Section 16750(a) of the
2 California Business and Professions Code (the “Cartwright Act”) and Section 340 *et seq.* of
3 the New York General Business Law for injunctive relief and treble damages sustained by
4 T-Mobile as a result of its purchases of mobile wireless handsets, desktop monitors,
5 notebook computers, and other LCD Products at artificially-inflated prices as a result of
6 defendants’ conspiracy to fix the price of LCD Panels. In addition, T-Mobile brings this
7 action pursuant to Sections 17203 and 17204 of the California Business and Professions
8 Code, to obtain restitution from and an injunction against defendants due to their violations
9 of Section 17200 *et seq.* of the California Business and Professions Code (the “Unfair
10 Competition Act”).
11

12 12. Because T-Mobile brings this action pursuant to Section 4 of the Clayton Act
13 which gives the federal courts jurisdiction over private antitrust enforcement actions like
14 this one, this Court has federal subject matter jurisdiction under 28 U.S.C. §§ 1331 and
15 1337. As to T-Mobile’s claims under the antitrust, unfair competition and consumer
16 protection laws of the States of California and New York, jurisdiction exists pursuant to 28
17 U.S.C. § 1367.
18

19 13. This Court has personal jurisdiction over the defendants because each
20 defendant is either an alien corporation, transacts business in this District, or is otherwise
21 formed in this District, and because a substantial portion of the acts, events or omissions
22 giving rise to these claims occurred in this State and this District, as well as many others. In
23 fact, defendants conduct business throughout the United States, including in this
24 jurisdiction, and they have purposefully availed themselves of the laws of the United States,
25 including specifically the laws of the State of Washington. Defendants’ products are sold in
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1 the flow of interstate commerce, and defendants’ activities have had a direct, substantial and
2 reasonably foreseeable effect on such commerce. Defendants and their co-conspirators
3 knew that price-fixed LCD Panels and LCD Products containing price-fixed LCD Panels
4 would be sold and shipped into this District.

5
6 14. Venue is proper in this Court under 15 U.S.C. § 22 and 28 U.S.C. § 1391.

7 15. This action is related to the *In re TFT-LCD Antitrust Litigation* action, Case
8 No. M:07-cv-1827 SI, pending in the United States District Court for the Northern District
9 of California, San Francisco division, Judge Susan Illston presiding. This action concerns
10 substantially the same parties, transactions and events as Case No. M:07-cv-1827 SI insofar
11 as it involves a suit for damages and injunctive relief arising out of defendants’ conspiracy
12 to fix the price of LCD Panels in violation of the Sherman Act and the laws of California
13 and other states.
14

15 16. As a related case to those pending in MDL No. 1827 in the Northern District
16 of California, this matter should be consolidated there for pretrial purposes but returned to
17 this District for trial.

18 **III. DEFINITIONS**

19 17. Liquid crystal display panels use glass plates and a liquid crystal compound
20 to electronically display an image. The technology involves sandwiching a liquid crystal
21 compound between two glass plates called “substrates.” The resulting screen contains
22 hundreds or thousands of electrically charged dots, or pixels, that form an image. As used
23 herein, “LCD Panel” refers to both liquid crystal display panels and modules consisting of
24 liquid crystal display panels combined with a backlight unit, a driver, and other equipment
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1 that allow the panel to operate and be integrated into a mobile wireless handset, television,
2 computer monitor, or other product.

3 18. During the Conspiracy Period, LCD Panels used in hand-held devices
4 included three different technologies: TFT-LCD Panels, CSTN panels and MSTN panels
5 (together, with CSTN Panels, “STN-LCD Panels”). The price-fixing conspiracy alleged
6 herein had the effect of raising, fixing, maintaining and/or stabilizing the prices of LCD
7 Panels using TFT, CSTN, and MSTN technology in LCD Products, including mobile
8 wireless handsets.

9
10 19. As used herein, the term “LCD Products” means any product containing an
11 LCD Panel, including, without limitation, mobile wireless handsets (including voice, data,
12 and combination voice and data devices), computer monitors, notebook and laptop
13 computers, and televisions.

14
15 20. As used herein, the term “OEM” means any original equipment manufacturer
16 of an LCD Product.

17 21. As used herein, the term “Conspiracy Period” refers to the time period
18 beginning January 1, 1996 and continuing at least until December 11, 2006.

19 **IV. THE PARTIES**

20 **A. Plaintiff T-Mobile**

21
22 22. T-Mobile (formerly known as Western PCS Corporation and VoiceStream
23 Wireless Corporation) is a Delaware corporation with its principal place of business at
24 Bellevue, Washington. T-Mobile is one of the largest national providers of mobile wireless
25 telecommunications services in the United States, with over 33 million subscribers and a
26 wireless network providing nationwide wireless coverage. During the Conspiracy Period,
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1 T-Mobile purchased mobile wireless handsets and other LCD Products containing LCD
2 Panels manufactured and sold by defendants, their co-conspirators, and others. As a result
3 of defendants' conspiracy, T-Mobile has been injured in its business and property because
4 the prices it paid for such LCD Products were artificially inflated by defendants' conspiracy.
5

6 23. During and after the Conspiracy Period, T-Mobile acquired or received the
7 stock of companies that also purchased mobile wireless handsets and other LCD Products
8 containing LCD Panels manufactured and sold by defendants, their co-conspirators, and
9 others. As a result of defendants' conspiracy, these companies were injured in their
10 business and property because the prices they paid for mobile wireless handsets and other
11 LCD Products were artificially inflated by defendants' conspiracy. By acquiring or
12 receiving a contribution of the stock of companies that purchased mobile wireless handsets
13 and other LCD Products containing LCD Panels, T-Mobile obtained all claims and rights
14 under federal and state laws to recover any overcharges suffered by those companies. As
15 used herein, "T-Mobile" refers to T-Mobile U.S.A., Inc., as well as any company that
16 purchased mobile wireless handsets during the Conspiracy Period whose stock was later
17 acquired or obtained by T-Mobile U.S.A., Inc.
18

19 24. During the Conspiracy Period, T-Mobile purchased billions of dollars of
20 mobile wireless handsets that contained LCD Panels manufactured by defendants.
21 Defendants' conspiracy artificially inflated the prices of the LCD Panels contained in these
22 mobile wireless handsets. T-Mobile suffered injury caused by the conspiracy when it
23 purchased mobile wireless handsets from defendants, their affiliates and other
24 manufacturers of mobile wireless handsets.
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1 25. Throughout the Conspiracy Period, T-Mobile maintained, in each of the
2 states where it operated company-owned retail stores and sold to authorized sales agents,
3 inventories of mobile wireless handsets that it purchased and received from the handset
4 vendors at its distribution centers.

5
6 26. During the Conspiracy Period, T-Mobile conducted a substantial volume of
7 business in both California and New York. T-Mobile provided wireless communication
8 services and sold mobile wireless handsets containing LCD Panels to customers in
9 California and New York through its corporate-owned retail stores, through independent
10 retailers located in California and New York, and through its website on the Internet. T-
11 Mobile also provided wireless communication services and sold mobile wireless handsets
12 directly to business, government and other customers in California and New York through
13 both its own sales force and independent sales agents. In addition, T-Mobile maintained in
14 both California and New York inventories of mobile wireless handsets containing LCD
15 Panels manufactured and sold by defendants, their co-conspirators, and others.

16
17 27. During the Conspiracy Period, T-Mobile purchased LCD Products for its
18 own use (including notebook computers and desktop monitors) containing LCD Panels
19 manufactured by defendants and sold at artificially-inflated prices because of defendants'
20 price fixing conspiracy.

21
22 28. During the Conspiracy Period, all of T-Mobile's negotiations for the
23 purchase of mobile wireless handsets and other LCD Products took place in the United
24 States and were controlled by procurement organizations based in the United States. In
25 addition, all T-Mobile purchase orders for mobile wireless handsets and other LCD Products
26 were issued from the United States and all invoices were sent to T-Mobile in the United
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1 States. Moreover, all of the contracts T-Mobile entered into for the purchase of mobile
2 wireless handsets and other LCD Products were with either providers based in the United
3 States or with the U.S. subsidiaries or affiliates of foreign-based providers. Further,
4 T-Mobile took title for all the mobile wireless handsets and other LCD Products it
5 purchased in the United States.
6

7 **B. Defendants**

8 **1. AU Optronics**

9 29. Defendant AU Optronics Corporation is one of the world's largest
10 manufacturers of LCD Panels, with its corporate headquarters at No. 1, Li-Hsin Rd. 2,
11 Hsinchu Science Park, Hsinchu 30078, Taiwan. During the Conspiracy Period, said
12 defendant manufactured, marketed, sold and/or distributed LCD Panels incorporated into
13 LCD Products sold in the United States. AU Optronics Corporation was formed by the
14 2001 merger of Unipac Optoelectronics and Acer Display Technology. AU Optronics
15 Corporation acquired Quanta Display in 2006.
16

17 a. Unipac Optoelectronics ("Unipac"), a former Taiwanese LCD Panel
18 manufacturer and an affiliate of United Microelectronics Corp., was
19 founded in November 1990. Unipac later merged with Acer Display
20 Technology Inc. ("ADT") to form defendant AU Optronics
21 Corporation in September 2001;
22

23 b. ADT, a former Taiwanese LCD Panel manufacturer and an affiliate
24 of the Acer Group, was founded in August 1996. Acer later merged
25 with Unipac to form defendant AU Optronics in September 2001.
26 ADT and Unipac shared equal partnership in AU Optronics
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Corporation. ADT Chairman K.Y. (Kuen-Yao) Lee had continued in his role as Chairman and CEO of AU Optronics Corporation during the Conspiracy Period;

c. Quanta Display Inc. (“QDI”), a former Taiwanese LCD Panel manufacturer and a subsidiary of Quanta Computer Inc., was founded in July 1999. QDI was absorbed into defendant AU Optronics Corporation through merger in October 2006, with the later assuming all rights and obligations of QDI.

30. Defendant AU Optronics Corporation America, Inc. is a wholly-owned and controlled subsidiary of defendant AU Optronics Corporation, with its corporate headquarters at 9720 Cypresswood Drive, Suite 241, Houston, Texas and facilities located in San Diego and Cupertino, California. During the Conspiracy Period, said defendant manufactured, marketed, sold and/or distributed LCD Panels incorporated into LCD Products sold in the United States.

31. Defendants AU Optronics Corporation and AU Optronics Corporation America, Inc. are referred to collectively herein as “AU Optronics.” The AU Optronics companies were members of the conspiracy that is the subject of this Complaint by virtue of their participation in the conspiracy through the actions of their respective officers, employees, and representatives acting with actual or apparent authority. Alternatively, defendant AU Optronics Corporation America, Inc. was a member of the conspiracy by virtue of its status during the Conspiracy Period as the alter ego or agent of AU Optronics Corporation. AU Optronics Corporation dominated or controlled AU Optronics

1 Corporation America, Inc. regarding conspiracy activities and used that domination or
2 control to charge artificially high prices for LCD Panels.

3 **2. Chi Mei**

4 32. Defendant Chi Mei Corporation is another of the world's largest
5 manufacturers of LCD Panels, with its corporate headquarters at No. 11-2, Jen Te 4th St.,
6 Jen Te Village, Jen Te, Tainan 717, Taiwan. During the Conspiracy Period, said defendant
7 manufactured, marketed, sold and/or distributed LCD Panels incorporated into LCD
8 Products sold in the United States.

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10 33. Defendant Chimei Innolux Corporation is another of the largest
11 manufacturers of LCD Panels, with its principal place of business located at No. 160 Kesyu
12 Rd., Chu-Nan Site, Hsinchu Science Park Chu-Nan, Miao-Li, Taiwan. During the
13 Conspiracy Period, said defendant manufactured, marketed, sold and/or distributed LCD
14 Panels to customers throughout the United States.

15
16 a. Chimei Innolux Corporation was formed on March 18, 2010 by a
17 three-way merger of Chi Mei Optoelectronics Corp., Innolux Display
18 Corp., and TPO Displays Corp., through exchanges of shares.
19 Innolux, the surviving company of the merger, renamed itself
20 "Chimei Innolux Corporation." TPO Display Corp. and Chi Mei
21 Optoelectronics Corp. were dissolved after the merger.

22
23 b. Chi Mei Optoelectronics Corporation was a former LCD Panel
24 manufacturer, with its global headquarters at No. 3, Sec. 1, Huanshi
25 Rd., Southern Taiwan Science Park, Sinshih Township, Tainan
26 County, 74147 Taiwan.

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c. Innolux Display Corp. was a former LCD Panel manufacturer, with its principal place of business located at No. 160 Kesyue Rd., Chu-Nan Site, Hsinchu Science Park Chu-Nan, Miao-Li, Taiwan.

d. Prior to the merger, Chi Mei Optoelectronics Corp. Innolux Display Corp., and TPO Displays Corp. manufactured, marketed, sold and/or distributed LCD Panels to customers throughout the United States.

34. Defendant Chi Mei Optoelectronics USA, Inc., f/k/a International Display Technology USA, Inc. is a wholly-owned and controlled subsidiary of Chi Mei Corporation, with its corporate headquarters at 101 Metro Drive Suite 510, San Jose, California. During the Conspiracy Period, said defendant manufactured, marketed, sold and/or distributed LCD Panels incorporated into LCD Products sold in the United States.

35. Defendant CMO Japan Co., Ltd., f/k/a International Display Technology, Ltd. is a subsidiary of Chi Mei Corporation, with its principal place of business located at Nansei Yaesu Bldg. 3F, 2-2-10 Yaesu, Chuo-Ku, Tokyo 104-0028, Japan. During the Conspiracy Period, said defendant manufactured, marketed, sold and/or distributed LCD Panels incorporated into LCD Products sold in the United States.

36. Defendant (“Nexgen”) is a wholly-owned and controlled subsidiary of Chi Mei Corporation with its principal place of business at No. 11-2, Jen Te 4th St., Jen Te Village Jen Te, Tainan 717 Taiwan. During the Conspiracy Period, said defendant marketed, sold and/or distributed LCD Products manufactured by Chi Mei Optoelectronics Corporation in the United States.

37. Defendant Nexgen Mediatech USA, Inc. (“Nexgen USA”) is a wholly-owned and controlled subsidiary of Chi Mei Corporation with its principal place of business at

1 16712 East Johnson Drive, City of Industry, California. During the Conspiracy Period, said
2 defendant marketed, sold and/or distributed LCD Products manufactured by Chi Mei
3 Optoelectronics Corporation in the United States.

4 38. Defendants Chi Mei Corporation, Chimei Innolux Corporation, Chi Mei
5 Optoelectronics USA, Inc., CMO Japan Co., Ltd., Nexgen, and Nexgen USA are referred to
6 collectively herein as “Chi Mei.” The Chi Mei companies were members of the conspiracy
7 that is the subject of this Complaint by virtue of their participation in the conspiracy through
8 the actions of their respective officers, employees, and representatives acting with actual or
9 apparent authority. Alternatively, defendants Chi Mei Optoelectronics Corporation, Chi
10 Mei Optoelectronics USA, Inc., CMO Japan Co., Ltd., Nexgen, and Nexgen USA were
11 members of the conspiracy by virtue of their status during the Conspiracy Period as the alter
12 egos or agents of Chi Mei Corporation. Chi Mei Corporation dominated or controlled Chi
13 Mei Optoelectronics Corporation, Chi Mei Optoelectronics USA, Inc., CMO Japan Co.,
14 Ltd., Nexgen, and Nexgen USA regarding conspiracy activities and used that domination or
15 control to charge artificially high prices for LCD Panels.
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18 **3. Chunghwa**

19 39. Defendant Chunghwa Picture Tubes Ltd. (“CPT”) is a leading manufacturer
20 of LCD Panels, with its global headquarters at 1127 Hopin Rd., Padeh City, Taoyuan,
21 Taiwan. CPT is a subsidiary of Tatung Company, a consolidated consumer electronics and
22 information technology company based in Taiwan. CPT’s Board of Directors includes
23 representatives from Tatung Company. The Chairman of CPT, Weishan Lin, is also the
24 Chairman and General Manager of the Tatung Company. During the Conspiracy Period,
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1 said defendant manufactured, marketed, sold and/or distributed LCD Panels incorporated
2 into LCD Products sold in the United States.

3 40. Defendant Tatung Company is a consolidated consumer electronics and
4 information technology company based in Taiwan. Its principal place of business is at 22,
5 Sec. 3, Chung-Shan N. Rd., Taipei City 104, Taiwan. Tatung Company is the parent
6 company of CPT and Tatung Company of America, Inc. During the Conspiracy Period,
7 Tatung Company manufactured, marketed, sold, and/or distributed LCD Panels incorporated
8 into LCD Products sold in the United States.

9
10 41. Defendant Tatung Company of America, Inc. (“Tatung America”) is a
11 California corporation with its principal place of business at 2850 El Presidio Street, Long
12 Beach, California. Tatung America is a subsidiary of Tatung Company. Currently, Tatung
13 Company owns approximately half of Tatung America. The other half is owned by Lun
14 Kuan Lin, the daughter of Tatung Company’s former Chairman, T.S. Lin. During the
15 Conspiracy Period, Tatung America sold and distributed LCD Products manufactured by
16 CPT to customers throughout the United States.

17
18 42. Defendants CPT, Tatung Company and Tatung America are referred to
19 collectively herein as “Chunghwa.” During the Conspiracy Period, CPT and Tatung
20 America were closely affiliated, commonly owned, controlled and dominated by the Tatung
21 Company, and functioned as a single enterprise and/or alter egos.

22
23 **4. Epson**

24 43. Defendant Seiko Epson Corporation (“Seiko Epson”) has its principal place
25 of business at 2-4-1, Nishi-Shinjuku-ku, Tokyo, Japan. During the Conspiracy Period,
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1 Seiko Epson marketed, sold and/or distributed LCD Panels and/or LCD Products throughout
2 the United States and elsewhere.

3 44. Defendant Epson Imaging Devices Corporation (“Epson Japan”) has its
4 principal place of business at 4F Annex, World Trade Center Building, 2-4-1 Hamamatsu-
5 cho, Minato-ku, Tokyo 105-6104 Japan. The company was originally formed as a joint
6 venture between Seiko Epson Corporation and Sanyo Electric Co., Ltd. but is now a wholly-
7 owned subsidiary of Seiko Epson Corporation. Up until December 28, 2006, Epson Japan
8 was known as Sanyo Epson Imaging Devices Corporation. During the Conspiracy Period,
9 Epson Japan manufactured, marketed, sold and/or distributed LCD Panels and/or LCD
10 Products throughout the United States and elsewhere.
11

12
13 45. Defendant Epson Electronics America, Inc. (“Epson America”) is a wholly-
14 owned and controlled subsidiary of Seiko Epson Corporation. Its principal place of business
15 is at 2580 Orchard Parkway, San Jose, California. During the Conspiracy Period, Epson
16 America sold and distributed LCD Products containing LCD Panels manufactured by Epson
17 Japan to customers in the United States.
18

19 46. Defendants Seiko Epson, Epson Japan and Epson America are referred to
20 collectively herein as “Epson.” The Epson companies were members of the conspiracy that
21 is the subject of this Complaint by virtue of their participation in the conspiracy through the
22 actions of their respective officers, employees, and representatives acting with actual or
23 apparent authority. Alternatively, defendant Epson America was a member of the
24 conspiracy by virtue of its status during the Conspiracy Period as the alter ego or agent of
25 Epson Japan. Epson Japan dominated or controlled Epson America regarding conspiracy
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1 activities and used that domination or control to charge artificially high prices for LCD
2 Panels and LCD Products.

3 **5. HannStar**

4 47. Defendant HannStar Display Corporation (“HannStar”) is a Taiwanese
5 company with its headquarters at No. 480, Rueiguang Road, 12th Floor, Neihu Chiu, Taipei
6 114, Taiwan. During the Conspiracy Period, said defendant manufactured, marketed, sold
7 and/or distributed LCD Panels incorporated into LCD Products sold in the United States.
8

9 **6. Hitachi**

10 48. Defendant Hitachi, Ltd. is a Japanese company with its headquarters at 6-6
11 marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-8280. During the Conspiracy Period, said
12 defendant manufactured, marketed, sold and/or distributed LCD Panels incorporated into
13 LCD Products sold in the United States.
14

15 49. Defendant Hitachi Displays, Ltd. is a Japanese company with its principal
16 place of business at AKS Bldg. 5F, 6-2 Kanda Neribei-cho 3, Chiyoda-ku, Tokyo, 101-0022,
17 Japan. During the Conspiracy Period, said defendant manufactured, marketed, sold and/or
18 distributed LCD Panels incorporated into LCD Products sold in the United States.

19 50. Defendant Hitachi Electronic Devices (USA), Inc., a wholly owned and
20 controlled subsidiary of defendant Hitachi Ltd., with its principal place of business located
21 at 575 Mauldin Road, Greenville, South Carolina 29607. During the Conspiracy Period,
22 said defendant manufactured, marketed, sold and/or distributed LCD Panels incorporated
23 into LCD Products sold in the United States.
24

25 51. Defendants Hitachi Displays Ltd., Hitachi America Ltd. and Hitachi
26 Electronic Devices (USA), Inc. are referred to collectively herein as “Hitachi.”
27

1 7. **LG Display**

2 52. Defendant LG Display Co., Ltd., f/k/a LG Philips LCD Co., Ltd. is a leading
3 manufacturer of LCD Panels and is a joint venture created in 1999 by defendants Royal
4 Philips Electronics NV and LG Electronics, Inc.. LG Display Co., Ltd. maintains offices
5 within this District in San Jose, California and has its principal place of business located at
6 20 Yoido-dong, Youngdungpo-gu, Seoul, 150-72 1, Republic of Korea. During the
7 Conspiracy Period, said defendant manufactured, marketed, sold and/or distributed LCD
8 Panels incorporated into LCD Products sold in the United States.
9

10 53. Defendant LG Display America, Inc. f/k/a/ LG Philips LCD America, Inc. is
11 located at 150 East Brokaw Rd., San Jose, CA 95112. During the Conspiracy Period, said
12 defendant manufactured, marketed, sold and/or distributed LCD Panels incorporated into
13 LCD Products sold in the United States.
14

15 54. Defendants LG Display Co., Ltd. and LG Display America, Inc. are referred
16 to collectively herein as “LG Display.” Defendants LG Display Co., Ltd. and LG Display
17 America, Inc. were members of the conspiracy that is the subject of this Complaint by virtue
18 of the actions of their respective officers, employees, and representatives acting with actual
19 or apparent authority. Alternatively, defendant LG Display America, Inc. was a member of
20 the conspiracy by virtue of its status during the Conspiracy Period as the alter ego or agent
21 of LG Display Co., Ltd. LG Display Co., Ltd. dominated or controlled LG Display
22 America, Inc. regarding conspiracy activities and used that domination or control to charge
23 artificially high prices for LCD Panels.
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1 **8. Philips**

2 55. Defendant Philips Electronics North America Corporation (“Philips”) has its
3 principal place of business at 3000 Minuteman Road, Andover, Massachusetts 01810.
4 Philips is a wholly-owned subsidiary of Philips Holdings USA, Inc., which in turn is a
5 wholly-owned subsidiary of Koninklijke Philips Electronics N.V. (“Royal Philips”). During
6 the Conspiracy Period, Philips manufactured, marketed, sold, and/or distributed LCD Panels
7 incorporated into LCD Products sold in the United States.
8

9 56. Philips’ ultimate parent company, Royal Philips, entered into a joint venture
10 with its competitor, LG Electronics, Inc. in 1999 to form LG Philips LCD Co., Ltd., now
11 known as LG Display Co., Ltd. LG Display Co., Ltd. was one of the leading manufacturers
12 of LCD Panels during the Conspiracy Period. LG Display has admitted participation in a
13 global conspiracy to fix LCD Panel prices, and Royal Philips, as a player in that global
14 market and a joint-venture owner of LG Display, participated in the conspiracy through LG
15 Display and through other actions hereinafter alleged. LG Display and Royal Philips were
16 co-conspirators in the conspiracy, and Philips was the agent and the sales and marketing
17 representative for Royal Philips and its divisions and subsidiaries in the United States.
18

19 57. Philips participated in the conspiracy through the actions of its officers,
20 employees, and representatives acting with actual or apparent authority. Alternatively,
21 Philips was a member of the conspiracy by virtue of its status during the Conspiracy Period
22 as the alter ego or agent of co-conspirator Royal Philips. Royal Philips dominated or
23 controlled Philips regarding conspiracy activities and used that domination or control to
24 charge artificially high prices for LCD Panels incorporated into LCD Products sold in the
25 United States.
26

1 **9. Samsung**

2 58. Defendant Samsung Electronics Co., Ltd. (“Samsung Electronics”) is located
3 at Samsung Main Building, 250-2 ga, Taepyung-ro Chung-gu, Seoul, Republic of Korea.
4 During the Conspiracy Period, said defendant manufactured, marketed, sold and/or
5 distributed LCD Panels and LCD Products sold in the United States.
6

7 59. Defendant Samsung Electronics America, Inc. is a wholly-owned and
8 controlled subsidiary of defendant Samsung Electronics Company, Ltd. with its principal
9 place of business at 105 Challenger Road, Ridgefield Park, New Jersey. During the
10 Conspiracy Period, said defendant manufactured, marketed, sold and/or distributed LCD
11 Panels and LCD Products sold in the United States.

12 60. Defendant Samsung Semiconductor, Inc. is a wholly-owned and controlled
13 subsidiary of Samsung Electronics Co., Ltd., with its principal place of business at 3655
14 North First Street, San Jose, California 95134. During the Conspiracy Period, said
15 defendant manufactured, marketed, sold and/or distributed LCD Panels incorporated into
16 LCD Products sold in the United States.
17

18 61. Defendant Samsung SDI Co., Ltd. has its principal place of business at 673-7
19 Maetan-dong, Youngton-gu, Suwon, Republic of Korea. Samsung Electronics holds a
20 controlling interest in Samsung SDI Co., Ltd. During the Conspiracy Period, said defendant
21 manufactured, marketed, sold, and/or distributed LCD Panels incorporated into LCD
22 Products sold in the United States.
23

24 62. Defendant Samsung SDI America, Inc. is a wholly-owned subsidiary of
25 Samsung SDI Co., Ltd. Its principal place of business is 3333 Michelin Drive, Suite 700,
26 Irvine, California 92618. During the Conspiracy Period, said defendant manufactured,
27

1 marketed, sold, and/or distributed LCD Panels incorporated into LCD Products sold in the
2 United States.

3 63. Defendants Samsung Electronics, Samsung Electronics America, Inc.,
4 Samsung Semiconductor, Inc., Samsung SDI Co., Ltd., and Samsung SDI America, Inc. are
5 referred to collectively herein as “Samsung.” Defendants Samsung Electronics, Samsung
6 Electronics America, Inc., Samsung Semiconductor, Inc., Samsung SDI Co., Ltd., and
7 Samsung SDI America, Inc. were members of the conspiracy that is the subject of this
8 Complaint by virtue of the actions of their respective officers, employees, and
9 representatives acting with actual or apparent authority. Alternatively, defendants Samsung
10 Electronics America, Inc., Samsung Semiconductor, Inc., Samsung SDI Co., Ltd., and
11 Samsung SDI America, Inc. were members of the conspiracy by virtue of their status during
12 the Conspiracy Period as the alter egos or agents of Samsung Electronics. Samsung
13 Electronics dominated or controlled Samsung Electronics America, Inc., Samsung
14 Semiconductor, Inc., Samsung SDI Co., Ltd., and Samsung SDI America, Inc. regarding
15 conspiracy activities and used that domination or control to charge artificially high prices
16 for LCD Panels.
17
18

19 **10. Sanyo**

20 64. Defendant Sanyo Consumer Electronics, Ltd. (“Sanyo Consumer”) has its
21 principal place of business at 7-101, Tachikawa-cho, Tottori 680-0061, Japan. Sanyo
22 Consumer was formerly known as Tottori Sanyo Electric Co. Prior to October 2004, Tottori
23 Sanyo Electric Co. operated as a subsidiary of Sanyo Electric Co., Ltd. During the
24 Conspiracy Period, Sanyo Consumer, then known as Tottori Sanyo Electric Co.,
25
26
27

1 manufactured, sold, and distributed LCD Panels incorporated into LCD Products sold in the
2 United States.

3 **11. Sharp**

4 65. Defendant Sharp Corporation, is located at 22-22 Nagaike-cho, Abeno-ku,
5 Osaka 545-8522, Japan. During the Conspiracy Period, said defendant manufactured,
6 marketed, sold and/or distributed LCD Panels and LCD Products sold in the United States.
7

8 66. Defendant Sharp Electronics Corporation is a wholly-owned and controlled
9 subsidiary of Sharp Corporation with its principal place of business at Sharp Plaza,
10 Mahwah, New Jersey, 07430. During the Conspiracy Period, said defendant manufactured,
11 marketed, sold and/or distributed LCD Panels and LCD Products sold in the United States.
12

13 67. Defendants Sharp Corporation and Sharp Electronics Corporation are
14 referred to collectively herein as “Sharp.” Defendants Sharp Corporation and Sharp
15 Electronics Corporation were members of the conspiracy that is the subject of this
16 Complaint by virtue of the actions of their respective officers, employees, and
17 representatives acting with actual or apparent authority. Alternatively, defendant Sharp
18 Electronics Corporation was a member of the conspiracy by virtue of its status during the
19 Conspiracy Period as the alter ego or agent of Sharp Corporation. Sharp Corporation
20 dominated or controlled Sharp Electronics Corporation regarding conspiracy activities and
21 used that domination or control to charge artificially high prices for LCD Panels.
22

23 **12. Toshiba**

24 68. Defendant Toshiba Corporation is located at 1-1, Shibaura 1-chome, Minato-
25 ku, Tokyo, 105-8001, Japan. During the Conspiracy Period, said defendant manufactured,
26 marketed, sold and/or distributed LCD Panels and LCD Products sold in the United States.
27

1 69. Defendant Toshiba Mobile Display Co., Ltd., f/k/a Toshiba Matsushita
2 Display Technology Co., Ltd. is located at Rivage Shinagawa, 1-8, Konan 4-chome,
3 Minato-ku, Tokyo, 108-0075, Japan. During the Conspiracy Period, said defendant
4 manufactured, marketed, sold and/or distributed LCD Panels and LCD Products sold in the
5 United States.

6
7 70. Toshiba America Electronic Components, Inc. is a wholly-owned and
8 controlled subsidiary of defendant Toshiba Corporation with its corporate headquarters at
9 19900 MacArthur Blvd., Ste. 400, Irvine, CA 92612. During the Conspiracy Period, said
10 defendant manufactured, marketed, sold and/or distributed LCD Panels and LCD Products
11 sold in the United States.

12
13 71. Defendant Toshiba America Information Systems, Inc. is a wholly-owned
14 and controlled subsidiary of Toshiba America, Inc. with its principal place of business at
15 9470 Irvine Boulevard, Irvine, California. During the Conspiracy Period, Toshiba America
16 Information Systems, Inc. manufactured, marketed, sold and/or distributed LCD Products in
17 the United States.

18 72. Defendants Toshiba Corporation, Toshiba Mobile Display Co., Ltd., Toshiba
19 America Electronic Components, Inc. and Toshiba America Information Systems, Inc. are
20 referred to collectively herein as “Toshiba.” Defendants Toshiba Corporation, Toshiba
21 Matsushita Display Technology Co., Ltd., Toshiba America Electronic Components, Inc.
22 and Toshiba America Information Systems, Inc. were members of the conspiracy that is the
23 subject of this Complaint by virtue of the actions of their respective officers, employees, and
24 representatives acting with actual or apparent authority. Alternatively, defendants Toshiba
25 Matsushita Display Technology Co., Ltd., Toshiba America Electronic Components, Inc.
26
27

1 and Toshiba America Information Systems, Inc. were members of the conspiracy by virtue
2 of their status during the Conspiracy Period as the alter egos or agents of Toshiba
3 Corporation. Toshiba Corporation dominated or controlled Toshiba Matsushita Display
4 Technology Co., Ltd., Toshiba America Electronic Components, Inc. and Toshiba America
5 Information Systems, Inc. regarding conspiracy activities and used that domination or
6 control to charge artificially high prices for LCD Panels.
7

8 **C. Co-Conspirators**

9 73. The actions in this Complaint were authorized, ordered, or done by
10 defendants' respective officers, agents, employees, or representatives while actively
11 engaged in the management of each defendant's business or affairs.

12 74. Each defendant acted as the agent or joint venturer of or for the other
13 defendants with respect to the acts, violations and common course of conduct alleged
14 herein. Each defendant that is a subsidiary of a foreign parent acts as the United States
15 agent for LCD Panels and/or LCD Products made by its parent company.
16

17 75. Various persons and entities participated as co-conspirators in the violations
18 alleged herein and performed acts and made statements in furtherance thereof. These co-
19 conspirators are believed to include, without limitation, Fujitsu Display Technologies
20 Corporation, LG Electronics, Inc., LG Electronics USA, Inc., Hydis Technologies Co., Ltd.,
21 NEC Corporation, NEC Electronics America, Inc., NEC LCD Technologies, Ltd., Royal
22 Philips Electronics N.V., IPS Alpha Technology, Ltd., Mitsubishi Electric Corporation,
23 Panasonic Corporation, and Panasonic Corporation of North America.
24

25 76. The acts charged in this Complaint have been done by defendants and their
26 co- conspirators, or were authorized, ordered, or done by their respective officers, agents,
27

1 employees, or representatives while actively engaged in the management of each
2 defendant's business or affairs.

3 77. Each defendant named herein acted as the agent or joint venturer of or for the
4 other defendants with respect to the acts, violations and common course of conduct alleged
5 herein. Each defendant that is a subsidiary of a foreign parent acts as the United States
6 agent for LCD Panels made by its parent company.
7

8 **V. THE MARKET FOR LCD PANELS AND LCD PRODUCTS**

9 78. LCD Panels are utilized in mobile wireless handsets, televisions, computer
10 monitors, notebook computers, digital cameras, and numerous other electronic products.
11 LCD Panels were the principal form of display screen used in mobile wireless handsets,
12 desktop computer monitors, laptop computers and during the Conspiracy Period.
13

14 79. LCD Panels have no independent utility, and have value only as components
15 of LCD Products, such as mobile wireless handsets, desktop computer monitors, notebook
16 computer displays and televisions. The demand for LCD Panels thus derives directly from
17 the demand for LCD Products.

18 80. The market for LCD Panels is enormous, in part because of the
19 extraordinarily high demand for mobile wireless handsets and other LCD Products. For
20 example, demand for mobile wireless handsets grew exponentially during the Conspiracy
21 Period. In 1997, worldwide shipments of mobile wireless handsets totaled approximately
22 100 million units. This number ballooned to over one billion units by 2006. This increased
23 demand for mobile wireless handsets drove a similar increase in the demand for LCD Panels
24 during the Conspiracy Period. Shipments of LCD Panels for mobile wireless handsets grew
25 from approximately 400 million panels in 2001 to over a billion panels in 2006.
26
27

1 81. The market for LCD Panels and LCD Products, such as mobile wireless
2 handsets, desktop computer monitors, notebook computers and televisions, are inextricably
3 linked and intertwined because the LCD Panel market exists to serve the markets for LCD
4 Products. The markets for LCD Panels and for LCD Products are, for all intents and
5 purposes, inseparable in that one would not exist without the other.
6

7 82. Once an LCD Panel leaves its place of manufacture, it remains essentially
8 unchanged as it moves through the distribution system. LCD Panels are identifiable,
9 discrete physical objects that do not change form or become an indistinguishable part of an
10 LCD Product. Thus, LCD Panels follow a physical chain from defendants, through
11 manufacturers of LCD Products, to T-Mobile.
12

13 83. During the Conspiracy Period, the demand for LCD Panels by manufacturers
14 of LCD Products was relatively inelastic, because there were no reasonable substitutes for
15 LCD Panels to serve as the visual display for products such as mobile wireless handsets,
16 desktop computer monitors and laptop and notebook computers. The other principal flat
17 panel display technology, plasma, is too big, consumes too much power and is too fragile to
18 be of any practical application in mobile wireless handsets or laptop or notebook computers.
19 Other competing display technologies, such as OLED displays, were not available during
20 the Conspiracy Period and are only today becoming widely available. In addition,
21 throughout the Conspiracy Period, defendants controlled the market for LCD Panels.
22 Consequently, during the Conspiracy Period, the handset OEMs and computer OEMs had
23 no choice but to purchase LCD Panels from defendants and others at prices that were
24 artificially inflated, fixed, and stabilized by defendants' conspiracy.
25
26
27

1 84. The LCD Panel industry has several characteristics that facilitated a
2 conspiracy to fix prices, including high concentration, significant barriers to entry,
3 homogeneity of products, consolidation, multiple interrelated business relationships and
4 ease of information sharing.

5
6 85. The LCD Panel industry is highly concentrated and thus conducive to
7 collusion. Throughout the Conspiracy Period, defendants collectively controlled a
8 significant share of the market for LCD Panels, both globally and in the United States.

9 86. The LCD industry is characterized by high barriers to entry. New fabrication
10 plants, or “fabs,” can cost upwards of \$2 to \$3 billion, and rapidly evolving technology and
11 intellectual property requirements require constant research and development and
12 investment. Thus, firms cannot enter the market for the production and sale of LCD Panels
13 without an enormous capital investment.

14
15 87. LCD Panels, whether incorporated into mobile wireless handsets or any other
16 LCD Product are manufactured to a specific size, regardless of manufacturer. The
17 manufacture of standard panel sizes facilitates price transparency in the market for LCD
18 Panels and enables LCD Panel manufacturers to monitor and analyze LCD Panel prices, and
19 thus enables them to enforce their conspiracy.

20
21 88. The LCD Panel industry has experienced significant consolidation during the
22 Conspiracy Period, as reflected by: the 2001 creation of AU Optronics itself through the
23 merger of Acer Display and Unipac Electronics; the 2002 merger of the LCD Panel
24 operations of Toshiba and Matsushita into one entity, defendant Toshiba Mobile Display
25 Co., Ltd., in 2002; the 2004 joint venture for the production of LCD Panels for televisions
26
27

1 by Hitachi, Toshiba, and Matsushita; the 2005 transfer of Fujitsu Limited's LCD Panel
2 business to Sharp; and the 2006 AU Optronics' acquisition of Quanta Display.

3 89. Additional opportunities for collusive activity are presented by the many
4 joint ventures, cross-licenses, and other cooperative arrangements in the LCD Panel
5 industry. Using the otherwise legitimate cover of joint ventures, cross-licenses, and other
6 cooperative arrangements, defendants implemented and policed their illegitimate
7 agreements to fix prices and limit output for LCD Panels with the numerous meetings
8 described hereinafter.

9
10 90. There were many opportunities for defendants to discuss and exchange
11 competitively-sensitive information with their common membership in trade associations,
12 interrelated business arrangements such as joint ventures, allegiances between companies in
13 certain countries, and relationships between the executives of certain companies.
14 Communication between the conspirators was facilitated by the use of meetings, telephone
15 calls, emails, and instant messages. Defendants took advantage of these opportunities to
16 discuss and agree upon their pricing of LCD Panels and monitor each other's compliance
17 with their agreement.
18

19 **VI. DEFENDANTS ENGAGED IN PRICE FIXING OF LCD PANELS**

20 **A. Defendants Engaged in Bilateral and Multi-lateral Meetings and**
21 **Communications With Competitors To Inflate Prices of LCD Panels and**
22 **LCD Products**

23 91. The defendants conspired to raise the prices of LCD Panels sold into the
24 United States. The LCD Panel conspiracy alleged herein was effectuated through a
25 combination of group and bilateral discussions that took place in Japan, South Korea,
26 Taiwan and in California and elsewhere in the United States. Defendants' conspiracy
27

1 included agreements to raise fix, raise, maintain and/or stabilize the prices of both TFT-
2 LCD Panels and STN-LCD Panels. Defendants fostered a culture of corruption within their
3 companies whereby employees at every level—from the very top executive all the way to
4 lower-level sales representatives—engaged in frequent and continuous communications
5 with the employees at every level of their competitors. Defendants’ senior executives made
6 it clear to their subordinates that they were required to engage in these illegal exchanges of
7 supply, production, and pricing information as a part of their employment. The lower-level
8 employees funneled the competitive information up to their superiors who utilized that
9 information—along with the pricing information they, themselves, were able to collect
10 through their own illegal competitor contacts—to set prices for LCD Panels at artificially-
11 inflated levels. The constant communications at all levels allowed defendants to conspire to
12 set average prices across the entire industry.
13
14

15 92. In the early years of the conspiracy, beginning in at least 1996,
16 representatives of the Japanese-based defendants, such as Sharp and Toshiba, met and
17 agreed to fix the prices for LCD Panels generally, as well as to specific OEMs; they also
18 agreed to limit the amount of LCD Panels each would produce.

19 93. In early 1998, high level representatives at various LCD manufacturers,
20 including Sharp, Toshiba, Samsung, NEC, LG Electronics, and Mitsubishi, met to discuss
21 projected sales volumes. The companies agreed that they needed additional meetings to
22 head off the projected higher level of competition between the companies. The companies
23 met again later in 1998 to again discuss their projected sales plans to limit competition
24 between them.
25
26
27

1 94. Beginning in 1999, high level representatives of Samsung met with
2 counterparts at LG and other companies to discuss pricing trends and other aspects of the
3 LCD Panel market. By 2001, Sharp employees were engaging in bilateral discussions with
4 competitors to share price information for both TFT-LCD Panels and STN-LCD Panels used
5 for mobile wireless handset applications. Other defendants initiated similar discussions
6 regarding the prices of STN-LCD Panels in furtherance of the conspiracy.
7

8 95. From early 2001 through at least 2006, officials from defendants Samsung,
9 AU Optronics, Chunghwa, Chi Mei, HannStar, LG Display, and Sharp met periodically in
10 Taiwan to discuss and reach agreements on LCD Panel prices, price increases, production,
11 and production capacity, and did in fact reach agreements increasing, maintaining, and/or
12 fixing LCD Panel prices and limiting their production. The group meetings these
13 defendants participated in were called “Crystal Meetings.” Each defendant attended
14 multiple meetings with one or more of the other defendants during this period. The Crystal
15 Meetings occurred in Taiwan; other similar meetings took place in South Korea, Japan, and
16 in California and elsewhere in the United States on a regular basis throughout this period.
17

18 96. The Crystal Meetings were highly organized and followed a set pattern.
19 Meetings among defendants’ high-level executives were called “CEO” or “Top” meetings;
20 while those among defendants’ vice presidents and senior sales executives were called
21 “Commercial” or “Operational” meetings. As described below, the conspiracy also
22 included “working level” meetings and communications.
23

24 97. The “CEO” meetings occurred quarterly from approximately 2001 to 2006.
25 The purpose and effect of these meetings was to stabilize or raise prices. Each meeting
26 followed the same general pattern, with a rotating designated “chairman” who would use a
27

1 projector or whiteboard to show the participants figures relating to the supply, demand,
2 production, and prices of LCD Panels for the group to review. Those attending the meetings
3 would take turns sharing information concerning prices, monthly and quarterly LCD fab
4 output, production, and supply, until a consensus was reached concerning the participants'
5 prices and production levels of LCD Panels in the coming months or quarter.
6

7 98. The structure of "Commercial" meetings was largely the same as "CEO"
8 meetings. These meetings took place more frequently than "CEO" meetings and occurred
9 approximately monthly.

10 99. During all of these meetings, defendants exchanged information about
11 current and anticipated prices for their LCD Panels, and thereafter reached agreement
12 concerning the specific prices to be charged in the coming weeks and months for LCD
13 Panels. Defendants set these prices in various ways, including, but not limited to, setting
14 "target" prices, "floor" prices, and the price range or differential between different sizes and
15 types of LCD Panels.
16

17 100. During these CEO and Commercial meetings, defendants also exchanged
18 information about supply, demand, and their production of LCD Panels, and, thereafter,
19 reached agreement concerning the amounts each would produce. Defendants limited the
20 production of LCD Panels in various ways, including, but not limited to, line slowdowns,
21 delaying capacity expansion, shifting their production to different-sized panels, and setting
22 target production levels.
23

24 101. The agreements reached at the CEO and Commercial meetings included:
25 (1) establishing target prices, floor prices, and price ranges; (2) placing agreed-upon values
26 on various attributes of LCD Panels, such as quality or certain technical specifications; (3)
27

1 what to tell customers as the reason for price increases; (4) coordinating uniform public
2 statements regarding anticipated supply and demand; (5) exchanging information about
3 fabrication plant utilization and production capacity; (6) reaching out to other competitors to
4 encourage them to abide by the agreed-upon pricing; and (7) maintaining or lowering
5 production capacity.

6
7 102. The structure of the so-called “Working Level” meetings was less formal
8 than the CEO or Commercial meetings, and often occurred at restaurants over a meal. The
9 purpose of the “Working Level” meetings was to exchange information on price, supply and
10 demand, and production information which then would be transmitted up the corporate
11 reporting chain to those individuals with pricing authority, which facilitated implementation
12 of the conspiracy and effectuated the agreements made at the CEO meetings and at the
13 Commercial meetings.

14
15 103. During the Crystal Meetings, defendants also agreed to engage in bilateral
16 communications with those defendants not attending these meetings. Certain defendants
17 were “assigned” other defendants not in attendance and agreed to and did in fact
18 communicate with non-attending defendants to synchronize the price and production
19 limitations agreed to at the Crystal Meetings. Participants at the Crystal meetings contacted
20 Japanese defendants (such as Sharp and Toshiba) to relay the agreed-upon pricing and
21 production limitations.

22
23 104. For OEMs in the United States, such as Motorola, SonyEricsson, Palm and
24 other manufacturers of mobile wireless handsets, defendants’ U.S. affiliates led the LCD
25 Panel price negotiations with those OEMs. Pricing directions came from Asia, where the
26 defendants were also engaging in conspiratorial acts to affect the price of LCD Panels and
27

1 LCD Products. Many of the defendants' conspiracy meetings and conspiracy
2 communications took place in the U.S., involved the U.S. affiliates of the defendants, and
3 directly targeted U.S. import commerce and U.S. OEMs.

4 105. Defendant AU Optronics participated in multiple CEO, Commercial, and
5 Working Level meetings, as well as bilateral discussions, between at least 2001 and 2006.
6 Additionally, Quanta Display Inc. and Unipac Electronics, which merged with AU
7 Optronics, participated in Working Level meetings. Through these discussions, AU
8 Optronics agreed on prices and supply levels for LCD Panels and LCD Products.
9

10 106. Defendant Chi Mei participated in multiple CEO, Commercial, and Working
11 Level meetings, as well as bilateral discussions, between at least 2001 and 2006. Through
12 these discussions, Chi Mei agreed on prices and supply levels for LCD Panels and LCD
13 Products.
14

15 107. Defendant Chunghwa participated in multiple CEO, Commercial, and
16 Working Level meetings, as well as bilateral discussions, between at least 2001 and 2006.
17 Through these discussions, Chunghwa agreed on prices and supply levels for LCD Panels
18 and LCD Products.

19 108. Defendant Epson participated in meetings or discussions during the
20 Conspiracy Period with at least one other defendant or co-conspirator, which included
21 discussions about prices for LCD Panels and LCD Products.
22

23 109. Defendant HannStar participated in multiple CEO, Commercial, and
24 Working Level meetings, as well as bilateral discussions, between at least 2001 and 2006.
25 Through these discussions, HannStar agreed on prices and supply levels for LCD Panels and
26 LCD Products.
27

1 110. Defendant Hitachi had multiple bilateral discussions during the Conspiracy
2 Period, and agreed on prices and supply levels for LCD Panels and LCD Products.

3 111. Defendant LG Display participated in multiple CEO, Commercial, and
4 Working Level meetings, as well as bilateral discussions, between at least 2001 and 2006.
5 Through these discussions, LG Display agreed on prices and supply levels for LCD Panels
6 and LCD Products.
7

8 112. Defendant Philips participated in meetings or discussions during the
9 Conspiracy Period with at least one other defendant or co-conspirator, which included
10 discussions about prices for LCD Panels and LCD Products.

11 113. Defendant Samsung participated in multiple CEO, Commercial, and Working
12 Level meetings, as well as bilateral discussions, between at least 2001 and 2006. Through
13 these discussions, Samsung agreed on prices and supply levels for LCD Panels and LCD
14 Products.
15

16 114. Defendant Sanyo Consumer participated in at least one bilateral meeting
17 through an agent during the Conspiracy Period, and agreed on prices and supply levels for
18 LCD Panels and LCD Products.

19 115. Defendant Sharp participated in multiple group and bilateral meetings during
20 the Conspiracy Period, and agreed on prices and supply levels for LCD Panels and LCD
21 Products.
22

23 116. Defendant Toshiba participated in bilateral discussions during the Conspiracy
24 Period, and agreed on prices and supply levels for LCD Panels and LCD Products.

25 117. Co-conspirator Hydis participated in multiple Working Level meetings
26 between at least 2002 and 2005. In addition, Hydis had a bilateral meeting with a
27

1 Taiwanese defendant at least as recently as 2005. Through these discussions, Hydis agreed
2 on prices and supply levels for LCD Panels and LCD Products.

3 118. Co-conspirator IPS Alpha Technology, Ltd. (“IPS Alpha”) is a joint venture
4 among Hitachi Displays, Ltd., Toshiba Corporation, and Panasonic Corporation
5 (“Panasonic”), and one or more of the partners in this joint venture participated in the
6 meetings described above. As a result, IPS Alpha was represented at those meetings and
7 was a party to the agreements entered into by its joint venture partners at these meetings. As
8 explained above, the agreements at these meetings included agreements on price ranges and
9 output restrictions. The joint venture partners had substantial control over IPS Alpha’s
10 production levels and the prices of LCD Panels the joint ventures sold both to the joint
11 venture partners and other non-affiliated companies. Thus, IPS Alpha and Panasonic were
12 active, knowing participants in the alleged conspiracy.
13

14
15 119. Co-conspirator Mitsubishi Electric Corporation participated in multiple
16 Working Level meetings in 2001 with Chi Mei, Chunghwa, Samsung, and Unipac
17 Electronics (later AU Optronics). Through these meetings, Mitsubishi agreed on prices and
18 supply levels for LCD Panels and LCD Products.

19
20 120. Co-conspirator NEC LCD Technologies, Ltd. participated in multiple group
21 meetings and bilateral discussions with companies including Samsung, Toshiba, Hitachi,
22 Sharp, and LG Display beginning as early as 1998. Through these discussions, NEC agreed
23 on prices and supply levels for LCD Panels and LCD Products.

24 121. As part of the larger conspiracy to raise the price of LCD Panels, defendants
25 engaged in bilateral communications specifically regarding prices for small LCD Panels
26 used in mobile devices. These discussions usually took place between sales and marketing
27

1 employees in the form of telephone calls, emails and instant messages. The information
2 gained in these communications was then shared with supervisors and taken into account in
3 determining the price to be offered to defendants' customers.

4 122. Representatives of defendants AU Optronics, Chi Mei, Epson, LG Display,
5 Samsung, Sharp, Toshiba, and other LCD Panel manufacturers engaged in these bilateral
6 communications with the goal of reaching understandings regarding prices for small LCD
7 Panels used in mobile wireless handsets. As part of these communications, they discussed
8 prices, quantities, and profits on LCD Panels for mobile wireless handsets and agreed to fix
9 the prices of LCD Panels for mobile wireless handsets for Motorola and other customers.
10 These communications began at least as early as 2001 and continued throughout the
11 Conspiracy Period.
12

13
14 **B. Defendants Have Been Charged With and Have Pleaded Guilty to Fixing
15 the Price of LCD Panels and LCD Products Sold in the U.S.**

16 123. In December 2006, authorities in Japan, South Korea, the European Union,
17 and the United States revealed the existence of a comprehensive investigation into anti-
18 competitive activity among LCD Panel manufacturers. In a December 11, 2006, filing with
19 the Securities and Exchange Commission, defendant LG Display disclosed for the first time
20 that officials from the Korea Fair Trade Commission and Japan Fair Trade Commission
21 visited the company's Seoul and Tokyo offices and that the United States Department of
22 Justice ("DOJ") had issued a subpoena to its San Jose office.

23 124. On December 12, 2006, news reports indicated that in addition to LG
24 Display, defendants Samsung, Sharp and AU Optronics were also under investigation.
25
26
27

1 125. At least one defendant has approached the DOJ to enter into a leniency
2 agreement with respect to defendants' conspiracy to fix prices of LCD Panels. In order to
3 enter into a leniency agreement under the Corporate Leniency Policy of the Department of
4 Justice, this defendant has reported defendants' price-fixing conspiracy to the DOJ and has
5 confessed its own participation in defendants' price-fixing conspiracy. The DOJ's
6 investigation of the remaining defendants is ongoing and is expected to result in additional
7 guilty pleas and criminal fines from the other defendants to this action. However, a number
8 of defendants and their executives have pleaded guilty to price fixing, as alleged more fully
9 herein.
10

11 126. Defendant Chi Mei Optoelectronics has admitted and pleaded guilty to
12 participating in the conspiracy from September 2001 to December 2006 to fix the price of
13 LCD Panels sold worldwide, including the United States and California in particular, and to
14 participating in meetings, conversations and communications in Taiwan to discuss the prices
15 of LCD Panels, agreeing to fix the prices of LCD Panels, and exchanging pricing and sales
16 information for the purpose of monitoring and enforcing adherence to agreed-upon prices.
17 In connection with its guilty plea, Chi Mei Optoelectronics has agreed to pay a criminal fine
18 of \$220 million.
19

20 127. Defendant LG Display has admitted and pleaded guilty to participating in the
21 conspiracy from September 2001 through June 2006 to fix the price of LCD Panels sold
22 worldwide, including the United States and California in particular, and to participating in
23 meetings, conversations and communications in Taiwan, South Korea and the United States
24 to discuss the prices of LCD Panels, agreeing to fix the prices of LCD Panels, and
25 exchanging pricing and sales information for the purpose of monitoring and enforcing
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27

1 adherence to the agreed-upon prices. LG Display also admitted that acts in furtherance of
2 the conspiracy to fix the price of LCD Panels were carried out in California. In connection
3 with its guilty plea, LG Display has agreed to pay a fine of \$400 million, reported at the
4 time as the second-highest criminal fine ever imposed by the DOJ's Antitrust Division, for
5 its participation in the conspiracy.
6

7 128. Chung Suk "C.S." Chung, an executive from LG Display also pleaded guilty
8 to participating in the conspiracy to fix the prices of LCD Panels sold worldwide, including
9 the United States and California in particular, from September 2001 through June 2006.
10 Specifically, Mr. Chung admitted that he participated in meetings, conversations and
11 communications in Taiwan, South Korea and the United States to discuss the prices of LCD
12 Panels, agreed to fix the prices of LCD Panels at certain predetermined levels, issued price
13 quotations in accordance with the agreements reached, exchanged pricing and sales
14 information for the purpose of monitoring and enforcing adherence to the agreed-upon
15 prices, and authorized, ordered, and consented to the participation of subordinate employees
16 in the conspiracy. In connection with his guilty pleas, Mr. Chung has agreed to serve a 7-
17 month prison term and pay a criminal fine of \$25,000.
18

19 129. Bock Kwon, an executive from LG Display, also pleaded guilty to
20 participating in the conspiracy to fix the prices of LCD Panels sold worldwide, including the
21 United States and California in particular, from September 2001 through June 2006.
22 Specifically, Mr. Kwon admitted that he participated in meetings, conversations and
23 communications in Taiwan, South Korea and the United States to discuss the prices of LCD
24 Panels, agreed to fix the prices of LCD Panels at certain predetermined levels, issued price
25 quotations in accordance with the agreements reached, exchanged pricing and sales
26
27

1 information for the purpose of monitoring and enforcing adherence to the agreed-upon
2 prices, and authorized, ordered, and consented to the participation of subordinate employees
3 in the conspiracy. In connection with his guilty plea, Mr. Kwon has agreed to serve a 12-
4 month prison term and pay a criminal fine of \$30,000.

5
6 130. In addition, Duk Mo Koo, former Executive Vice President and Chief Sales
7 Officer from LG Display, has been indicted for participating in the conspiracy to fix the
8 price of LCD Panels sold worldwide, including the United States and California in
9 particular, from December 2001 through December 2005. Specifically, Mr. Koo has been
10 charged with participating in meetings, conversations and communications in Taiwan, South
11 Korea and the United States to discuss the prices of LCD Panels, including the Crystal
12 Meetings that took place in Taiwan. Mr. Koo has also been charged with agreeing to fix the
13 prices of LCD Panels at certain predetermined levels, issuing price quotations in accordance
14 with the agreements reached, exchanging pricing and sales information for the purpose of
15 monitoring and enforcing adherence to the agreed-upon prices, authorizing, ordering, and
16 consenting to the participation of subordinate employees in the conspiracy, accepting
17 payment for the supply of LCD Panels sold at collusive, noncompetitive prices to customers
18 in the United States, and taking steps to conceal the conspiracy and his conspiratorial
19 contacts.
20

21
22 131. Chunghwa has admitted and pleaded guilty to participating in the conspiracy
23 from September 2001 to December 2006 to fix the price of LCD Panels sold worldwide,
24 including the United States and California in particular, and to participating in meetings,
25 conversations and communications in Taiwan to discuss the prices of LCD Panels, agreeing
26 to fix the prices of LCD Panels, and exchanging pricing and sales information for the
27

1 purpose of monitoring and enforcing adherence to agreed-upon prices. Chunghwa also
2 admitted that acts in furtherance of the conspiracy to fix the price of LCD Panels were
3 carried out in California. In connection with its guilty plea, Chunghwa has agreed to pay a
4 criminal fine of \$65 million.

5
6 132. In addition, two current executives from Chunghwa, Chih-Chun “C.C.” Liu
7 and Hsueh-Lung “Brian” Lee, and one former executive from Chunghwa, Chieng-Hon
8 “Frank” Lin also pleaded guilty to participating in the conspiracy from September 2001
9 through December 2006. Specifically, Mr. Liu, Mr. Lee and Mr. Lin admitted that they
10 participated in meetings, conversations and communications in Taiwan, South Korea and
11 the United States to discuss the prices of LCD Panels, agreed to fix the prices of LCD
12 Panels at certain predetermined levels, issued price quotations in accordance with the
13 agreements reached, exchanged pricing and sales information for the purpose of monitoring
14 and enforcing adherence to the agreed-upon prices, and authorized, ordered, and consented
15 to the participation of subordinate employees in the conspiracy. In connection with their
16 guilty plea, Mr. Lin has agreed to serve a 9-month prison term and pay a criminal fine of
17 \$50,000; Mr. Liu has agreed to serve a 7-month prison term and pay a criminal fine of
18 \$30,000; and Mr. Lee has agreed to serve a 6-month prison term and pay a criminal fine of
19 \$20,000.
20

21
22 133. In addition, two former Chunghwa executives, Cheng Yuan Lin and Wen Jun
23 Cheng, have been indicted for participating in the conspiracy to fix the price of LCD Panels
24 sold worldwide from December 2001 through December 2005. Specifically, Mr. Lin and
25 Mr. Cheng have been charged with participating in meetings, conversations and
26 communications in Taiwan, South Korea and the United States to discuss the prices of LCD
27

1 Panels, including the Crystal Meetings that took place in Taiwan. Mr. Lin and Mr. Cheng
2 have also been charged with agreeing to fix the prices of LCD Panels at certain
3 predetermined levels, issuing price quotations in accordance with the agreements reached,
4 exchanging pricing and sales information for the purpose of monitoring and enforcing
5 adherence to the agreed-upon prices, authorizing, ordering, and consenting to the
6 participation of subordinate employees in the conspiracy, accepting payment for the supply
7 of LCD Panels sold at collusive, noncompetitive prices to customers in the United States,
8 and taking steps to conceal the conspiracy and their conspiratorial contacts.
9

10 134. Defendant Sharp has admitted and pleaded guilty to participating in the
11 conspiracy with unnamed conspirators to fix the price of LCD Panels sold to Dell from
12 April 2001 to December 2006, to Apple Computer from September 2005 to December 2006,
13 and to Motorola from the fall of 2005 to the middle of 2006 (including panels incorporated
14 into Motorola's Razzr handsets), and to participating in bilateral meetings, conversations and
15 communications in Japan and in the United States with unnamed co-conspirators to discuss
16 the prices of LCD Panels, agreeing to fix the prices of LCD Panels, and exchanging pricing
17 and sales information for the purpose of monitoring and enforcing adherence to the agreed-
18 upon prices. Sharp admitted that acts in furtherance of the conspiracy to fix the price of
19 LCD Panels were carried out in California. Defendant Sharp participated in multiple
20 Working Level meetings, as well as bilateral discussions with other defendants, during
21 which it discussed and reached agreements with other defendants on prices for LCD Panels
22 during the Conspiracy Period. During the Conspiracy Period, Motorola was one of T-
23 Mobile's largest suppliers of mobile wireless handsets, and T-Mobile purchased Razzr
24 handsets from Motorola.
25
26
27

1 135. Defendant Sharp also participated in multiple bilateral discussions with other
2 defendants, including Toshiba and Epson, during the Conspiracy Period. Through these
3 discussions, Sharp agreed on prices, price increases, production quotas and production limits
4 for LCD Panels. Because Toshiba and Epson were Sharp's primary competitors in the sale
5 of LCD Panels used in mobile wireless handsets, Sharp knew that it could not have fixed the
6 prices of LCD Panels incorporated into such handsets – as Sharp admitted it did in its guilty
7 plea – unless it reached agreements with Toshiba and Epson to do the same.
8

9 136. Defendant Epson Japan has admitted and pleaded guilty to participating in
10 the conspiracy with unnamed co-conspirators to fix the price of LCD Panels sold to
11 Motorola (including panels to be incorporated in Motorola's Razr handsets) and agreed to
12 pay a criminal fine of \$26 million. Epson Japan has admitted to participating in the
13 conspiracy from 2005 through 2006 to fix the prices of LCD Panels, and to participating in
14 meetings, conversations and communications in Japan and the United States to discuss the
15 prices of LCD Panels, agreeing to fix the prices of LCD Panels, and exchanging pricing and
16 sales information for the purpose of monitoring and enforcing adherence to the agreed-upon
17 prices. During the Conspiracy Period, Motorola was one of T-Mobile's largest suppliers of
18 mobile wireless handsets, and T-Mobile purchased Razr handsets from Motorola.
19

20 137. Defendant Epson America is a wholly-owned and controlled subsidiary of
21 co-conspirator Epson Japan. Epson Japan and Epson America, through their agent, were
22 parties to the agreements made at one of the bilateral meetings described above and acted as
23 co-conspirators. In addition, to the extent Epson America sold or distributed LCD Products,
24 it played a significant role in the conspiracy because defendants wished to ensure that the
25 prices for such products did not undercut the pricing agreements reached at these various
26
27

1 meetings. Thus, Epson America was an active, knowing participant in the alleged
2 conspiracy, and acted as Epson Japan's agent for selling LCD Products in the United States.

3 138. Defendant Toshiba also participated in the conspiracy by entering into joint
4 ventures and other arrangements to manufacture or source LCD Panels with one or more
5 defendants that attended the Crystal Meetings. The purpose and effect of these joint
6 ventures by Toshiba and others was to limit the supply of LCD Panels and fix prices of such
7 panels at unreasonably high levels and to aid, abet, notify and facilitate the implementation
8 of the price-fixing and production-limitation agreements reached at the meetings. During
9 the Conspiracy Period, Toshiba sought and formed strategic partnerships with other LCD
10 manufacturers that allowed it to easily communicate and coordinate prices and production
11 levels with other manufacturers as part of the overall conspiracy alleged herein. For
12 instance, Toshiba formed HannStar in January 1998 as a manufacturing joint venture. In
13 2001, Toshiba and Matsushita formed a joint venture, Advanced Flat Panel Displays, which
14 merged their LCD operations. In April 2002, Toshiba and Matsushita formed a joint
15 venture, Toshiba Mobile Display, f/k/a Toshiba Matsushita Display Technology Co. Ltd.,
16 which combined the two companies' LCD development, manufacturing, and sales
17 operations. In 2006, Toshiba purchased a 20% stake in LG Display's LCD Panel
18 manufacturing facility in Poland. The operation and management of these many different
19 joint ventures afforded Toshiba and the other defendant joint-venture partners regular
20 opportunities to communicate with each other to agree on prices, price increases and
21 production limits and quotas for LCD Panels that each defendant manufactured and sold.
22
23
24

25 139. When T-Mobile refers to a corporate family or companies by a single name
26 in their allegations of participation in the conspiracy, it is to be understood that they are
27

1 alleging that one or more employees or agents of entities within the corporate family
2 engaged in conspiratorial meetings on behalf of every company in that family. In fact, the
3 individual participants in the conspiratorial meetings and discussions did not always know
4 the corporate affiliation of their counterparts, nor did they distinguish between the entities
5 within a corporate family. The individual participants entered into agreements on behalf of,
6 and reported these meetings and discussions to, their respective corporate families. As a
7 result, the entire corporate family was represented in meetings and discussions by their
8 agents and was a party to the agreements reached in them. Furthermore, to the extent that
9 subsidiaries within the corporate families distributed LCD Panels or LCD Products to direct
10 purchasers, these subsidiaries played a significant role in the conspiracy because defendants
11 wished to ensure that the prices for such products paid by direct purchasers would not
12 undercut the pricing agreements reached at these various meetings. Thus, all entities within
13 the corporate families were active, knowing participants in the alleged conspiracy.
14

15
16 **C. Pricing in the LCD Panel Market Indicates Collusion by Defendants**

17 140. Since at least 1996, the LCD Panel market has not behaved as would be
18 expected of a competitive market free of collusion. Rather, the behavior of this market
19 strongly evidences that defendants engaged in a significant price-fixing conspiracy that had
20 the purpose and effect of stabilizing and raising prices for LCD Panels at supra-competitive
21 levels.
22

23 141. After initially being introduced into a market, consumer electronics products
24 and their component parts typically are characterized by steady downward pricing trends.
25 However, since at least 1996, the LCD Panel market has been characterized by price
26 stability and certain periods of substantial upward pricing trends.
27

1 142. Moreover, since at least 1996, the LCD Panel market has not followed the
2 basic laws of supply and demand in a competitive market. In a competitive market, price
3 increases normally occur during shortage periods. Since at least 1996, however, there have
4 been significant price increases in the LCD Panel market during periods of both oversupply
5 and shortage.

6
7 143. The demand for consumer electronic products and their component parts
8 generally increases over time. As would be expected, demand for LCD Panels and LCD
9 Products were steadily and substantially increasing throughout the Conspiracy Period. For
10 example, a November 2005 forecast indicated that shipments of LCD Panels for mobile
11 wireless handsets would grow 66% from 2004 through 2005, due to increased demand for
12 mobile wireless handsets.

13
14 144. Rather than competing for this increased demand, however, since at least
15 1996, defendants worked together to stabilize prices by agreeing to fix prices at artificially
16 high levels and to restrict the supply of LCD Panels through, among other things, decreasing
17 their capacity utilization and refraining from expanding existing capacity. Those defendants
18 not already manufacturing LCD Panels in 1996 joined this conspiracy when they began
19 manufacturing LCD Panels.

20
21 145. In 1996, the LCD Panel market was experiencing excess supply and drastic
22 price cuts. Prices had already fallen 40 to 50 percent in 1995, and were projected to
23 continue dropping due to lower manufacturing costs. However, LCD Panel prices began
24 rising in 1996, allegedly due to insufficient production capacity. In fact, defendants had
25 begun stabilizing and raising the prices.

1 146. LCD Panel prices began to increase in early 1996. Defendants blamed the
2 sudden increase in prices on an alleged inability to supply enough LCD Panels to meet
3 demand. By May of 1996, an industry magazine was reporting that, “[f]lat-panel-display
4 purchasers are riding a roller coaster of pricing in the display market, with no clear
5 predictability anytime soon Perplexed purchasers trying to keep up with the gyrating
6 market can take solace that even vendors are constantly being surprised by the sudden twists
7 and turns.”

9 147. Soon thereafter, industry analysts began commenting on the unusual rise in
10 LCD Panel prices, noting that this rise in prices was “quite rare in the electronics industry.”

11 148. 1996 also brought the advent of third generation fabs. Since 1996, additional
12 generations of fabs have been built, which has resulted in at least eight generations of LCD
13 Panel fabs. LG Electronics was scheduled to have its third generation fab online by 1997,
14 and Hyundai was scheduled to do so by early 1998. Each new LCD Panel generation was
15 produced from ever larger pieces of glass, so as to reduce the cost of the screens used in
16 televisions, computer monitors, and laptops. Ever-increasing production capacity threatened
17 to outstrip demand for LCD Panels, with the result that prices of LCD Panels should have
18 decreased rapidly. Instead, defendants falsely claimed to be operating at full capacity and
19 unable to meet demand, despite the millions of units of over-capacity that had supposedly
20 existed months earlier, and prices surged upwards. These price increases were also
21 inconsistent with the fact that production had become more efficient and cost effective.
22

23
24 149. The supra-competitive level of LCD Panel prices during the Conspiracy
25 Period is demonstrated by, *inter alia*, the fact that costs were decreasing. One of the most
26 significant costs in producing an LCD Panel is the cost of its component parts. Some of the
27

1 major component parts for an LCD Panel include the backlight, color filter, PCB polarizer,
2 and glass. During the Conspiracy Period, the costs of these components collectively and
3 individually had been generally declining, and in some periods at a substantial rate. Thus,
4 the margin between LCD Panel manufacturers' prices and their costs was unusually high
5 during the Conspiracy Period.
6

7 150. During the end of 2001 and 2002, LCD Panel prices increased substantially
8 while the costs to produce these panels remained flat or decreased. Similarly, during the
9 end of 2003 to 2004, LCD Panel prices again increased by a substantial amount, while costs
10 remained flat or decreased. This economic aberration is the intended and necessary result of
11 defendants' conspiracy to raise, fix, maintain, or stabilize the prices of LCD Panels.
12

13 151. LCD Panel prices increased by more than 5% in October 2001. These price
14 increases continued until June of 2002.

15 152. At the time, defendants blamed these price increases on supply shortages. In
16 fact, these price increases were a direct result of defendants' agreement to fix, maintain,
17 and/or stabilize the prices of LCD Panels and defendants' false statements about supply
18 shortages were designed to conceal their price-fixing agreement. When asked why prices
19 had increased, defendants repeatedly asserted that increases in LCD prices were due to
20 increased demand and a "supply shortage."
21

22 153. These price increases occurred as production costs declined due to lower
23 prices for parts and components as well as improvements in manufacturing efficiency.
24 These decreasing costs should have led to lower prices and competition among defendants.
25 Instead, because defendants had entered into an agreement to fix, raise, and maintain the
26 prices for LCD Panels at artificially high levels, it resulted in extremely high profits. For
27

1 example, defendants AU Optronics Inc., Chi Mei Optoelectronics Corp., Chunghwa Picture
2 Tubes Ltd., and HannStar Display Inc. posted higher pretax profits than expected in the first
3 quarter of 2002. AU Optronics reported revenue of NT \$19.7 billion in the first quarter,
4 with pretax profit reaching about NT \$2 billion. Chi Mei Optoelectronics reported pretax
5 earnings of NT \$800 million on revenue of about NT \$8.8 billion at the same period.
6

7 154. This increase in prices and revenue was unprecedented. During the first six
8 months of 2002, revenue for Taiwan's five major LCD Panel manufacturers (defendants AU
9 Optronics, Chi Mei, Chunghwa Picture Tubes Ltd., HannStar Display Inc., and Quanta
10 Display Inc. (later purchased by AU Optronics)) rose 184% from the same period in 2001.

11 **D. The Conspiracy Extended to Earlier LCD Technologies**

12 155. During the Conspiracy Period, both TFT-LCD Panels and STN-LCD Panels
13 (such as CSTN-LCD Panels and MSTN-LCD Panels) were used in mobile wireless
14 handsets. At various points during the Conspiracy Period, TFT-LCD Panels and STN-LCD
15 Panels were close substitutes for each other, and purchasers of LCD Panels sometimes
16 switched their purchases from TFT-LCD Panels to STN-LCD Panels in response to changes
17 in the relative prices of TFT-LCD Panels and STN-LCD Panels.
18

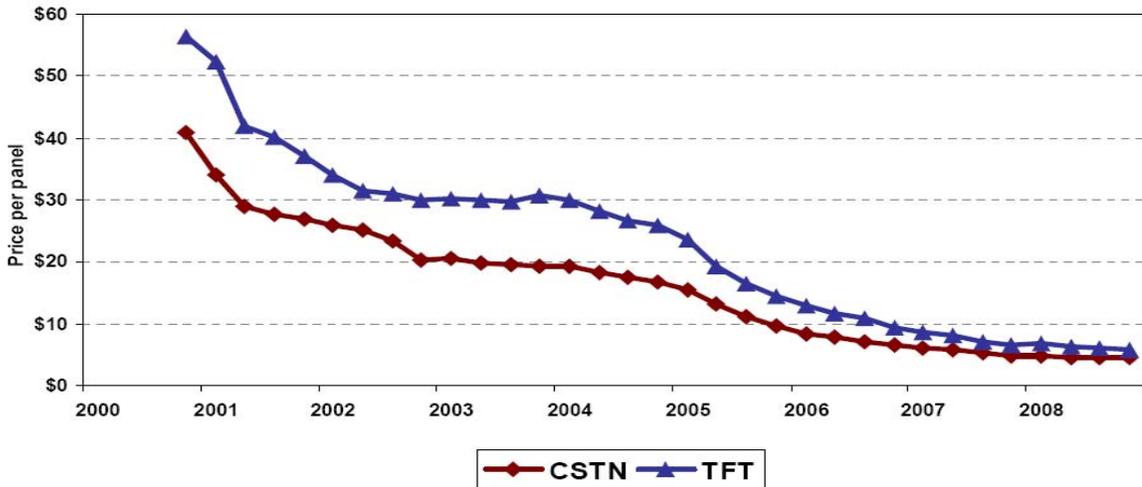
19 156. Certain defendants, their corporate affiliates, and other members of the
20 conspiracy manufactured both TFT-LCD Panels and STN-LCD Panels, including
21 defendants Samsung, Sharp and Epson. The same individuals at the defendants who were
22 engaged in bilateral communications and group meetings regarding TFT-LCD Panel prices
23 also had pricing responsibilities for STN-LCD Panels.
24

25 157. Because TFT-LCD Panels and STN-LCD Panels were substitutes in certain
26 LCD Products (including mobile wireless handsets) at certain points during the Conspiracy
27

1 Period, and because defendants collectively controlled a significant share of the market for
2 LCD Panels (both globally and in the United States), defendants had the incentive and
3 ability to inflate the prices of STN-LCD Panels as well as TFT-LCD Panels. Indeed,
4 defendants knew that in order to effectively fix, raise and maintain prices for TFT-LCD
5 prices, as they have admitted, they would also need to fix, raise and maintain prices of STN-
6 LCD Panels as well.
7

8 158. Thus, defendants' conspiracy included agreements to raise fix, raise,
9 maintain and/or stabilize the prices of STN-LCD Panels. Specifically, defendants engaged
10 in bilateral discussions in which they exchanged information about STN-LCD Panel pricing,
11 shipments, and production. These discussions usually took place between sales and
12 marketing employees in the form of telephone calls, emails and instant messages. The
13 information gained in these communications was then shared with supervisors and taken
14 into account in determining the price to be offered defendants' customers for STN-LCD
15 Panels.
16

17 159. Defendants understood that they could profitably raise prices of STN-LCD
18 Panels in response to increases in TFT-LCD Panel prices, and that the conspiracy's success
19 in inflating TFT-LCD Panel prices also inflated STN-LCD prices, and *vice versa*. Not
20 surprisingly, from at least 2001 through 2006, the price per square inch of TFT-LCD Panels
21 and CSTN-LCD Panels tracked very closely, as seen in the chart below:
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23
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E. Conspiracy's Effect on U.S. Commerce

160. Defendants' illegal conduct involved U.S. import trade or import commerce. Defendants knowingly and intentionally sent price-fixed LCD Panels to the facilities of foreign manufacturers, including manufacturers of mobile wireless handsets, knowing that they would subsequently be imported into the United States, one of their most important markets and a major source of their revenues. In this respect, defendants directed their anticompetitive conduct at imports into the United States with the intent of causing price-fixed LCD Panels to enter the United States market and inflating the prices of mobile wireless handsets and other LCD Products T-Mobile purchased in the United States. Such conduct was meant to produce and did in fact produce a substantial effect in the United States in the form of higher prices being paid for such products by U.S. companies like T-Mobile.

161. The U.S. LCD market is enormous and was a major focus of the conspiracy. Measured by value, defendants and others shipped during the Conspiracy Period more than 400 million LCD Panels, including those incorporated into LCD Products, into the United

1 States for ultimate sale to U.S. consumers. During the Conspiracy Period, the value of these
2 LCD Panels imported into the United States was in excess of \$50 billion. Defendants
3 shipped millions of LCD Products worth billions of dollars into the United States each year
4 during the Conspiracy Period. As a result, a substantial portion of defendants' revenues was
5 derived from the U.S. market. Defendants spent hundreds of millions of dollars on
6 advertising their products in the United States. Most, if not all, defendants had marketing,
7 sales, and account management teams specifically designated to handle U.S. customer
8 accounts and the U.S. market for LCD Panels and LCD Products.
9

10 162. Because of the importance of the U.S. market to defendants and their co-
11 conspirators, LCD Panels and LCD Products intended for importation into and ultimate
12 consumption in the United States were a focus of defendants' illegal conduct. The
13 defendants knowingly and intentionally sent price-fixed LCD Panels and LCD Products into
14 a stream of commerce that led directly into the United States. Many LCD Panels were
15 intended for incorporation into finished products specifically destined for sale and use in the
16 United States. Every defendant shipped LCD Panels directly into the United States, and
17 many defendants manufactured LCD Products and sold them in the United States. This
18 conduct by defendants was meant to produce and did in fact produce a substantial effect in
19 the United States in the form of artificially-inflated prices for LCD Panels and LCD
20 Products.
21
22

23 163. When high-level executives based at defendants' Asian headquarters agreed
24 on prices, they knew that their price-fixed LCD Panels would be incorporated into LCD
25 Products sold in the United States. Moreover, because LCD Panels are – and were
26 throughout the Conspiracy Period – the most expensive and significant component of LCD
27

1 Products, defendants knew that price increases for LCD Panels would necessarily result in
2 increased prices for LCD Products sold in the United States.

3 164. In fact, defendants routinely monitored the effect their price-fixing had on the
4 prices of such LCD Products sold in the United States, which they often referred to as
5 “street prices,” because defendants were aware that the conspiracy would elevate those
6 prices in addition to the prices of LCD Panels. Defendants used LCD Product pricing in the
7 United States as a benchmark for establishing, organizing, and tracking their price-fixing of
8 LCD Panels.
9

10 165. Defendants have acknowledged that their commercial activities involving
11 intentionally sending LCD Panels and LCD Products into the United States impacted
12 American import trade and import commerce. In a series of complaints filed with the U.S.
13 International Trade Commission over the past few years, defendants Samsung and Sharp
14 have both alleged infringing conduct based on “[t]he importation into the United States, sale
15 for importation into the United States, and/or sale after importation in the United States of . .
16 . LCD devices” by the other (and by other entities on its behalf). *See In the Matter of*
17 *Certain Liquid Crystal Display Devices and Products Containing the Same*, Investigation
18 No. 337-TA-631, Complaint of Samsung Electronics Co., Ltd. (December 21, 2007)
19 (Docket No. 2586); *In the Matter of Certain Liquid Crystal Display Modules, Products*
20 *Containing Same, and Methods for Using the Same*, Investigation No. 337-TA-634,
21 Complaint of Sharp Corporation (January 30, 2008) (Docket No. 2594); *In the Matter of*
22 *Certain Liquid Crystal Display Devices and Products Containing the Same*, Investigation
23 No. 337-TA-699, Complaint of Samsung Electronics Co., Ltd. (December 1, 2009) (Docket
24 No. 2698).
25
26
27

1 166. Defendants who have entered guilty pleas in connection with the LCD
2 conspiracy have acknowledged that their illegal activities impacted imports into the United
3 States and had a substantial effect on American import trade and import commerce. Those
4 defendants have expressly admitted that “[LCD Panels] affected by [their] conspiracy [were]
5 sold by one or more of the conspirators to customers in [the Northern District of
6 California].” *See, e.g.*, Case No. 07-01827-SI (D.I. 767-1) (N.D. Cal. Jan. 5, 2009).

8 167. For the reasons set forth above, defendants’ illegal conduct involved import
9 trade or import commerce into the United States, and had a direct, substantial, and
10 reasonably foreseeable effect on U.S. commerce.

11 **VII. PLAINTIFF’S INJURIES**

12 168. T-Mobile has suffered a direct, substantial, and reasonably foreseeable injury
13 as both a purchaser of mobile wireless handsets containing LCD Panels and as a purchaser
14 of other LCD Products as a result of defendants’ conspiracy to raise, fix, stabilize, or
15 maintain the price of LCD Panels at supra-competitive levels. Defendants’ conspiracy
16 artificially inflated the price of LCD Panels incorporated into such mobile wireless handsets,
17 causing T-Mobile to pay higher prices than it would have in the absence of defendants’
18 conspiracy.

19 169. In some cases, T-Mobile purchased mobile wireless handsets directly from
20 defendants. For example, during the Conspiracy Period, T-Mobile purchased mobile
21 wireless handsets directly from defendant Samsung, its affiliates, and/or its wholly owned
22 and controlled sales agents in the United States.

23 170. T-Mobile purchased certain handsets from Samsung pursuant to a PCS
24 Handset and Accessory Supply Agreement, dated as of September 1, 2001, and amended
25
26
27

1 from time to time (“Samsung Handset Supply Agreement”). Evidencing the substantial
2 volume of business between T-Mobile and Samsung in New York, the Samsung Handset
3 Supply Agreement was governed by New York law, and the parties agreed to a New York
4 venue to resolve disputes under the agreement.

5
6 171. As a result of defendants’ conspiracy to fix the price of LCD Panels,
7 T-Mobile purchased mobile “Samsung”-branded wireless handsets from Samsung at
8 artificially-inflated prices and suffered injury in the United States as a direct purchaser from
9 Samsung.

10 172. T-Mobile also purchased mobile wireless handsets containing LCD Panels
11 from other handset OEMs, which in turn purchased LCD Panels from defendants and their
12 co- conspirators. Defendants’ conspiracy affected and artificially inflated the price of LCD
13 Panels purchased by these handset OEMs, which paid higher prices for LCD Panels than
14 they would have absent the conspiracy.

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16 173. The handset OEMs passed on to their customers, including T-Mobile, the
17 overcharges caused by defendants’ conspiracy. T-Mobile was not able to pass on to its
18 customers the overcharge caused by defendants’ conspiracy. Thus, T-Mobile suffered
19 injury when it purchased mobile wireless handsets containing LCD Panels from the handset
20 OEMs.

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22 174. In addition, T-Mobile has suffered a direct, substantial, and reasonably
23 foreseeable injury as a result of defendants’ conspiracy to raise, fix, stabilize or maintain the
24 price of LCD Panels resulting from T-Mobile’s purchases of LCD Products for its own use.
25 Defendants’ conspiracy artificially inflated the price of the LCD Panels purchased by
26 computer OEMs for incorporation into the desktop computer monitors and laptop and
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1 notebook computers sold to T-Mobile. The computer OEMs passed on these artificially-
2 inflated prices for LCD Panels to T-Mobile, causing T-Mobile to pay higher prices for the
3 desktop computer monitors and laptop and notebook computers than they would have paid
4 in the absence of the defendants' conspiracy. As a result, T-Mobile was injured in
5 connection with its purchases of LCD Products for its own internal use during the
6 Conspiracy Period.
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8 **VIII. DEFENDANTS CONCEALED THEIR CONSPIRACY TO FIX THE PRICE**
9 **OF LCD PANELS**

10 175. The affirmative acts of defendants alleged herein, including acts in
11 furtherance of the conspiracy, were wrongfully concealed and carried out in a manner that
12 precluded detection. The conspirators knew their activities were illegal, and kept their
13 conspiracy communications strictly confidential.

14 176. By its very nature, defendants' price-fixing conspiracy was inherently self-
15 concealing. As alleged above, defendants had secret discussions about price and output.
16 Defendants agreed not to publicly discuss the existence or the nature of their agreement.
17 During these meetings, top executives and other officials attending these meetings were
18 instructed on more than one occasion not to disclose the fact of these meetings to outsiders,
19 or even to other employees of defendants not involved in LCD Panel pricing or production.
20 In fact, the top executives who attended the CEO and Commercial Crystal Meetings agreed
21 to stagger their arrivals and departures at such meetings to avoid being seen in public with
22 each other and with the express purpose and effect of keeping them secret. Moreover, when
23 the participants in those meetings became fearful that they might be subject to antitrust
24 scrutiny, in approximately the summer of 2006, they discontinued the Working Level
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1 meetings in favor of one-on-one meetings to exchange pricing and supply information. The
2 meetings were coordinated so that on the same date, each competitor met one-on-one with
3 the other in a “Round Robin” set of meetings until all competitors had met with each other.
4 These Round Robin meetings took place until at least November or December of 2006. The
5 information obtained at these meetings was transmitted up the corporate reporting chain to
6 permit defendants to maintain their price-fixing and production- limitation agreement.
7

8 177. In addition, defendants repeatedly gave pretextual justifications for the
9 inflated prices of LCD Panels in furtherance of the conspiracy.

10 178. There have been a variety of other purportedly market-based explanations for
11 price increases. The first was supply and demand. In early 1999, Omid Milani, a marketing
12 manager for NEC, stated that “demand by far is outstripping our supply capability” and
13 predicted that “prices will continue to increase until a reasonable balance is achieved.”
14 Bock Kwon, Vice President of LG Philips’ Sales Division, and Yoon-Woo Lee, President
15 and CEO of Samsung’s Semiconductor Division, also falsely reported in 1999 that price
16 increases were due to “acute” shortages.
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18 179. Another false rationale provided by defendants was undercapitalization. In
19 1999, Joel Pollack, a marketing manager for Sharp, stated:

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21 Prices have dropped at a steady rate over the past couple of years to the point
22 where it was difficult to continue the necessary level of capitalization. The
[low prices] have starved the industry.

23 180. A third rationale for the steep price hikes of 1999 was offered by Yoon-Woo
24 Lee, CEO of Samsung. He claimed that the demand for larger panels was reducing the
25 industry’s capacity because each display used more square inches of motherglass substrate.
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1 181. Increased demand was repeatedly cited by defendants throughout the
2 Conspiracy Period. On February 4, 2001, Bruce Berkoff, Executive Vice-President at LG
3 Philips was quoted in News.com as saying that price increases were due to shortages. He
4 claimed, “demand grew so fast that the supply can’t keep up.” Koo Duk-Mo, an executive
5 at LG Philips, similarly predicted in 1999 that prices would rise 10 to 15 percent due to
6 increased demand for the holiday season. In 2005, Koo Duk-Mo of LG Philips stated “[w]
7 are seeing much stronger demand for large- size LCD TVs than expected, so LCD TV
8 supply is likely to remain tight throughout the year.”

10 182. Hsu Jen-Ting, a Vice-President at Chi Mei, and Chen Shuen-Bin, president
11 of AU Optronics, offered another rationale for the 2001 price hike in an interview for the
12 Taiwan Economic News in October 2001. They blamed “component shortages due to the
13 late expansion of 5th generation production lines and new demand from the replacement of
14 traditional cathode ray tubes with LCD monitors.”

16 183. These explanations were all pretextual and each served to cover up the
17 conspiracy.

18 184. T-Mobile did not discover and could not have discovered, through the
19 exercise of reasonable diligence, the existence of the conspiracy alleged herein until after
20 December of 2006, when the existence of investigations by the DOJ and other antitrust
21 regulators became public, because defendants and their co-conspirators actively and
22 fraudulently concealed the existence of their contract, combination or conspiracy. Because
23 defendants’ agreement, understanding and conspiracy were kept secret, T-Mobile was
24 unaware of defendants’ unlawful conduct alleged herein and did not know that it was paying
25 artificially high prices for LCD Products.
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185. As a result of defendants' fraudulent concealment of their conspiracy, the running of any statute of limitations has been tolled with respect to T-Mobile's claims.

1 **IX. VIOLATIONS ALLEGED**

2 **First Claim for Relief**
3 **(Violation of Sherman Act Against All Defendants)**

4 186. T-Mobile incorporates and realleges, as though fully set forth herein, each
5 and every allegation set forth in the preceding paragraphs of this Complaint.

6 187. Beginning at a time presently unknown to T-Mobile, but at least as early as
7 January 1, 1996 and continuing through at least December 11, 2006, the exact dates being
8 unknown to T-Mobile, defendants and their co-conspirators entered into a continuing
9 agreement, understanding, and conspiracy in restraint of trade to artificially raise, fix,
10 maintain, and/or stabilize prices for LCD Panels in the United States, in violation of Section
11 1 of the Sherman Act, 15 U.S.C. §1.

12 188. In formulating and carrying out the alleged agreement, understanding, and
13 conspiracy, defendants and their co-conspirators did those things that they combined and
14 conspired to do, including but not limited to the acts, practices, and course of conduct set
15 forth above, and the following, among others:

- 16
17 a. To fix, raise, maintain and stabilize the price of LCD Panels;
18 b. To allocate markets for LCD Panels among themselves;
19 c. To submit rigged bids for the award and performance of certain LCD
20 Panels contracts; and
21 d. To allocate among themselves the production of LCD Panels.
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23 189. The combination and conspiracy alleged herein has had the following effects,
24 among others:
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- a. Price competition in the sale of LCD Panels has been restrained, suppressed, and/or eliminated in the United States;
- b. Prices for LCD Panels sold by defendants, their co-conspirators, and others have been fixed, raised, maintained and stabilized at artificially high, supra-competitive levels throughout the United States; and
- c. Those who purchased LCD Panels produced by defendants, their co-conspirators, and others have been deprived of the benefits of free and open competition.

190. T-Mobile has been injured in its business and property by being forced to pay more for the mobile wireless handsets and other LCD Products it purchased from defendants and their co-conspirators than it would have paid in the absence of defendants' conspiracy.

191. Defendants' and their co-conspirators' conduct involved U.S. import trade or commerce and/or had a direct, substantial, and reasonably foreseeable effect on U.S. domestic and import trade or commerce that resulted in the injuries suffered by T-Mobile and gave rise to T-Mobile's antitrust claims. As a result, T-Mobile suffered injury as a direct, proximate, and reasonably foreseeable result of defendants' conspiracy to fix the price of LCD Panels and are entitled to damages under Section 4 of the Clayton Act, 15 U.S.C. § 15, for their purchases of LCD Products containing LCD Panels sold by defendants, their coconspirators, and others.

192. Because defendants all continue to manufacture LCD Panels, the market for production and sale of LCD Panels remains highly concentrated and susceptible to collusion, defendants continue to have the incentive to collude to increase LCD Panel prices or stabilize LCD Panel price declines, defendants' conspiracy to fix the price of LCD Panels

1 could be easily repeated and concealed from T-Mobile, T-Mobile faces a serious risk of
2 future injury, and are thus entitled to an injunction under Section 16 of the Clayton Act, 15
3 U.S.C. § 26 against all defendants, preventing and restraining the violations alleged herein.
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5 **Second Claim for Relief**
6 **(Violation of State Antitrust and Unfair Competition Laws)**

7 193. T-Mobile incorporates and realleges, as though fully set forth herein, each
8 and every allegation set forth in the preceding paragraphs of this Complaint.

9 194. By reason of the foregoing, defendants have entered into agreements in
10 restraint of trade in violation of the “Cartwright Act”:

11 195. During the Conspiracy Period, T-Mobile conducted a substantial volume of
12 business in California. T-Mobile provided wireless communication services and sold
13 mobile wireless handsets containing LCD Panels to customers in California through its
14 corporate-owned retail stores, through independent retailers located in California, and
15 through its website on the Internet. T-Mobile also provided wireless communication
16 services and sold mobile wireless handsets directly to business, government and other
17 customers in California through both its own sales force and independent sales agents. In
18 addition, T-Mobile maintained in California inventories of mobile wireless handsets
19 containing LCD Panels manufactured and sold by defendants, their co-conspirators, and
20 others, and operated offices and retail stores in California.
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22 196. As a result of its presence in California and the substantial business it
23 conducts in California, T-Mobile is entitled to the protection of the laws of California.

24 197. Defendants engaged and participated in the conspiracy through their offices
25 and operations in California. Defendants LG Display, Chunghwa and Sharp all admitted in
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1 their plea agreements that acts in furtherance of their conspiracy to fix the price of LCD
2 Panels were carried out in California. Defendants AU Optronics, Chi Mei, Epson, LG
3 Display, Samsung and Toshiba all maintained offices in California during the Conspiracy
4 Period. Employees at defendants' locations in California participated in meetings and
5 engaged in bilateral communications in California and intended and did carry out
6 defendants' anticompetitive agreement to fix the price of LCD Panels. Defendants also
7 participated in the conspiracy in the U.S. through their California offices by providing
8 information obtained through meetings with other defendants to employees in their
9 California offices for those California employees to use in the course of fixing prices in
10 negotiations with U.S. customers, including manufacturers of mobile wireless handsets that
11 were purchased by T-Mobile in the United States. Defendants' conduct within California
12 thus injured T-Mobile both in California and throughout the United States.

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15 198. Beginning at a time presently unknown to T-Mobile, but at least as early as
16 January 1, 1996, and continuing thereafter at least up to and including at least December 11,
17 2006, defendants and their co-conspirators entered into and engaged in a continuing
18 unlawful trust in restraint of the trade and commerce described above in violation of the
19 Cartwright Act, California Business and Professional Code Section 16720. Defendants have
20 each acted in violation of Section 16720 to fix, raise, stabilize and maintain prices of, and
21 allocate markets for, LCD Panels at supra-competitive levels. Defendants' conduct
22 substantially affected California commerce.

23
24 199. The aforesaid violations of Section 16720, California Business and
25 Professions Code, consisted, without limitation, of a continuing unlawful trust and concert
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1 of action among defendants and their co-conspirators, the substantial terms of which were to
2 fix, raise, maintain and stabilize the prices of, and to allocate markets for, LCD Panels.

3 200. For the purpose of forming and effectuating the unlawful trust, defendants
4 and their co-conspirators have done those things which they combined and conspired to do,
5 including but in no way limited to the acts, practices and course of conduct set forth above
6 and the following:
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- 8 a. to fix, raise, maintain and stabilize the price of LCD Panels;
- 9 b. to allocate markets for LCD Panels amongst themselves;
- 10 c. to submit rigged bids for the award and performance of certain LCD
11 Panels contracts; and
- 12 d. to allocate among themselves the production of LCD Panels.

13
14 201. The combination and conspiracy alleged herein has had, inter alia, the
15 following effects:

- 16 a. price competition in the sale of LCD Panels has been restrained,
17 suppressed and/or eliminated in the State of California;
- 18 b. prices for LCD Panels sold by defendants, their co-conspirators, and
19 others have been fixed, raised, maintained and stabilized at artificially
20 high, non-competitive levels in the State of California; and
- 21 c. those who purchased LCD Panels from defendants, their co-
22 conspirators, and others and LCD Products containing LCD Panels
23 from defendants, their co-conspirators, and others have been deprived
24 of the benefit of free and open competition.
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1 202. As a result of the alleged conduct of defendants, T-Mobile paid supra-
2 competitive, artificially inflated prices for the LCD Products it purchased during the
3 Conspiracy Period.

4 203. As a direct and proximate result of defendants' conduct, T-Mobile has been
5 injured in its business and property by paying more for LCD Products purchased in
6 California from defendants, their coconspirators, and others than they would have paid in
7 the absence of defendants' combination and conspiracy. As a result of defendants' violation
8 of Section 16720 of the California Business and Professions Code, T-Mobile is entitled to
9 treble damages and the costs of suit, including reasonable attorneys' fees, pursuant to
10 Section 16750(a) of the California Business and Professions Code.

11 204. By reason of the foregoing, defendants have also engaged in unfair
12 competition in violation of California's Unfair Competition Law, California Business and
13 Professional Code § 17200 et seq.

14 a. Defendants committed acts of unfair competition, as defined by
15 Section 17200, *et seq.*, by engaging in a conspiracy to fix and
16 stabilize the price of LCD Panels as described above;

17 b. The acts, omissions, misrepresentations, practices and non-
18 disclosures of defendants, as described above, constitute a common
19 and continuing course of conduct of unfair competition by means of
20 unfair, unlawful and/or fraudulent business acts or practices with the
21 meaning of Section 17200, *et seq.*, including, but not limited to (1)
22 violation of Section 1 of the Sherman Act; (2) violation of the
23 Cartwright Act;

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- c. Defendants’ acts, omissions, misrepresentations, practices and non-disclosures are unfair, unconscionable, unlawful and/or fraudulent independently of whether they constitute a violation of the Sherman Act or the Cartwright Act;
- d. Defendants’ acts or practices are fraudulent or deceptive within the meaning of Section 17200, *et seq.*;
- e. Defendants’ conduct was carried out, effectuated, and perfected within the state of California. Defendants LG Display, Chunghwa and Sharp all admitted that acts in furtherance of the conspiracy to fix the price of LCD Panels were carried out in California. Defendants also maintained offices in California where their employees engaged in communications, meetings and other activities in furtherance of defendants’ conspiracy;
- f. During the Conspiracy Period, T-Mobile conducted a substantial volume of business in California. T-Mobile provided wireless communication services and sold mobile wireless handsets containing LCD Panels to customers in California at its corporate-owned retail stores and through its website on the Internet. T-Mobile also sold mobile wireless handsets to independent agents and retailers located in California. T-Mobile also provided wireless communication services and sold mobile wireless handsets directly to business, government and other customers in California. In addition, T-Mobile maintained in California inventories of mobile wireless handsets

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containing LCD Panels manufactured and sold by defendants, their co- conspirators, and others, and operated offices and retail stores in California. As a result of their presence in California and the substantial business they conduct in California, T-Mobile is entitled to the protection of the laws of California; and,

g. By reason of the foregoing, T-Mobile is entitled to full restitution and/or disgorgement of all revenues, earnings, profits, compensation, and benefits that may have been obtained by defendants as result of such business acts and practices described above.

205. By reason of the foregoing, defendants have entered into agreements in restraint of trade in violation of New York General Business Law §§ 340 *et seq.*

a. Defendants’ conspiracy restrained, suppressed and/or eliminated competition in the sale of LCD Panels in New York and fixed, raised, maintained and stabilized LCD Panel prices in New York at artificially high, non-competitive levels;

b. As a result, defendants’ conspiracy substantially affected New York commerce;

c. During the Conspiracy Period, T-Mobile conducted a substantial volume of business in New York. T-Mobile provided wireless communication services and sold mobile wireless handsets containing LCD Panels to customers in New York at its corporate-owned retail stores and through its website on the Internet. T-Mobile sold mobile wireless handsets to independent agents and retailers in New York.

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T-Mobile provided wireless communication services and sold mobile wireless handsets directly to business, government and other customers in New York. T-Mobile maintained in New York inventories of mobile wireless handsets containing LCD Panels manufactured and sold by defendants, their co-conspirators, and others, and operated offices and retail stores in New York. T-Mobile's contacts with New York were so extensive that its supply agreement with one member of the conspiracy – Samsung – was governed by New York law and the parties agreed to a New York venue to resolve their disputes under the agreement.

d. As a result of its presence in New York and the substantial business it conducts in New York, T-Mobile is entitled to the protection of the laws of New York; and,

e. As a direct and proximate result of defendants' conduct, T-Mobile has been injured in its business and property by paying more for LCD Products purchased for sale in New York from defendants, their coconspirators and others than they would have paid in the absence of defendants' combination and conspiracy, and are entitled to relief under New York General Business Law §§ 340 *et seq.*

X. PRAYER FOR RELIEF

WHEREFORE, T-Mobile requests that:

1 A. The unlawful agreement, conduct, contract, conspiracy or
2 combination alleged herein be adjudged and decreed to be a violation of federal and state
3 law;

4 B. T-Mobile recover damages, and that a judgment be entered in favor of
5 T-Mobile against defendants, jointly and severally, in an amount to be trebled;

6 C. T-Mobile obtain any penalties, punitive or exemplary damages, or
7 any other monetary or equitable remedies permitted under applicable law;

8 D. Defendants, their affiliates, successors, transferees, assignees, and the
9 officers, directors, partners, agents, and employees thereof, and all other persons acting or
10 claiming to act on their behalf, be permanently enjoined and restrained from in any manner
11 continuing, maintaining, or renewing the conduct, contract, conspiracy or combination
12 alleged herein, or from entering into any other conspiracy or combination having a similar
13 purpose or effect, and from adopting or following any practice, plan, program, or device
14 having a similar purpose or effect;

15 E. T-Mobile be awarded pre- and post-judgment interest;

16 F. T-Mobile recover its costs and disbursements of this suit, including
17 attorneys' fees as provided by law; and,

18 G. T-Mobile be awarded such other, further, and different relief as the
19 case may require and the Court may deem just and proper under the circumstances.
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1 **XI. JURY TRIAL DEMAND**

2 Pursuant to Federal Rules of Civil Procedure Rule 38(b), T-Mobile demands a trial
3 by jury for all issues so triable.

4
5 Dated: April 18, 2011

/s/ Parker C. Folsie, III

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COMPLAINT FOR DAMAGES AND INJUNCTIVE
RELIEF – Page i
Case No.

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