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13 **UNITED STATES DISTRICT COURT**

14 **NORTHERN DISTRICT OF CALIFORNIA – SAN FRANCISCO DIVISION**

15 IN RE TFT-LCD (FLAT PANEL)
 16 ANTITRUST LITIGATION

Master File No. C M:07-01827 SI
 Individual Case No. C 3:11-02591 SI
 MDL NO. 1827

17 This Document Relates to
 18 Case C 3:11-02591 SI

19 T-MOBILE U.S.A., INC.,
 20
 21 Plaintiff,

**AMENDED COMPLAINT FOR
 DAMAGES AND INJUNCTIVE
 RELIEF**

22 v.

DEMAND FOR JURY TRIAL

23 AU OPTRONICS CORPORATION; AU
 24 OPTRONICS CORPORATION AMERICA,
 25 INC; CHI MEI CORPORATION; CHIMEI
 26 INNOLUX CORPORATION; CHI MEI
 27 OPTOELECTRONICS USA, INC.; CMO
 JAPAN CO. LTD.; NEXGEN MEDIATECH,
 INC.; NEXGEN MEDIATECH USA, INC.;
 CHUNGHWA PICTURE TUBES LTD.;
 TATUNG COMPANY; TATUNG COMPANY

1 OF AMERICA, INC.; SEIKO EPSON
2 CORPORATION; EPSON IMAGING
3 DEVICES CORPORATION; EPSON
4 ELECTRONICS AMERICA, INC.;
5 HANNSTAR DISPLAY CORPORATION;
6 HITACHI, LTD.; HITACHI DISPLAYS,
7 LTD.; HITACHI ELECTRONIC DISPLAYS
8 (USA), INC.; LG DISPLAY CO. LTD.; LG
9 DISPLAY AMERICA, INC.; PHILIPS
10 ELECTRONICS NORTH AMERICA
11 CORPORATION; SAMSUNG
12 ELECTRONICS CO., LTD.; SAMSUNG
13 SEMICONDUCTOR, INC.; SAMSUNG
14 ELECTRONICS AMERICA, INC.;
15 SAMSUNG SDI CO., LTD.; SAMSUNG SDI
16 AMERICA, INC.; SANYO CONSUMER
17 ELECTRONICS, LTD.; SHARP
18 CORPORATION; SHARP ELECTRONICS
19 CORPORATION; TOSHIBA
20 CORPORATION; TOSHIBA AMERICA
21 ELECTRONICS COMPONENTS, INC.;
22 TOSHIBA MOBILE DISPLAY
23 TECHNOLOGY CO., LTD.; TOSHIBA
24 AMERICA INFORMATION SYSTEMS, INC.,

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27
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Defendants.

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

I. INTRODUCTION

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

1 2. During the Conspiracy Period, through hundreds of in-person meetings,
2 telephone calls, emails, and other communications in the United States and abroad,
3 defendants and their co-conspirators conspired with the purpose and effect of fixing, raising,
4 stabilizing, and maintaining prices for LCD Panels, including LCD Panels included in
5 mobile wireless handsets sold to T-Mobile. Because the U.S. market for LCD Panels and
6 products containing those panels has always been one of the largest and most-profitable
7 markets for defendants and their co-conspirators, defendants purposely fixed prices to
8 unlawfully maintain and increase their profits from sales to customers in the U.S.
9

10 3. During the Conspiracy Period, LCD Panels used in hand-held devices such as
11 mobile wireless handsets included different technologies: thin film transistor panels (“TFT-
12 LCD Panels”) and super-twist nematic panels (“STN-LCD Panels”). STN-LCD Panels
13 included both color super-twist nematic (“CSTN-LCD Panels”) panels, and monochrome
14 super-twist nematic (“MSTN- LCD Panels”) panels. Defendants’ conspiracy involved both
15 TFT-LCD Panels and STN-LCD Panels; defendants engaged in meetings, discussions and
16 exchanges of competitive price information regarding both TFT-LCD Panels and STN-LCD
17 Panels; and defendants agreed to set prices and restrict output of both TFT-LCD Panels and
18 STN-LCD Panels. **REDACTED**
19 **REDACTED**
20 **REDACTED**

21
22 4. T-Mobile, as one of the largest wireless telecommunications providers in the
23 U.S. and one of the most significant purchasers of mobile wireless handsets, increased
24 consumer demand in the U.S. for mobile wireless handsets during the Conspiracy Period
25 and thus demand for LCD Panels manufactured by defendants. T-Mobile served as one of
26 the principal distribution channels for mobile wireless handsets for the U.S. market.
27

1 Defendants knew that T-Mobile was among the most important purchasers of mobile
2 wireless handsets containing the LCD Panels they manufactured, and that the LCD Panels
3 they price-fixed would end up in mobile wireless handsets purchased by T-Mobile in the
4 U.S. Defendants were thus aware that T-Mobile would be affected by their conspiracy to fix
5 the price of LCD Panels, and would suffer injury in the U.S. when it purchased handsets
6 containing defendants' LCD Panels.
7

8 5. At least seven LCD Panel manufacturers have admitted in criminal
9 proceedings to participating in this conspiracy and carrying out this conspiracy in the United
10 States and California: defendants LG Display Co. Ltd. (together with its wholly-owned
11 subsidiary, LG Display America, Inc.), Sharp Corporation, Chunghwa Picture Tubes, Ltd.,
12 Epson Imaging Devices Corporation, Chi Mei Optoelectronics Corporation and HannStar
13 Display Corporation. On or about November 12, 2008, LG Display Co. Ltd., LG Display
14 America, Inc., Sharp Corporation and Chunghwa Picture Tubes, Ltd. agreed to plead guilty
15 and pay a total of \$585 million in criminal fines for their roles in the conspiracy to fix the
16 price of LCD Panels. On or about August 25, 2009, Epson Imaging Devices Corporation
17 agreed to plead guilty and pay a \$26 million criminal fine for its role in the conspiracy to fix
18 the price of LCD Panels. On or about December 9, 2009, Chi Mei Optoelectronics
19 Corporation agreed to plead guilty and pay a \$220 million criminal fine for its role in the
20 conspiracy. And on or about June 29, 2010, HannStar Display Corporation agreed to plead
21 guilty and pay a \$30 million criminal fine for its role in the conspiracy.
22
23

24 6. Defendants engaged in conspiratorial conduct both within and outside the
25 United States. Defendants' conduct in the United States was centered in California.
26 Defendants LG Display Co. Ltd., LG Display America, Inc., Sharp Corporation, Chunghwa
27

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

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23 7. Defendants engaged in and implemented their conspiracy in the U.S. through
24 the offices they maintained in California. Defendants’ employees in their California offices
25 engaged in communications and meetings with other defendants to exchange price and
26 supply information and reach agreements regarding LCD Panel prices to be charged to their
27

1 customers in the U.S. and elsewhere. Defendants' employees in California also received
2 information from their counterparts elsewhere regarding the substance of defendants'
3 agreements with respect to LCD Panel prices and supply, and were instructed to use this
4 information in the course of price negotiations with customers in the United States.
5 Defendants' California offices were thus the means through which they implemented their
6 conspiracy in the United States. Defendants, including Samsung (as subsequently defined
7 herein), used their employees in their California offices to implement their price fixing
8 agreements with respect to small LCD Panels used in mobile wireless handsets.
9

10 8. As a result of defendants' conspiracy to fix the price of LCD Panels, the
11 prices of handsets containing LCD Panels purchased by T-Mobile were artificially inflated.
12 Defendants' conspiracy also artificially inflated the price of LCD Panels incorporated into
13 the LCD Products T-Mobile purchased for its own internal use during the Conspiracy
14 Period, such as desktop computer monitors and notebook computers, and therefore
15 artificially inflated the price of such LCD Products. T-Mobile thus suffered damages as a
16 result of defendants' conspiracy, and brings this action to recover the overcharges paid for
17 the mobile wireless handsets and other LCD Products it purchased during the Conspiracy
18 Period.
19

20 9. T-Mobile brings this action seeking injunctive relief under Section 16 of the
21 Clayton Act, 15 U.S.C. § 26, for violations of Section 1 of the Sherman Act, 15 U.S.C. § 1,
22 and to recover damages under Section 4 of the Clayton Act, and under California and New
23 York law, as well as to recover the costs of suit, including reasonable attorneys fees, for the
24 injuries that T-Mobile suffered as a result of defendants' conspiracy to fix, raise, maintain
25 and stabilize the prices of LCD Panels.
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1 **II. JURISDICTION AND VENUE**

2 10. T-Mobile brings this action under Section 1 of the Sherman Act, 15 U.S.C. §
3 1, and Section 4 of the Clayton Act, 15 U.S.C. § 15, to recover treble damages for its direct
4 purchases of LCD Panels from certain defendants. In addition, T-Mobile brings this action
5 under Section 1 of the Sherman Act and Section 16 of the Clayton Act, 15 U.S.C. § 26, to
6 obtain injunctive relief against all defendants.
7

8 11. T-Mobile also brings this action pursuant to Section 16750(a) of the
9 California Business and Professions Code (the “Cartwright Act”) and Section 340 *et seq.* of
10 the New York General Business Law for injunctive relief and treble damages sustained by
11 T-Mobile as a result of its purchases of mobile wireless handsets, desktop monitors,
12 notebook computers, and other LCD Products at artificially-inflated prices as a result of
13 defendants’ conspiracy to fix the price of LCD Panels. In addition, T-Mobile brings this
14 action pursuant to Sections 17203 and 17204 of the California Business and Professions
15 Code, to obtain restitution from and an injunction against defendants due to their violations
16 of Section 17200 *et seq.* of the California Business and Professions Code (the “Unfair
17 Competition Act”).
18

19 12. Because T-Mobile brings this action pursuant to Section 4 of the Clayton Act
20 which gives the federal courts jurisdiction over private antitrust enforcement actions like
21 this one, this Court has federal subject matter jurisdiction under 28 U.S.C. §§ 1331 and
22 1337. As to T-Mobile’s claims under the antitrust, unfair competition and consumer
23 protection laws of the States of California and New York, jurisdiction exists pursuant to 28
24 U.S.C. § 1367.
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1 13. The U.S. District Court for the Western District of Washington and this
2 Court both have personal jurisdiction over the defendants because each defendant is either
3 an alien corporation, transacts business in the Western District of Washington and this
4 District, or is otherwise formed in the Western District of Washington or this District, and
5 because a substantial portion of the acts, events or omissions giving rise to these claims
6 occurred in the State of Washington and the Western District of Washington, this State and
7 this District, as well as many others. In fact, defendants conduct business throughout the
8 United States, including in this jurisdiction, and they have purposefully availed themselves
9 of the laws of the United States, including specifically the laws of the States of Washington
10 and California. Defendants' products are sold in the flow of interstate commerce, and
11 defendants' activities have had a direct, substantial and reasonably foreseeable effect on
12 such commerce. Defendants and their co-conspirators knew that price-fixed LCD Panels
13 and LCD Products containing price-fixed LCD Panels would be sold and shipped into the
14 Western District of Washington and this District.

17 14. Venue is proper in this District and, for purposes of trial, in the Western
18 District of Washington under 15 U.S.C. § 22 and 28 U.S.C. § 1391.

19 15. Venue is also proper in this District for purposes of discovery because this
20 action is related to the case captioned *In re TFT-LCD (Flat Panel) Antitrust Litigation*, Case
21 No. M:07-cv-1827 SI, pending in this District, which was assigned to the San Francisco
22 division, Judge Susan Illston presiding. This action concerns substantially the same parties,
23 transactions and events as Case No. M:07-cv-1827 SI insofar as it involves a suit for
24 damages and injunctive relief arising out of defendants' conspiracy to fix the price of LCD
25 Panels in violation of the Sherman Act and the laws of California and other states.
26
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1 16. Having been consolidated with the cases pending in MDL No. 1827 in this
2 District for pretrial purposes, this case should be returned to the Western District of
3 Washington for trial.

4 **III. DEFINITIONS**

5 17. Liquid crystal display panels use glass plates and a liquid crystal compound
6 to electronically display an image. The technology involves sandwiching a liquid crystal
7 compound between two glass plates called “substrates.” The resulting screen contains
8 hundreds or thousands of electrically charged dots, or pixels, that form an image. As used
9 herein, “LCD Panel” refers to both liquid crystal display panels and modules consisting of
10 liquid crystal display panels combined with a backlight unit, a driver, and other equipment
11 that allow the panel to operate and be integrated into a mobile wireless handset, television,
12 computer monitor, or other product.
13

14 18. During the Conspiracy Period, LCD Panels used in hand-held devices
15 included three different technologies: TFT-LCD Panels, CSTN panels and MSTN panels
16 (together, with CSTN Panels, “STN-LCD Panels”). The price-fixing conspiracy alleged
17 herein had the effect of raising, fixing, maintaining and/or stabilizing the prices of LCD
18 Panels using TFT, CSTN, and MSTN technology in LCD Products, including mobile
19 wireless handsets.
20

21 19. As used herein, the term “LCD Products” means any product containing an
22 LCD Panel, including, without limitation, mobile wireless handsets (including voice, data,
23 and combination voice and data devices), computer monitors, notebook and laptop
24 computers, and televisions.
25

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

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

5
6 **IV. THE PARTIES**

7 **A. Plaintiff T-Mobile**

8 22. T-Mobile (formerly known as Western PCS Corporation and VoiceStream
9 Wireless Corporation) is a Delaware corporation with its principal place of business at
10 Bellevue, Washington. T-Mobile is one of the largest national providers of mobile wireless
11 telecommunications services in the United States, with over 33 million subscribers and a
12 wireless network providing nationwide wireless coverage. During the Conspiracy Period,
13 T-Mobile purchased mobile wireless handsets and other LCD Products containing LCD
14 Panels manufactured and sold by defendants, their co-conspirators, and others. As a result
15 of defendants’ conspiracy, T-Mobile has been injured in its business and property because
16 the prices it paid for such LCD Products were artificially inflated by defendants’ conspiracy.
17

18 23. During and after the Conspiracy Period, T-Mobile acquired or received the
19 stock of companies that also purchased mobile wireless handsets and other LCD Products
20 containing LCD Panels manufactured and sold by defendants, their co-conspirators, and
21 others. As a result of defendants’ conspiracy, these companies were injured in their
22 business and property because the prices they paid for mobile wireless handsets and other
23 LCD Products were artificially inflated by defendants’ conspiracy. By acquiring or
24 receiving a contribution of the stock of companies that purchased mobile wireless handsets
25 and other LCD Products containing LCD Panels, T-Mobile obtained all claims and rights
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1 under federal and state laws to recover any overcharges suffered by those companies. As
2 used herein, “T-Mobile” refers to T-Mobile U.S.A., Inc., as well as any company that
3 purchased mobile wireless handsets during the Conspiracy Period whose stock was later
4 acquired or obtained by T-Mobile U.S.A., Inc.

5
6 24. During the Conspiracy Period, T-Mobile purchased billions of dollars of
7 mobile wireless handsets that contained LCD Panels manufactured by defendants.
8 Defendants’ conspiracy artificially inflated the prices of the LCD Panels contained in these
9 mobile wireless handsets. T-Mobile suffered injury caused by the conspiracy when it
10 purchased mobile wireless handsets from defendants, their affiliates and other manufacturers
11 of mobile wireless handsets.

12
13 25. Throughout the Conspiracy Period, T-Mobile maintained, in each of the
14 states where it operated company-owned retail stores and sold to authorized sales agents,
15 inventories of mobile wireless handsets that it purchased and received from the handset
16 vendors at its distribution centers.

17
18 26. During the Conspiracy Period, T-Mobile conducted a substantial volume of
19 business in both California and New York. T-Mobile provided wireless communication
20 services and sold mobile wireless handsets containing LCD Panels to customers in
21 California and New York through its corporate-owned retail stores, through independent
22 retailers located in California and New York, and through its website on the Internet.
23 T-Mobile also provided wireless communication services and sold mobile wireless handsets
24 directly to business, government and other customers in California and New York through
25 both its own sales force and independent sales agents. In addition, T-Mobile maintained in
26
27

1 both California and New York inventories of mobile wireless handsets containing LCD
2 Panels manufactured and sold by defendants, their co-conspirators, and others.

3 27. During the Conspiracy Period, T-Mobile purchased LCD Products for its
4 own use (including notebook computers and desktop monitors) containing LCD Panels
5 manufactured by defendants and sold at artificially-inflated prices because of defendants'
6 price fixing conspiracy.
7

8 28. During the Conspiracy Period, all of T-Mobile's negotiations for the
9 purchase of mobile wireless handsets and other LCD Products took place in the United
10 States and were controlled by procurement organizations based in the United States. In
11 addition, all T-Mobile purchase orders for mobile wireless handsets and other LCD Products
12 were issued from the United States and all invoices were sent to T-Mobile in the United
13 States. Moreover, all of the contracts T-Mobile entered into for the purchase of mobile
14 wireless handsets and other LCD Products were with either providers based in the United
15 States or with the U.S. subsidiaries or affiliates of foreign-based providers. Further,
16 T-Mobile took title to all the mobile wireless handsets and other LCD Products it purchased
17 in the United States.
18

19 **B. Defendants**

20 **1. AU Optronics**

21 29. Defendant AU Optronics Corporation is one of the world's largest
22 manufacturers of LCD Panels, with its corporate headquarters at No. 1, Li-Hsin Rd. 2,
23 Hsinchu Science Park, Hsinchu 30078, Taiwan. During the Conspiracy Period, said
24 defendant manufactured, marketed, sold and/or distributed LCD Panels incorporated into
25 LCD Products sold in the United States. AU Optronics Corporation was formed by the
26
27

1 2001 merger of Unipac Optoelectronics and Acer Display Technology. AU Optronics
2 Corporation acquired Quanta Display in 2006.

3 a. Unipac Optoelectronics (“Unipac”), a former Taiwanese LCD Panel
4 manufacturer and an affiliate of United Microelectronics Corp., was
5 founded in November 1990. Unipac later merged with Acer Display
6 Technology Inc. (“ADT”) to form defendant AU Optronics
7 Corporation in September 2001;

8
9 b. ADT, a former Taiwanese LCD Panel manufacturer and an affiliate of
10 the Acer Group, was founded in August 1996. Acer later merged
11 with Unipac to form defendant AU Optronics in September 2001.
12 ADT and Unipac shared equal partnership in AU Optronics
13 Corporation. ADT Chairman K.Y. (Kuen-Yao) Lee had continued in
14 his role as Chairman and CEO of AU Optronics Corporation during
15 the Conspiracy Period;

16
17 c. Quanta Display Inc. (“QDI”), a former Taiwanese LCD Panel
18 manufacturer and a subsidiary of Quanta Computer Inc., was founded
19 in July 1999. QDI was absorbed into defendant AU Optronics
20 Corporation through merger in October 2006, with the later assuming
21 all rights and obligations of QDI.
22

23 30. Defendant AU Optronics Corporation America, Inc. is a wholly-owned and
24 controlled subsidiary of defendant AU Optronics Corporation, with its corporate
25 headquarters at 9720 Cypresswood Drive, Suite 241, Houston, Texas and facilities located
26 in San Diego and Cupertino, California. During the Conspiracy Period, said defendant
27

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

3 31. Defendants AU Optronics Corporation and AU Optronics Corporation
4 America, Inc. are referred to collectively herein as “AU Optronics.” The AU Optronics
5 companies were members of the conspiracy that is the subject of this Complaint by virtue of
6 their participation in the conspiracy through the actions of their respective officers,
7 employees, and representatives acting with actual or apparent authority. Alternatively,
8 defendant AU Optronics Corporation America, Inc. was a member of the conspiracy by
9 virtue of its status during the Conspiracy Period as the alter ego or agent of AU Optronics
10 Corporation. AU Optronics Corporation dominated or controlled AU Optronics Corporation
11 America, Inc. regarding conspiracy activities and used that domination or control to charge
12 artificially high prices for LCD Panels.
13
14

15 **2. Chi Mei**

16 32. Defendant Chi Mei Corporation is another of the world’s largest
17 manufacturers of LCD Panels, with its corporate headquarters at No. 11-2, Jen Te 4th St.,
18 Jen Te Village, Jen Te, Tainan 717, Taiwan. During the Conspiracy Period, said defendant
19 manufactured, marketed, sold and/or distributed LCD Panels incorporated into LCD
20 Products sold in the United States.
21

22 33. Defendant Chimei Innolux Corporation is another of the largest
23 manufacturers of LCD Panels, with its principal place of business located at No. 160 Kesyue
24 Rd., Chu-Nan Site, Hsinchu Science Park Chu-Nan, Miao-Li, Taiwan. During the
25 Conspiracy Period, said defendant manufactured, marketed, sold and/or distributed LCD
26 Panels to customers throughout the United States.
27

- 1 a. Chimei Innolux Corporation was formed on March 18, 2010 by a
2 three-way merger of Chi Mei Optoelectronics Corp., Innolux Display
3 Corp., and TPO Displays Corp., through exchanges of shares.
4 Innolux, the surviving company of the merger, renamed itself
5 “Chimei Innolux Corporation.” TPO Display Corp. and Chi Mei
6 Optoelectronics Corp. were dissolved after the merger.
7
- 8 b. Prior to the merger Chi Mei Optoelectronics Corporation was a
9 former LCD Panel manufacturer, with its global headquarters at No.
10 3, Sec. 1, Huanshi Rd., Southern Taiwan Science Park, Sinshih
11 Township, Tainan County, 74147 Taiwan. It was a wholly-owned
12 subsidiary of Chi Mei Corporation.
13
- 14 c. Innolux Display Corp. was a former LCD Panel manufacturer, with
15 its principal place of business located at No. 160 Kesyue Rd., Chu-
16 Nan Site, Hsinchu Science Park Chu-Nan, Miao-Li, Taiwan.
17
- 18 d. Prior to the merger, Chi Mei Optoelectronics Corp. Innolux Display
19 Corp., and TPO Displays Corp. manufactured, marketed, sold and/or
20 distributed LCD Panels to customers throughout the United States.

21 34. Defendant Chi Mei Optoelectronics USA, Inc., f/k/a International Display
22 Technology USA, Inc. is a wholly-owned and controlled subsidiary of Chi Mei Corporation,
23 with its corporate headquarters at 101 Metro Drive Suite 510, San Jose, California. During
24 the Conspiracy Period, said defendant manufactured, marketed, sold and/or distributed LCD
25 Panels incorporated into LCD Products sold in the United States.
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1 35. Defendant CMO Japan Co., Ltd., f/k/a International Display Technology,
2 Ltd. is a subsidiary of Chi Mei Corporation, with its principal place of business located at
3 Nansei Yaesu Bldg. 3F, 2-2-10 Yaesu, Chuo-Ku, Tokyo 104-0028, Japan. During the
4 Conspiracy Period, said defendant manufactured, marketed, sold and/or distributed LCD
5 Panels incorporated into LCD Products sold in the United States.
6

7 36. Defendant Nexgen Mediatech, Inc. (“Nexgen”) is a wholly-owned and
8 controlled subsidiary of Chi Mei Corporation with its principal place of business at No. 11-
9 2, Jen Te 4th St., Jen Te Village Jen Te, Tainan 717 Taiwan. During the Conspiracy Period,
10 said defendant marketed, sold and/or distributed LCD Products manufactured by Chi Mei
11 Optoelectronics Corporation in the United States.
12

13 37. Defendant Nexgen Mediatech USA, Inc. (“Nexgen USA”) is a wholly-owned
14 and controlled subsidiary of Chi Mei Corporation with its principal place of business at
15 16712 East Johnson Drive, City of Industry, California. During the Conspiracy Period, said
16 defendant marketed, sold and/or distributed LCD Products manufactured by Chi Mei
17 Optoelectronics Corporation in the United States.
18

19 38. Defendants Chi Mei Corporation, Chimei Innolux Corporation, Chi Mei
20 Optoelectronics USA, Inc., CMO Japan Co., Ltd., Nexgen, and Nexgen USA are referred to
21 collectively herein as “Chi Mei.” The Chi Mei companies were members of the conspiracy
22 that is the subject of this Complaint by virtue of their participation in the conspiracy through
23 the actions of their respective officers, employees, and representatives acting with actual or
24 apparent authority. Alternatively, defendants Chimei Innolux Corporation (through its
25 predecessor in interest Chi Mei Optoelectronics Corporation), Chi Mei Optoelectronics
26 USA, Inc., CMO Japan Co., Ltd., Nexgen, and Nexgen USA were members of the
27

1 conspiracy by virtue of their status during the Conspiracy Period as the alter egos or agents
2 of Chi Mei Corporation. Chi Mei Corporation dominated or controlled Chi Mei
3 Optoelectronics Corporation, Chi Mei Optoelectronics USA, Inc., CMO Japan Co., Ltd.,
4 Nexgen, and Nexgen USA regarding conspiracy activities and used that domination or
5 control to charge artificially high prices for LCD Panels.
6

7 **3. Chunghwa**

8 39. Defendant Chunghwa Picture Tubes Ltd. (“CPT”) is a leading manufacturer
9 of LCD Panels, with its global headquarters at 1127 Hopin Rd., Padeh City, Taoyuan,
10 Taiwan. CPT is a subsidiary of Tatung Company, a consolidated consumer electronics and
11 information technology company based in Taiwan. CPT’s Board of Directors includes
12 representatives from Tatung Company. The Chairman of CPT, Weishan Lin, is also the
13 Chairman and General Manager of the Tatung Company. During the Conspiracy Period,
14 said defendant manufactured, marketed, sold and/or distributed LCD Panels incorporated
15 into LCD Products sold in the United States.
16

17 40. Defendant Tatung Company is a consolidated consumer electronics and
18 information technology company based in Taiwan. Its principal place of business is at 22,
19 Sec. 3, Chung-Shan N. Rd., Taipei City 104, Taiwan. Tatung Company is the parent
20 company of CPT and Tatung Company of America, Inc. During the Conspiracy Period,
21 Tatung Company manufactured, marketed, sold, and/or distributed LCD Panels incorporated
22 into LCD Products sold in the United States.
23

24 41. Defendant Tatung Company of America, Inc. (“Tatung America”) is a
25 California corporation with its principal place of business at 2850 El Presidio Street, Long
26 Beach, California. Tatung America is a subsidiary of Tatung Company. Currently, Tatung
27

1 Company owns approximately half of Tatung America. The other half is owned by Lun
2 Kuan Lin, the daughter of Tatung Company's former Chairman, T.S. Lin. During the
3 Conspiracy Period, Tatung America sold and distributed LCD Products manufactured by
4 CPT to customers throughout the United States.

5
6 42. Defendants CPT, Tatung Company and Tatung America are referred to
7 collectively herein as "Chunghwa." During the Conspiracy Period, CPT and Tatung
8 America were closely affiliated, commonly owned, controlled and dominated by the Tatung
9 Company, and functioned as a single enterprise and/or alter egos.

10 43. Alternatively, defendants CPT and Tatung America were members of the
11 conspiracy by virtue of their status during the Conspiracy Period as the alter egos or agents
12 of Tatung Company. Tatung Company dominated and controlled Tatung America through
13 its close affiliation and 50% ownership interest. **REDACTED**

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1 Tatung Company used its domination and control over both Tatung America and CPT to
2 charge artificially high prices for LCDs and LCD Products.

3 **4. Epson**

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

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

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

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

9 48. Defendant HannStar Display Corporation (“HannStar”) is a Taiwanese
10 company with its headquarters at No. 480, Rueiguang Road, 12th Floor, Neihu Chiu, Taipei
11 114, Taiwan. During the Conspiracy Period, said defendant manufactured, marketed, sold
12 and/or distributed LCD Panels incorporated into LCD Products sold in the United States.
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14 **6. Hitachi**

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

19 50. Defendant Hitachi Displays, Ltd. is a Japanese company with its principal
20 place of business at AKS Bldg. 5F, 6-2 Kanda Neribeicho 3, Chiyoda-ku, Tokyo, 101-0022,
21 Japan. During the Conspiracy Period, said defendant manufactured, marketed, sold and/or
22 distributed LCD Panels incorporated into LCD Products sold in the United States.
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24 51. Defendant Hitachi Electronic Devices (USA), Inc., a wholly owned and
25 controlled subsidiary of defendant Hitachi Ltd., with its principal place of business located
26 at 575 Mauldin Road, Greenville, South Carolina 29607. 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 52. Defendants Hitachi Displays Ltd., Hitachi America Ltd. and Hitachi
4 Electronic Devices (USA), Inc. are referred to collectively herein as “Hitachi.”
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6 **7. LG Display**

7 53. Defendant LG Display Co., Ltd., f/k/a LG Philips LCD Co., Ltd. is a leading
8 manufacturer of LCD Panels and is a joint venture created in 1999 by defendants Royal
9 Philips Electronics NV and LG Electronics, Inc. LG Display Co., Ltd. maintains offices
10 within this District in San Jose, California and has its principal place of business located at
11 20 Yoido-dong, Youngdungpo-gu, Seoul, 150-72 1, Republic of Korea. During the
12 Conspiracy Period, said defendant manufactured, marketed, sold and/or distributed LCD
13 Panels incorporated into LCD Products sold in the United States.
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15 54. Defendant LG Display America, Inc. f/k/a/ LG Philips LCD America, Inc. is
16 located at 150 East Brokaw Rd., San Jose, CA 95112. During the Conspiracy Period, said
17 defendant manufactured, marketed, sold and/or distributed LCD Panels incorporated into
18 LCD Products sold in the United States.

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

3 **8. Philips**

4 56. Defendant Philips Electronics North America Corporation (“Philips”) has its
5 principal place of business at 3000 Minuteman Road, Andover, Massachusetts 01810.
6 Philips is a wholly-owned subsidiary of Philips Holdings USA, Inc., which in turn is a
7 wholly-owned subsidiary of co-conspirator Koninklijke Philips Electronics N.V. (“Royal
8 Philips”). During the Conspiracy Period, Philips manufactured, marketed, sold, and/or
9 distributed LCD Panels incorporated into LCD Products sold in the United States.
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11 57. Philips’ ultimate parent company, Royal Philips, entered into a joint venture
12 with its competitor, LG Electronics, Inc. in 1999 to form LG Philips LCD Co., Ltd., now
13 known as LG Display Co., Ltd. LG Display Co., Ltd. was one of the leading manufacturers
14 of LCD Panels during the Conspiracy Period. **REDACTED**
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25 **REDACTED** LG Display

26 has admitted participation in a global conspiracy to fix LCD Panel prices, and Royal Philips,
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1 as a player in that global market and a joint-venture owner of LG Display, participated in the
2 conspiracy through LG Display and through other actions hereinafter alleged. LG Display
3 and Royal Philips were co-conspirators in the conspiracy, and Philips was the agent and the
4 sales and marketing representative for Royal Philips and its divisions and subsidiaries in the
5 United States.

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7 58. Philips participated in the conspiracy through the actions of its officers,
8 employees, and representatives acting with actual or apparent authority. Alternatively,
9 Philips was a member of the conspiracy by virtue of its status during the Conspiracy Period
10 as the alter ego or agent of co-conspirator Royal Philips. Royal Philips dominated or
11 controlled Philips regarding conspiracy activities and used that domination or control to
12 charge artificially high prices for LCD Panels incorporated into LCD Products sold in the
13 United States.

14
15 **9. Samsung**

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

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

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

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

11 63. Defendant Samsung SDI America, Inc. is a wholly-owned subsidiary of
12 Samsung SDI Co., Ltd. Its principal place of business is 3333 Michelin Drive, Suite 700,
13 Irvine, California 92618. During the Conspiracy Period, said defendant manufactured,
14 marketed, sold, and/or distributed LCD Panels incorporated into LCD Products sold in the
15 United States.

16 64. Defendants Samsung SDI Co., Ltd., and Samsung SDI America, Inc. are
17 referred to collectively herein as “Samsung SDI.” They participated in the conspiracy
18 through the actions of their respective officers, employees, and representatives acting with
19 actual or apparent authority. Alternatively, defendant Samsung SDI America, Inc. was a
20 member of the conspiracy as the alter ego or agent of Samsung SDI Co., Ltd. Samsung SDI
21 Co., Ltd. dominated or controlled Samsung SDI America, Inc. regarding conspiracy
22 activities and used that domination or control to charge artificially high prices for LCD
23 Panels and/or LCD Products.

1 65. On information and belief, Samsung Electronics is the amnesty applicant in
2 the DOJ's investigation of the LCD price-fixing conspiracy. Samsung Electronics retained
3 Sheppard Mullin Richter & Hampton LLP ("Sheppard Mullin") as counsel with respect to
4 its leniency application as well as the MDL. Sheppard Mullin, apparently on loan from
5 Samsung Electronics, appeared as counsel for Samsung SDI Co., Ltd. and Samsung SDI
6 America (collectively "Samsung SDI") in the MDL. Sheppard Mullin continued to
7 represent all of the Samsung-related Defendants in the MDL until recently, when it
8 withdrew as counsel of record for Samsung Electronics, Samsung Electronics America, Inc.,
9 and Samsung Semiconductor, Inc. This sharing of common counsel and later reassignment
10 of Samsung Electronics' primary counsel to Samsung SDI is reflective of the coordinated
11 and common enterprise of the Samsung-related Defendants with respect to the conspiracy
12 alleged herein.
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15 66. During the Conspiracy Period, Samsung SDI coordinated its conduct and
16 shared confidential competitive information with Samsung Electronics and its subsidiaries
17 and affiliates. Samsung SDI bought components for its LCDs and LCD Products from
18 likely amnesty applicant and Samsung SDI's largest shareholder, Samsung Electronics, as
19 well as Toshiba and admitted conspirator Hitachi. Employees of Samsung SDI responsible
20 for marketing and selling LCDs and LCD Products during the Conspiracy Period ignored
21 corporate formalities and held themselves out as employees and agents of Samsung
22 Electronics as well as Samsung SDI. Employees of the Samsung Defendants who were
23 primarily responsible for sales and marketing to wireless handset manufacturers used and
24 displayed both Samsung Electronics and Samsung SDI email addresses. Samsung SDI
25 shared booths at LCD-related trade shows with Samsung Electronics, and both companies
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1 emphasized the “synergies” between Samsung SDI and Samsung Electronics in marketing
2 and selling LCDs and LCD Products during the Conspiracy Period.

3 67. The net effect of the coordination and overlap of the Samsung Electronics
4 and Samsung SDI’s sales and marketing function was to leave purchasers with the
5 impression that their daily dealings were with “Samsung” when it came to considering and
6 purchasing LCDs and LCD Products.
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8 68. [REDACTED]

9 [REDACTED]
10 [REDACTED] Samsung SDI is currently being
11 investigated by competition authorities in the European Union, Hungary, Japan, and South
12 Korea for participating in a global conspiracy to fix the prices of CRTs during that same
13 period.
14

15 69. Defendants Samsung Electronics, Samsung Electronics America, Inc.,
16 Samsung Semiconductor, Inc., Samsung SDI Co., Ltd., and Samsung SDI America, Inc. are
17 referred to collectively herein as “Samsung.” Defendants Samsung Electronics, Samsung
18 Electronics America, Inc., Samsung Semiconductor, Inc., Samsung SDI Co., Ltd., and
19 Samsung SDI America, Inc. were members of the conspiracy that is the subject of this
20 Complaint by virtue of the actions of their respective officers, employees, and
21 representatives acting with actual or apparent authority. Alternatively, defendants Samsung
22 Electronics America, Inc., Samsung Semiconductor, Inc., Samsung SDI Co., Ltd., and
23 Samsung SDI America, Inc. were members of the conspiracy by virtue of their status during
24 the Conspiracy Period as the alter egos or agents of Samsung Electronics. Samsung
25 Electronics dominated or controlled Samsung Electronics America, Inc., Samsung
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1 Semiconductor, Inc., Samsung SDI Co., Ltd., and Samsung SDI America, Inc. regarding
2 conspiracy activities and used that domination or control to charge artificially high prices for
3 LCD Panels.

4 **10. Sanyo**

5 70. Defendant Sanyo Consumer Electronics Co., Ltd., formerly known as Tottori
6 Sanyo Electric Co. (also known as “Torisan”) is a Japanese company with its principal place
7 of business at 101, 7-Chome, Tachikawa-Cho, Tottori City, Tottori, 680-0061, Japan. Prior
8 to 2004, co-conspirator Sanyo Electric Co., Ltd., owned and operated Sanyo Consumer
9 Electronics Co., Ltd. In 2004, Seiko Epson Corporation and Sanyo Electric Co., Ltd.
10 (including its subsidiary Sanyo Consumer Electronics Co., Ltd.) formed a joint venture
11 company, Sanyo Epson Imaging Devices Corporation. This joint venture was formed from
12 a combination of Seiko Epson’s D-TFD LCD and STN LCD businesses and Sanyo’s LTPS
13 TFT LCD and amorphous silicon TFT LCD businesses. After the Conspiracy Period, Sanyo
14 Epson Imaging Devices Corporation became Epson Imaging Devices Corporation, also a
15 defendant. During the Conspiracy Period, Sanyo Consumer Electronics Co., Ltd.
16 manufactured, sold, and/or distributed LCD Panels and/or LCD Products throughout the
17 United States and elsewhere.

18 71. Defendant Sanyo Consumer Electronics Co., Ltd. is referred to herein as
19 “Sanyo.” It participated in the conspiracy through the actions of its officers, employees, and
20 representatives acting with actual or apparent authority. During the Conspiracy Period,
21 Sanyo Consumer Electronics Co., Ltd. was closely affiliated, commonly owned, controlled
22 and dominated by co-conspirator Sanyo Electric Co., Ltd. and functioned as a single
23 enterprise and/or alter ego. Sanyo Consumer Electronics Co., Ltd. is a wholly-owned
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1 subsidiary of Sanyo Electric Co., Ltd., a consolidated consumer electronics and information
2 technology company based in Japan.

3 **11. Sharp**

4 72. 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.
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8 73. 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.
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13 74. 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 75. 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.
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1 76. 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 77. Toshiba America Electronic Components, Inc. is a wholly-owned and
7 controlled subsidiary of defendant Toshiba Corporation with its corporate headquarters at
8 19900 MacArthur Blvd., Ste. 400, Irvine, CA 92612. During the Conspiracy Period, said
9 defendant manufactured, marketed, sold and/or distributed LCD Panels and LCD Products
10 sold in the United States.

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

16 79. Defendants Toshiba Corporation, Toshiba Mobile Display Co., Ltd., Toshiba
17 America Electronic Components, Inc. and Toshiba America Information Systems, Inc. are
18 referred to collectively herein as “Toshiba.” Defendants Toshiba Corporation, Toshiba
19 Matsushita Display Technology Co., Ltd., Toshiba America Electronic Components, Inc.
20 and Toshiba America Information Systems, Inc. were members of the conspiracy that is the
21 subject of this Complaint by virtue of the actions of their respective officers, employees, and
22 representatives acting with actual or apparent authority. Alternatively, defendants Toshiba
23 Matsushita Display Technology Co., Ltd., Toshiba America Electronic Components, Inc.
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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 80. 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 81. 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 herein.
14 Each defendant that is a subsidiary of a foreign parent acts as the United States agent for
15 LCD Panels and/or LCD Products made by its parent company.
16

17 82. 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 83. 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 84. 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 85. 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 86. 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 87. 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.
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1 88. The markets 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 market 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 89. 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 90. 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.
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1 91. 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 92. The LCD Panel industry is highly concentrated and thus conducive to
6 collusion. Throughout the Conspiracy Period, defendants collectively controlled a
7 significant share of the market for LCD Panels, both globally and in the United States.
8

9 93. 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 94. 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 95. 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
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1 by Hitachi, Toshiba, and Matsushita; the 2005 transfer of Fujitsu Limited's LCD Panel
2 business to Sharp; and the 2006 acquisition of Quanta Display by AU Optronics.

3 96. 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 97. 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 98. During the Conspiracy Period, the United States was the world's largest
21 consumer of LCD Products, and U.S. companies like Motorola, Dell, Apple and HP were
22 among the largest purchasers of LCD Panels. When defendants conspired to fix in the U.S.
23 the prices of LCD Panels sold to manufacturers of mobile wireless handsets such as
24 Motorola and Nokia, defendants knew that those panels would be incorporated into mobile
25 wireless handsets purchased in the United States by wireless telecommunications providers
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1 such as T-Mobile.

REDACTED

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4 99. Defendants also analyzed how purchases by United States wireless
5 telecommunications providers of mobile wireless handsets would impact the demand for and
6 supply of LCD Panels. REDACTED

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12 Defendants thus knew that
13 their conspiracy to fix the price of LCD Panels would affect wireless telecommunications
14 providers' purchases of mobile wireless handsets in the U.S.

15 **A. Defendants Engaged in Bilateral and Multilateral Meetings and**
16 **Communications With Competitors To Inflate Prices of LCD Panels and**
17 **LCD Products**

18 100. The defendants conspired to raise the prices of LCD Panels sold into the
19 United States. The LCD Panel conspiracy alleged herein was effectuated through a
20 combination of group and bilateral discussions that took place in Japan, South Korea,
21 Taiwan and in California and elsewhere in the United States. Defendants' conspiracy
22 included agreements to raise fix, raise, maintain and/or stabilize the prices of both TFT-LCD
23 Panels and STN-LCD Panels. Defendants fostered a culture of corruption within their
24 companies whereby employees at every level—from the very top executive all the way to
25 lower-level sales representatives—engaged in frequent and continuous communications
26 with the employees at every level of their competitors. Defendants' senior executives made
27

1 it clear to their subordinates that they were required to engage in these illegal exchanges of
2 supply, production, and pricing information as a part of their employment. The lower-level
3 employees funneled the competitive information up to their superiors who utilized that
4 information—along with the pricing information they, themselves, were able to collect
5 through their own illegal competitor contacts—to set prices for LCD Panels at artificially
6 inflated levels. The constant communications at all levels allowed defendants to conspire to
7 set average prices across the entire industry.
8

9 **1. Defendants engaged in illegal bilateral and multilateral**
10 **communications about the pricing of TFT-LCD Panels and STN-**
11 **LCD Panels**

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

16 102. [REDACTED]

17 [REDACTED]
18 [REDACTED]
19 103. Later in 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. [REDACTED]

22 [REDACTED]
23 [REDACTED] The companies agreed that they needed
24 additional meetings to head off the projected higher level of competition between the
25 companies. [REDACTED]
26 [REDACTED]

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104. Representatives from Samsung, NEC, Sharp, Hitachi, Mitsubishi, and LG met again later in 1998 to again discuss their projected sales plans to limit competition between them. REDACTED

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105. REDACTED

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REDACTED

REDACTED

106. Beginning in 1999, high level representatives of Samsung met with counterparts at LG and other companies to discuss pricing trends and other aspects of the LCD Panel market.

107. REDACTED

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108. [REDACTED]

[REDACTED]

[REDACTED]

109. By 2001, Sharp employees were engaging in bilateral discussions with competitors to share price information for both TFT-LCD Panels and STN-LCD Panels used for mobile wireless handset applications. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

110. Other defendants initiated similar discussions regarding the prices of STN-LCD Panels in furtherance of the conspiracy. [REDACTED]

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111. [REDACTED]

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112. [REDACTED]

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

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

1 115. The “CEO” meetings occurred quarterly from approximately 2001 to 2006.
2 The purpose and effect of these meetings was to stabilize or raise prices. Each meeting
3 followed the same general pattern, with a rotating designated “chairman” who would use a
4 projector or whiteboard to show the participants figures relating to the supply, demand,
5 production, and prices of LCD Panels for the group to review. Those attending the meetings
6 would take turns sharing information concerning prices, monthly and quarterly LCD fab
7 output, production, and supply, until a consensus was reached concerning the participants’
8 prices and production levels of LCD Panels in the coming months or quarter.
9

10 116. The structure of “Commercial” meetings was largely the same as “CEO”
11 meetings. These meetings took place more frequently than “CEO” meetings and occurred
12 approximately monthly.
13

14 117. During all of these meetings, defendants exchanged information about
15 current and anticipated prices for their LCD Panels, and thereafter reached agreement
16 concerning the specific prices to be charged in the coming weeks and months for LCD
17 Panels. Defendants set these prices in various ways, including, but not limited to, setting
18 “target” prices, “floor” prices, and the price range or differential between different sizes and
19 types of LCD Panels.
20

21 118. During these CEO and Commercial meetings, defendants also exchanged
22 information about supply, demand, and their production of LCD Panels, and, thereafter,
23 reached agreement concerning the amounts each would produce. Defendants limited the
24 production of LCD Panels in various ways, including, but not limited to, line slowdowns,
25 delaying capacity expansion, shifting their production to different-sized panels, and setting
26 target production levels.
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119. The agreements reached at the CEO and Commercial meetings included:
(1) establishing target prices, floor prices, and price ranges; (2) placing agreed-upon values on various attributes of LCD Panels, such as quality or certain technical specifications; (3) what to tell customers as the reason for price increases; (4) coordinating uniform public statements regarding anticipated supply and demand; (5) exchanging information about fabrication plant utilization and production capacity; (6) reaching out to other competitors to encourage them to abide by the agreed-upon pricing; and (7) maintaining or lowering production capacity.

120. During these CEO and Commercial meetings, defendants also agreed to conceal the fact and substance of the meetings and, in fact, took various steps to do so. Top executives and other officials attending these meetings were instructed on more than one occasion to not disclose the fact of these meetings to outsiders or even to other employees of defendants not involved in LCD pricing or production. On at least one occasion, top executives at a CEO meeting staggered their arrivals and departures at the meeting site so that they would not be seen in the company of each other coming or going to that meeting.

121. During these CEO and Commercial meetings, discussions included large-sized LCDs used in televisions, desktop monitors, and notebook and laptop computers, as well as small and medium-sized LCDs used in mobile wireless handsets and similar devices.

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

123. During the Crystal Meetings, defendants also agreed to engage in bilateral communications with those defendants not attending these meetings. Certain defendants were “assigned” other defendants not in attendance and agreed to and did in fact communicate with non-attending defendants to synchronize the price and production limitations agreed to at the Crystal Meetings. Participants at the Crystal meetings contacted Japanese defendants (such as Sharp and Toshiba) to relay the agreed-upon pricing and production limitations. Some of these meetings and communications took place in the U.S. and specifically targeted U.S. commerce and U.S. OEMs.

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125. [REDACTED]

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126. [REDACTED]

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127. [REDACTED]

[REDACTED]

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

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129. AU Optronics' illegal communications with its competitors concerned large-sized LCDs used in televisions, desktop monitors, and notebook and laptop computers, as well as small and medium-sized LCDs used in mobile wireless handsets and similar devices.

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

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

132. Chunghwa's illegal communications with its competitors concerned large-sized LCDs used in televisions, desktop monitors, and notebook and laptop computers, as well as small and medium-sized LCDs used in mobile wireless handsets and similar devices.

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1 133. Defendant Epson participated in multiple bilateral meetings or discussions
2 during the Conspiracy Period during which it entered into agreements with other defendants
3 on prices and supply levels for LCD Panels and LCD Products. **REDACTED**

4 **REDACTED**
5 **REDACTED**
6 **REDACTED**
7 **REDACTED**
8 **REDACTED**
9 134. Epson's illegal communications with its competitors concerned large-sized
10 LCDs used in televisions, desktop monitors, and notebook and laptop computers, as well as
11 small and medium-sized LCDs used in mobile wireless handsets and similar devices.
12 Indeed, Epson has admitted that its participation in the LCD price-fixing conspiracy
13 involved TFT-LCDs that it sold to Motorola for mobile wireless handsets. **REDACTED**

14 **REDACTED**
15 **REDACTED**
16 **REDACTED**
17 **REDACTED**

18 135. Defendant HannStar participated in multiple CEO, Commercial, and
19 Working Level meetings, as well as bilateral discussions, between at least 2001 and 2006.
20 Through these discussions, HannStar agreed on prices and supply levels for LCD Panels and
21 LCD Products.
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23 136. Defendant Hitachi had multiple bilateral discussions during the Conspiracy
24 Period, and agreed on prices and supply levels for LCD Panels and LCD Products. **REDACTED**

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26 **REDACTED**
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137. [REDACTED]

138. Hitachi's illegal communications with its competitors concerned large-sized LCDs used in televisions, desktop monitors, and notebook and laptop computers, as well as small and medium-sized LCDs used in mobile wireless handsets and similar devices. [REDACTED]

[REDACTED]

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

1 140. Defendant Philips participated in the conspiracy by marketing and
2 distributing LCDs manufactured by Royal Philips and its subsidiaries in the United States.
3 Royal Philips ensured that the prices for such LCDs did not undercut the prices established
4 pursuant to the conspiracy with defendants and other co-conspirators. Royal Philips
5 exercised its dominion and control over Philips to make certain that Philips sold LCDs at
6 those established, supracompetitive prices. Philips was an active, knowing participant in the
7 conspiracy and acted as Royal Philips' agent for selling LCDs in the United States at supra-
8 competitive prices.
9

10 141. During the Conspiracy Period, Philips was also continually and intimately
11 involved in the worldwide LCD market, including the manufacturing and selling of small,
12 medium, and large-sized LCDs. Through this involvement, Philips communicated regularly
13 with known conspirators during the Conspiracy Period and discussed pricing, costs, and
14 market trends for LCD Panels and LCD Products. **REDACTED**
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19 142. Co-conspirator Royal Philips, who has received Statements of Objections
20 from the European Commission regarding both CRTs and LCDs, participated in the LCD
21 conspiracy directly and through its joint venture, LG Display, which has already pleaded
22 guilty for its participation in the LCD price-fixing conspiracy. **REDACTED**
23

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25 **REDACTED** Former sales and marketing managers for Royal Philips, such as
26 Bruce Berkoff, acted as a bridge between their former employers and their current employer
27

1 LG Display. These employees held key positions in sales and marketing at LG Display to
2 facilitate the communication and coordination of acts in furtherance of the conspiracy.
3 Royal Philips had motive and opportunity to collude, and did collude, to enhance the
4 effectiveness of the global cartel to fix the prices of LCDs.

5
6 143. Defendant Samsung participated in multiple CEO, Commercial, and Working
7 Level meetings, as well as bilateral discussions, between at least 2001 and 2006. Through
8 these discussions, Samsung agreed on prices and supply levels for LCD Panels and LCD
9 Products. **REDACTED**

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16 144. Samsung's illegal communications with its competitors concerned large-
17 sized LCDs used in televisions, desktop monitors, and notebook and laptop computers, as
18 well as small and medium-sized LCDs used in mobile wireless handsets and similar devices.

19 **REDACTED**
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1 145. In addition, throughout the Conspiracy Period, defendant Samsung SDI
2 specifically participated in the conspiracy by marketing and distributing LCDs containing
3 LCD panels manufactured by Samsung Electronics in the United States. Samsung
4 Electronics ensured that the prices for LCDs did not undercut the pricing agreements that it
5 reached with defendants and their other co-conspirators. Samsung Electronics exercised its
6 dominion and control over Samsung SDI to make certain that Samsung SDI sold LCDs at
7 prices consistent with agreements reached by Samsung Electronics. Accordingly, Samsung
8 SDI was an active, knowing participant in the conspiracy and acted as Samsung Electronics'
9 agent for selling LCDs in the United States at supra-competitive prices.
10

11 146. Defendant Sharp participated in multiple group and bilateral meetings during
12 the Conspiracy Period, and agreed on prices and supply levels for LCD Panels and LCD
13 Products. **REDACTED**
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16 **REDACTED**

17 147. **REDACTED**
18 **REDACTED**
19 **REDACTED**
20 **REDACTED**
21 **REDACTED**
22 **REDACTED**
23 **REDACTED**
24 **REDACTED**

25 148. Sharp's illegal communications with its competitors concerned large-sized
26 LCDs used in televisions, desktop monitors, and notebook and laptop computers, as well as
27

1 small and medium-sized LCDs used in mobile wireless handsets and similar devices.
2 Indeed, Sharp has admitted that its participation in the LCD price-fixing conspiracy
3 involved LCDs that it sold to Apple for iPod portable music players and Motorola for
4 mobile wireless handsets. [REDACTED]

5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]

10 149. Defendant Toshiba participated in bilateral discussions during the Conspiracy
11 Period, and agreed on prices and supply levels for LCD Panels and LCD Products. [REDACTED]

12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]

17 150. Toshiba's illegal communications with its competitors concerned large-sized
18 LCDs used in televisions, desktop monitors, and notebook and laptop computers, as well as
19 small and medium-sized LCDs used in mobile wireless handsets and similar devices. [REDACTED]

20 [REDACTED]
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9 151. Co-conspirator Hydis participated in multiple Working Level meetings
10 between at least 2002 and 2005. In addition, Hydis had a bilateral meeting with a
11 Taiwanese defendant at least as recently as 2005. Through these discussions, Hydis agreed
12 on prices and supply levels for LCD Panels and LCD Products.

13
14 152. Co-conspirator IPS Alpha Technology, Ltd. (“IPS Alpha”) is a joint venture
15 among Hitachi Displays, Ltd., Toshiba Corporation, and Panasonic Corporation
16 (“Panasonic”), and one or more of the partners in this joint venture participated in the
17 meetings described above. As a result, IPS Alpha was represented at those meetings and
18 was a party to the agreements entered into by its joint venture partners at these meetings. As
19 explained above, the agreements at these meetings included agreements on price ranges and
20 output restrictions. The joint venture partners had substantial control over IPS Alpha’s
21 production levels and the prices of LCD Panels the joint ventures sold both to the joint
22 venture partners and other non-affiliated companies. Thus, IPS Alpha and Panasonic were
23 active, knowing participants in the alleged conspiracy.

24
25 153. Co-conspirator Mitsubishi Electric Corporation participated in multiple
26 Working Level meetings in 2001 with Chi Mei, Chunghwa, Samsung, and Unipac
27

1 Electronics (later AU Optronics). Through these meetings, Mitsubishi agreed on prices and
2 supply levels for LCD Panels and LCD Products.

3 154. Co-conspirator NEC LCD Technologies, Ltd. participated in multiple group
4 meetings and bilateral discussions with companies including Samsung, Toshiba, Hitachi,
5 Sharp, and LG Display beginning as early as 1998. Through these discussions, NEC agreed
6 on prices and supply levels for LCD Panels and LCD Products.
7

8 155. As part of the larger conspiracy to raise the price of LCD Panels, defendants
9 engaged in bilateral communications specifically regarding prices for small LCD Panels
10 used in mobile devices. These discussions usually took place between sales and marketing
11 employees in the form of telephone calls, emails and instant messages. The information
12 gained in these communications was then shared with supervisors and taken into account in
13 determining the price to be offered to defendants' customers.
14

15 156. Representatives of defendants AU Optronics, Chi Mei, Epson, LG Display,
16 Samsung, Sharp, Toshiba, and other LCD Panel manufacturers engaged in these bilateral
17 communications with the goal of reaching understandings regarding prices for small LCD
18 Panels used in mobile wireless handsets. As part of these communications, they discussed
19 prices, quantities, and profits on LCD Panels for mobile wireless handsets and agreed to fix
20 the prices of LCD Panels for mobile wireless handsets for Motorola and other customers.
21 These communications began at least as early as 2001 and continued throughout the
22 Conspiracy Period.
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24 2. **Defendants engaged in illegal communications about pricing in**
25 **the U.S.**

26 157. [REDACTED]

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9 160. For OEMs in the United States, such as Motorola, SonyEricsson, Palm and
10 other manufacturers of mobile wireless handsets, defendants' U.S. affiliates led the LCD
11 Panel price negotiations with those OEMs. Pricing directions came from Asia, where the
12 defendants were also engaging in conspiratorial acts to affect the price of LCD Panels and
13 LCD Products. Many of the defendants' conspiracy meetings and conspiracy
14 communications took place in the U.S., involved the U.S. affiliates of the defendants, and
15 directly targeted U.S. import commerce and U.S. OEMs.
16

17 3. **Defendants engaged in illegal communications about pricing with**
18 **respect to small panels**

19 161. As part of the larger conspiracy to raise the price of LCD Panels, defendants
20 engaged in bilateral communications specifically regarding prices for small LCD Panels
21 used in mobile devices. These discussions usually took place between sales and marketing
22 employees in the form of telephone calls, emails and instant messages. The information
23 gained in these communications was then shared with supervisors and taken into account in
24 determining the price to be offered to defendants' customers.
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26 162. These bilateral communications between defendants routinely involved LCD
27 Panels used in mobile wireless devices and other handheld products. Examples include:

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B. Defendants' Participation in the Conspiracy in California

163. Many defendants conducted operations in California throughout the Conspiracy Period, including defendants Samsung, LG, Toshiba, Epson, AU Optronics, Chi Mei, Chunghwa, Tatung, and NexGen Mediatech. Through their California operations, defendants implemented their price-fixing conspiracy in the United States. In fact,

1 defendants LG Display Co. Ltd., LG Display America, Inc., Sharp Corporation, Chunghwa
2 Picture Tubes, Ltd., and Epson Imaging Devices Corporation specifically admitted during
3 their plea hearings that acts in furtherance of the conspiracy were carried out within
4 California. Defendants' employees based in California engaged in bilateral and multilateral
5 communications in furtherance of the conspiracy.
6

7 164. Defendants also used their California operations to implement their price-
8 fixing agreements in the United States. Through their activities in California, defendants'
9 successfully increased the price of LCD-Panels, including the price of LCD-Panels sold to
10 customers in the U.S. that manufactured mobile wireless handsets, which raised the price of
11 mobile wireless handsets purchased by T-Mobile.
12

13 165. [REDACTED]

14 [REDACTED]
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21 [REDACTED]

22 166. [REDACTED]

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1 **C. Defendants Have Been Charged With and Have Pleaded Guilty to Fixing**
2 **the Price of LCD Panels and LCD Products Sold in the U.S.**

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

10 175. On December 12, 2006, news reports indicated that in addition to LG
11 Display, defendants Samsung, Sharp and AU Optronics were also under investigation.

12 176. At least one defendant has approached the DOJ to enter into a leniency
13 agreement with respect to defendants' conspiracy to fix prices of LCD Panels. In order to
14 enter into a leniency agreement under the Corporate Leniency Policy of the Department of
15 Justice, this defendant has reported defendants' price-fixing conspiracy to the DOJ and has
16 confessed its own participation in defendants' price-fixing conspiracy. The DOJ's
17 investigation of the remaining defendants is ongoing and is expected to result in additional
18 guilty pleas and criminal fines from the other defendants to this action. However, a number
19 of defendants and their executives have pleaded guilty to price fixing, as alleged more fully
20 herein.
21

22 177. Chi Mei Optoelectronics, defendant Chimei Innolux Corporation's
23 predecessor in interest, has admitted and pleaded guilty to participating in the conspiracy
24 from September 2001 to December 2006 to fix the price of LCD Panels sold worldwide,
25 including the United States and California in particular, and to participating in meetings,
26
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1 conversations and communications in Taiwan to discuss the prices of LCD Panels, agreeing
2 to fix the prices of LCD Panels, and exchanging pricing and sales information for the
3 purpose of monitoring and enforcing adherence to agreed-upon prices. In connection with
4 its guilty plea, Chi Mei Optoelectronics has agreed to pay a criminal fine of \$220 million.
5

6 178. Defendant LG Display has admitted and pleaded guilty to participating in the
7 conspiracy from September 2001 through June 2006 to fix the price of LCD Panels sold
8 worldwide, including the United States and California in particular, and to participating in
9 meetings, conversations and communications in Taiwan, South Korea and the United States
10 to discuss the prices of LCD Panels, agreeing to fix the prices of LCD Panels, and
11 exchanging pricing and sales information for the purpose of monitoring and enforcing
12 adherence to the agreed-upon prices. LG Display also admitted that acts in furtherance of
13 the conspiracy to fix the price of LCD Panels were carried out in California. In connection
14 with its guilty plea, LG Display has agreed to pay a fine of \$400 million, reported at the
15 time as the second-highest criminal fine ever imposed by the DOJ's Antitrust Division, for
16 its participation in the conspiracy.
17

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

4 180. Bock Kwon, an executive from LG Display, also pleaded guilty to
5 participating in the conspiracy to fix the prices of LCD Panels sold worldwide, including the
6 United States and California in particular, from September 2001 through June 2006.
7 Specifically, Mr. Kwon admitted that he participated in meetings, conversations and
8 communications in Taiwan, South Korea and the United States to discuss the prices of LCD
9 Panels, agreed to fix the prices of LCD Panels at certain predetermined levels, issued price
10 quotations in accordance with the agreements reached, exchanged pricing and sales
11 information for the purpose of monitoring and enforcing adherence to the agreed-upon
12 prices, and authorized, ordered, and consented to the participation of subordinate employees
13 in the conspiracy. In connection with his guilty plea, Mr. Kwon has agreed to serve a 12-
14 month prison term and pay a criminal fine of \$30,000.

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

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7 182. Chunghwa has admitted and pleaded guilty to participating in the conspiracy
8 from September 2001 to December 2006 to fix the price of LCD Panels sold worldwide,
9 including the United States and California in particular, and to participating in meetings,
10 conversations and communications in Taiwan to discuss the prices of LCD Panels, agreeing
11 to fix the prices of LCD Panels, and exchanging pricing and sales information for the
12 purpose of monitoring and enforcing adherence to agreed-upon prices. Chunghwa also
13 admitted that acts in furtherance of the conspiracy to fix the price of LCD Panels were
14 carried out in California. In connection with its guilty plea, Chunghwa has agreed to pay a
15 criminal fine of \$65 million.
16

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

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6 184. In addition, two former Chunghwa executives, Cheng Yuan Lin and Wen Jun
7 Cheng, have been indicted for participating in the conspiracy to fix the price of LCD Panels
8 sold worldwide from December 2001 through December 2005. Specifically, Mr. Lin and
9 Mr. Cheng have been charged with participating in meetings, conversations and
10 communications in Taiwan, South Korea and the United States to discuss the prices of LCD
11 Panels, including the Crystal Meetings that took place in Taiwan. Mr. Lin and Mr. Cheng
12 have also been charged with agreeing to fix the prices of LCD Panels at certain
13 predetermined levels, issuing price quotations in accordance with the agreements reached,
14 exchanging pricing and sales information for the purpose of monitoring and enforcing
15 adherence to the agreed-upon prices, authorizing, ordering, and consenting to the
16 participation of subordinate employees in the conspiracy, accepting payment for the supply
17 of LCD Panels sold at collusive, noncompetitive prices to customers in the United States,
18 and taking steps to conceal the conspiracy and their conspiratorial contacts.

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

11 186. Defendant Sharp also participated in multiple bilateral discussions with other
12 defendants, including Toshiba and Epson, during the Conspiracy Period. Through these
13 discussions, Sharp agreed on prices, price increases, production quotas and production limits
14 for LCD Panels. Because Toshiba and Epson were Sharp's primary competitors in the sale
15 of LCD Panels used in mobile wireless handsets, Sharp knew that it could not have fixed the
16 prices of LCD Panels incorporated into such handsets – as Sharp admitted it did in its guilty
17 plea – unless it reached agreements with Toshiba and Epson to do the same.
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19 187. Defendant Epson Japan has admitted and pleaded guilty to participating in
20 the conspiracy with unnamed co-conspirators to fix the price of LCD Panels sold to
21 Motorola (including panels to be incorporated in Motorola's Razr handsets) and agreed to
22 pay a criminal fine of \$26 million. Epson Japan has admitted to participating in the
23 conspiracy from 2005 through 2006 to fix the prices of LCD Panels, and to participating in
24 meetings, conversations and communications in Japan and the United States to discuss the
25 prices of LCD Panels, agreeing to fix the prices of LCD Panels, and exchanging pricing and
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1 sales information for the purpose of monitoring and enforcing adherence to the agreed-upon
2 prices. During the Conspiracy Period, Motorola was one of T-Mobile's largest suppliers of
3 mobile wireless handsets, and T-Mobile purchased Razr handsets from Motorola.

4 188. Defendant Epson America is a wholly-owned and controlled subsidiary of
5 co-conspirator Epson Japan. Epson Japan and Epson America, through their agent, were
6 parties to the agreements made at one of the bilateral meetings described above and acted as
7 co-conspirators. In addition, to the extent Epson America sold or distributed LCD Products,
8 it played a significant role in the conspiracy because defendants wished to ensure that the
9 prices for such products did not undercut the pricing agreements reached at these various
10 meetings. Thus, Epson America was an active, knowing participant in the alleged
11 conspiracy, and acted as Epson Japan's agent for selling LCD Products in the United States.
12

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

9 190. When T-Mobile refers to a corporate family or companies by a single name
10 in their allegations of participation in the conspiracy, it is to be understood that they are
11 alleging that one or more employees or agents of entities within the corporate family
12 engaged in conspiratorial meetings on behalf of every company in that family. In fact, the
13 individual participants in the conspiratorial meetings and discussions did not always know
14 the corporate affiliation of their counterparts, nor did they distinguish between the entities
15 within a corporate family. The individual participants entered into agreements on behalf of,
16 and reported these meetings and discussions to, their respective corporate families. As a
17 result, the entire corporate family was represented in meetings and discussions by their
18 agents and was a party to the agreements reached in them. Furthermore, to the extent that
19 subsidiaries within the corporate families distributed LCD Panels or LCD Products to direct
20 purchasers, these subsidiaries played a significant role in the conspiracy because defendants
21 wished to ensure that the prices for such products paid by direct purchasers would not
22 undercut the pricing agreements reached at these various meetings. Thus, all entities within
23 the corporate families were active, knowing participants in the alleged conspiracy.
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1 **D. Pricing in the LCD Panel Market Indicates Collusion by Defendants**

2 191. Since at least 1996, the LCD Panel market has not behaved as would be
3 expected of a competitive market free of collusion. Rather, the behavior of this market
4 strongly evidences that defendants engaged in a significant price-fixing conspiracy that had
5 the purpose and effect of stabilizing and raising prices for LCD Panels at supra-competitive
6 levels.
7

8 192. After initially being introduced into a market, consumer electronics products
9 and their component parts typically are characterized by steady downward pricing trends.
10 However, since at least 1996, the LCD Panel market has been characterized by price
11 stability and certain periods of substantial upward pricing trends.
12

13 193. Moreover, since at least 1996, the LCD Panel market has not followed the
14 basic laws of supply and demand in a competitive market. In a competitive market, price
15 increases normally occur during shortage periods. Since at least 1996, however, there have
16 been significant price increases in the LCD Panel market during periods of both oversupply
17 and shortage.
18

19 194. The demand for consumer electronic products and their component parts
20 generally increases over time. As would be expected, demand for LCD Panels and LCD
21 Products were steadily and substantially increasing throughout the Conspiracy Period. For
22 example, a November 2005 forecast indicated that shipments of LCD Panels for mobile
23 wireless handsets would grow 66% from 2004 through 2005, due to increased demand for
24 mobile wireless handsets.
25

26 195. Rather than competing for this increased demand, however, since at least
27 1996, defendants worked together to stabilize prices by agreeing to fix prices at artificially
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1 high levels and to restrict the supply of LCD Panels through, among other things, decreasing
2 their capacity utilization and refraining from expanding existing capacity. Those defendants
3 not already manufacturing LCD Panels in 1996 joined this conspiracy when they began
4 manufacturing LCD Panels.

5
6 196. In 1996, the LCD Panel market was experiencing excess supply and drastic
7 price cuts. Prices had already fallen 40 to 50 percent in 1995, and were projected to
8 continue dropping due to lower manufacturing costs. However, LCD Panel prices began
9 rising in 1996, allegedly due to insufficient production capacity. In fact, defendants had
10 begun stabilizing and raising the prices.

11
12 197. LCD Panel prices began to increase in early 1996. Defendants blamed the
13 sudden increase in prices on an alleged inability to supply enough LCD Panels to meet
14 demand. By May of 1996, an industry magazine was reporting that, “[f]lat-panel-display
15 purchasers are riding a roller coaster of pricing in the display market, with no clear
16 predictability anytime soon Perplexed purchasers trying to keep up with the gyrating
17 market can take solace that even vendors are constantly being surprised by the sudden twists
18 and turns.”

19
20 198. Soon thereafter, industry analysts began commenting on the unusual rise in
21 LCD Panel prices, noting that this rise in prices was “quite rare in the electronics industry.”

22
23 199. 1996 also brought the advent of third generation fabs. Since 1996, additional
24 generations of fabs have been built, which has resulted in at least eight generations of LCD
25 Panel fabs. LG Electronics was scheduled to have its third generation fab online by 1997,
26 and Hyundai was scheduled to do so by early 1998. Each new LCD Panel generation was
27 produced from ever larger pieces of glass, so as to reduce the cost of the screens used in

1 televisions, computer monitors, and laptops. Ever-increasing production capacity threatened
2 to outstrip demand for LCD Panels, with the result that prices of LCD Panels should have
3 decreased rapidly. Instead, defendants falsely claimed to be operating at full capacity and
4 unable to meet demand, despite the millions of units of over-capacity that had supposedly
5 existed months earlier, and prices surged upwards. These price increases were also
6 inconsistent with the fact that production had become more efficient and cost effective.
7

8 200. The supra-competitive level of LCD Panel prices during the Conspiracy
9 Period is demonstrated by, *inter alia*, the fact that costs were decreasing. One of the most
10 significant costs in producing an LCD Panel is the cost of its component parts. Some of the
11 major component parts for an LCD Panel include the backlight, color filter, PCB polarizer,
12 and glass. During the Conspiracy Period, the costs of these components collectively and
13 individually had been generally declining, and in some periods at a substantial rate. Thus,
14 the margin between LCD Panel manufacturers' prices and their costs was unusually high
15 during the Conspiracy Period.
16

17 201. During the end of 2001 and 2002, LCD Panel prices increased substantially
18 while the costs to produce these panels remained flat or decreased. Similarly, during the end
19 of 2003 to 2004, LCD Panel prices again increased by a substantial amount, while costs
20 remained flat or decreased. This economic aberration is the intended and necessary result of
21 defendants' conspiracy to raise, fix, maintain, or stabilize the prices of LCD Panels.
22

23 202. LCD Panel prices increased by more than 5% in October 2001. These price
24 increases continued until June of 2002.

25 203. At the time, defendants blamed these price increases on supply shortages. In
26 fact, these price increases were a direct result of defendants' agreement to fix, maintain,
27

1 and/or stabilize the prices of LCD Panels and defendants' false statements about supply
2 shortages were designed to conceal their price-fixing agreement. When asked why prices
3 had increased, defendants repeatedly asserted that increases in LCD prices were due to
4 increased demand and a "supply shortage."

5
6 204. These price increases occurred as production costs declined due to lower
7 prices for parts and components as well as improvements in manufacturing efficiency.
8 These decreasing costs should have led to lower prices and competition among defendants.
9 Instead, because defendants had entered into an agreement to fix, raise, and maintain the
10 prices for LCD Panels at artificially high levels, it resulted in extremely high profits. For
11 example, defendants AU Optronics Inc., Chimei Innolux Corporation's predecessor in
12 interest, Chi Mei Optoelectronics Corp., Chunghwa Picture Tubes Ltd., and HannStar
13 Display Inc. posted higher pretax profits than expected in the first quarter of 2002. AU
14 Optronics reported revenue of NT \$19.7 billion in the first quarter, with pretax profit
15 reaching about NT \$2 billion. Chi Mei Optoelectronics reported pretax earnings of NT \$800
16 million on revenue of about NT \$8.8 billion at the same period.
17

18 205. This increase in prices and revenue was unprecedented. During the first six
19 months of 2002, revenue for Taiwan's five major LCD Panel manufacturers (defendants AU
20 Optronics, Chi Mei, Chunghwa Picture Tubes Ltd., HannStar Display Inc., and Quanta
21 Display Inc. (later purchased by AU Optronics)) rose 184% from the same period in 2001.
22

23 **E. The Conspiracy Extended to Earlier LCD Technologies**

24 206. During the Conspiracy Period, both TFT-LCD Panels and STN-LCD Panels
25 (such as CSTN-LCD Panels and MSTN-LCD Panels) were used in mobile wireless
26 handsets. At various points during the Conspiracy Period, TFT-LCD Panels and STN-LCD
27

1 Panels were close substitutes for each other, and purchasers of LCD Panels sometimes
2 switched their purchases from TFT-LCD Panels to STN-LCD Panels in response to changes
3 in the relative prices of TFT-LCD Panels and STN-LCD Panels.

4 207. Certain defendants, their corporate affiliates, and other members of the
5 conspiracy manufactured both TFT-LCD Panels and STN-LCD Panels, including
6 defendants Samsung, Sharp and Epson. The same individuals at the defendants who were
7 engaged in bilateral communications and group meetings regarding TFT-LCD Panel prices
8 also had responsibility for the sale and marketing of, and pricing responsibilities for, STN-
9 LCD Panels. **REDACTED**

11 **REDACTED**

12 **REDACTED**

13 **REDACTED**

14 **1. Defendants' Bilateral Communications Regarding STN-LCD Panels**

15 208. Defendants' conspiracy included agreements to raise fix, raise, maintain
16 and/or stabilize the prices of both TFT-LCD Panels and STN-LCD Panels. Specifically,
17 defendants engaged in bilateral discussions in which they exchanged information about
18 STN-LCD Panel pricing, shipments, and production. These discussions usually took place
19 between sales and marketing employees in the form of telephone calls, emails and instant
20 messages. The information gained in these communications was then shared with
21 supervisors and taken into account in determining the price to be offered defendants'
22 customers for STN-LCD Panels.

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24 209. **REDACTED**

25 **REDACTED**

26 **REDACTED**

27 **REDACTED**

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216. Representatives of LG Display also exchanged information with competitors concerning pricing for STN-LCDs sold to Nokia during the Conspiracy Period. ■

REDACTED

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REDACTED

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217. [REDACTED]

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219. [REDACTED]

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220. [REDACTED]

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221. [REDACTED]

[REDACTED]

222. [REDACTED]

[REDACTED]

2. The Structure of the LCD Panel Market Facilitated the Inflation of Prices of STN-LCD Panels As Well As TFT-LCD Panels

223. At certain points during the Conspiracy Period, for certain applications in LCD Panel Products, TFT-LCD Panels and CSTN-LCD Panels were close substitutes for each other. For example, beginning in 2000, TFT-LCD Panels and CSTN-LCD Panels were both purchased in significant quantities for similar uses – i.e., display purposes – in mobile wireless handsets and other LCD Products that included small displays. At other times during the Conspiracy Period, TFT-LCD Panels and CSTN panels were both purchased in significant quantities for use in notebook PCs.

224. At certain points during the Conspiracy Period, for certain applications in LCD Products, TFT-LCD Panels, CSTN-LCD Panels and MSTN-LCD Panels were close substitutes for each other. At these points during the Conspiracy period, all three panels

1 were purchased for display applications in mobile wireless handsets and other LCD
2 Products that included small displays.

3 225. During the Conspiracy Period, purchasers of LCD Panels sometimes
4 switched their purchases from TFT-LCD Panels to STN-LCD Panels in response to changes
5 in the relative prices of TFT-LCD Panels and STN-LCD Panels. **REDACTED**

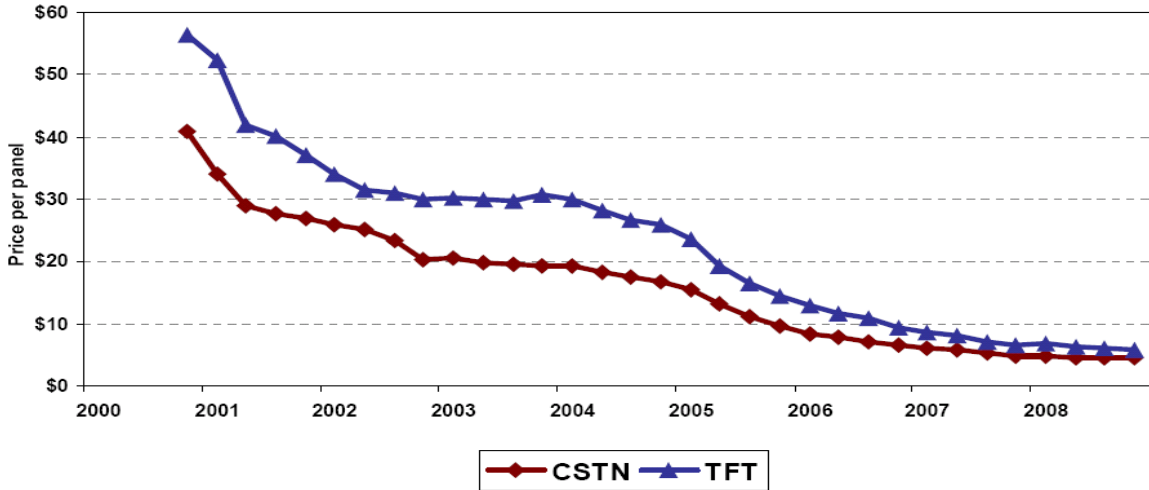
6 **REDACTED**
7 **REDACTED**
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9 **REDACTED**

10 **REDACTED** Because handset manufacturers could and sometimes did switch from TFT-LCD
11 Panels to STN-LCD Panels in response to higher TFT-LCD Panel prices, defendants knew
12 that in order to effectively fix, raise and maintain prices for TFT-LCD prices, as they have
13 admitted, they would also need to fix, raise and maintain prices of STN-LCD panels as well.
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15 **REDACTED**
16 **REDACTED**
17 **REDACTED**

18 226. Because TFT-LCD Panels and STN-LCD Panels were close substitutes in
19 certain LCD Products (including mobile wireless handsets), and purchasers of LCD panels
20 switched purchases between the two technologies, from at least 2001 through 2006, the
21 price per square inch of TFT-LCD Panels and CSTN-LCD panels tracked very closely, as
22 seen in the chart below:
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227. The defendants understood that they could profitably raise prices of STN-LCD Panels in response to increases in TFT-LCD Panel prices. **REDACTED**

[REDACTED]

[REDACTED]

[REDACTED]

228. **REDACTED**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

229. During the Conspiracy Period, TFT-LCDs and STN-LCDs were also incorporated into single mobile wireless handsets. Defendants would often sell the TFT-LCD and STN-LCD together and quote one combined price. Indeed, defendants Epson and Sharp have specifically pleaded guilty to fixing the prices of the TFT-LCDs that were

1 combined with STN-LCDs into certain Motorola mobile wireless handsets. Because mobile
2 wireless handset manufacturers often requested a single price for LCDs that included both a
3 TFT-LCD and STN-LCD, defendants' illegal price-fixing agreements relating to TFT-LCDs
4 inevitably included the prices of STN-LCDs incorporated into the same handsets.

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6 230. Because TFT-LCD Panels and STN-LCD Panels, including both CSTN-LCD
7 Panels and MSTN-LCD Panels were substitutes in certain LCD Products at certain points
8 during the Conspiracy Period, and because defendants collectively controlled a significant
9 share of the market for LCD panels, both globally and in the United States, defendants had
10 the incentive and ability to inflate the prices of STN-LCD Panels as well as TFT-LCD
11 Panels. The conspiracy's success in inflating TFT-LCD Panel prices also inflated STN-
12 LCD prices, and *vice versa*.

13
14 **F. The Role of Trade Associations During the Conspiracy Period**

15 231. The LCD industry is served by several major trade associations that put on
16 industry-wide meetings several times a year. These meetings have facilitated collusion, and
17 the trade associations have themselves functioned as a means for defendants to cooperate
18 and discuss prices.

19 232. One such trade association is the Taiwan TFT-LCD Association ("TTLA"),
20 to which AU Optronics, Chi Mei, and HannStar belong. Founded in 2000, TTLA's self-
21 described mission is to "assist [] [the] TFT-LCD industry, condensing the consensus through
22 various activities, promoting the cooperation within competition, acting as a window for
23 interaction with international organization[s] and promoting the integrated growth to [the]
24 whole display industry." TTLA's annual fiscal plans refer repeatedly to one of its activities
25 being the "call[ing of] international meeting[s] on TFT-LCD field and invit[ing] Japan and
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1 Korea TFT-LCD affiliations to visit TTLA.” Thus, TTLA was not merely a trade
2 association that provided an opportunity to conspire; it was a vehicle by which the
3 conspiracy was effectuated and implemented.

4 233. South Korean manufacturers had similar trade associations during the
5 Conspiracy Period, the Electronic Display Industrial Research Association of Korea
6 (“EDIRAK”) and the Korea Display Equipment Material Industry Association
7 (“KODEMIA”). EDIRAK’s stated goal was “promoting co-activity with foreign
8 Organizations related to display industries.” Since 1996, EDIRAK has had a cooperation
9 pact with the United States Display Consortium (“USDC”). Describing the pact, Malcolm
10 Thompson, then-Chairman of USDC’s governing board, said “[e]ven competitors should
11 cooperate on common issues.”
12

13 234. Japanese manufacturers of LCDs had a similar organization of their own.
14 The Semiconductor Equipment Association of Japan (“SEAJ”), founded in 1995, serves
15 Japanese manufacturers of LCDs. Its members include Sharp, Toshiba, Hitachi, and a
16 Japanese subsidiary of Samsung. Like KODEMIA and TTLA, SEAJ was not merely a trade
17 association that provided an opportunity to conspire; it was a vehicle by which the
18 conspiracy was effectuated and implemented.
19

20 235. In addition to these national trade associations, the Society for Information
21 Display (“SID”) put on multiple meetings each year that were attended by executives from
22 all of the major LCD producers. One of these meetings had been known as the SID
23 Symposium but was renamed the “SID International Symposium and Business Conference.”
24 SID also put on a long-running conference called the International Display Research
25 Conference.
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1 236. The 2004 SID International Symposium and Business Conference (“SID
2 2004”) featured a presentation entitled “Beyond the Crystal Gateway,” by H.B. Chen
3 (currently under indictment), President and CEO of AU Optronics. This was followed
4 shortly by a presentation entitled “The FPD Capital Equipment Investment Environment,”
5 which informed the conference attendees about “investments planned at the major display
6 manufacturers.” Philips Mobile Display’s Chief Technology Officer Dr. Johan van de Ven
7 delivered a keynote address. His speech was followed by a speech by Dong-Hun Lee, █

9 **REDACTED**

10 █ A representative of DisplaySearch also spoke
11 about the LCD market. There were presentations by analysts from iSuppli/Stanford
12 Resources and other industry experts. This was all followed by a “networking reception –
13 sponsored by LG Display,” to which all conference attendees were invited to participate. In
14 addition to attendees from AU Optronics and LG Display, representatives from both
15 Samsung and Samsung SDI as well as Chunghwa, Epson, Hitachi, Sharp, and Toshiba were
16 in attendance at SID 2004.
17

18 237. SID 2005 featured a reprise of the SID 2004 speech by H.B. Chen of AU
19 Optronics. This time it was called “2005: Beyond the Crystal Gateway.” A DisplaySearch
20 representative provided “the latest outlook for flat panel displays covering pricing, demand,
21 and supply” and “the cost and margin outlook for key FPDs” Again, these discussions
22 about the LCD market were followed by a “networking reception.” Among the attendees at
23 SID 2004 were Bruce Berkoff of LG Display (and former employee of Royal Philips), Jun
24 Souk and Dong-Hun Lee of Samsung, H.B. Chen of AU Optronics, and Joel Pollack of
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1 Sharp. Senior executives from Sharp, Hitachi, and Royal Philips (through Philips Mobile
2 Display) also attended.

3 238. The SID 2005 conference was very similar to SID 2004 but was even more
4 blatant in its discussion of the LCD crystal cycle. Jun H. Souk, Executive Vice President of
5 Samsung, gave a presentation entitled “Managing the Crystal Cycles,” which was
6 paraphrased as follows: “By reviewing what happened during the business up and down
7 cycles of the LCD in the past, we have learned lessons that will reduce the burden in future
8 cycles. Efforts made in cost reduction, line-investment timing, and new market generation
9 will be described.”

10
11 239. SID 2005 provided a prime opportunity for one of the dominant
12 manufacturers to explain to all of its key competitors how to manage supply and maximize
13 “line-investment timing.” Among the attendees at SID 2005 were Bruce Berkoff of LG
14 Display as well as Sang Wan Lee, Jun Souk, and Joe Virginia of Samsung. SID 2005
15 featured presentations regarding developments in LCD technology by officials from
16 Samsung and Samsung SDI as well as AU Optronics, Sharp, LG Display, and Hitachi.

17
18 240. The conspiracy was also carried out at the annual meetings of the Global
19 FPD Partners’ Conference (“GFPC”), which have been held since 2005 in Okinawa, Japan.
20 The initial conference was held from February 27 to March 2, 2005, and the 2006
21 conference was held from February 28 to March 3, 2006.

22
23 241. At the 2006 GFPC, executives from AU Optronics, Samsung SDI, Royal
24 Philips (through Philips Mobile Display), and Toshiba gave addresses about the flat panel
25 display industry in Taiwan, South Korea, Europe, and Japan, respectively. Shigeaki
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1 Mizushima of Sharp gave the keynote address, and Mr. Souk of Samsung moderated a panel
2 discussing the expansion of the flat panel display business.

3 242. Participants in the 2006 GFPC noted how successful the event was in
4 promoting information exchanges and “networking” among the co-conspirators. As Dr. Hui
5 Hsiung of AU Optronics (currently under indictment) has said, “[i]n an industry growing as
6 rapidly as the flat panel display industry, it is increasingly important to build connections
7 across the supply chain and around the world . . . the GFPC plays a vital part in building
8 those connections and growing our business.”
9

10 243. Among the participants at GFPC 2006 were Ho Kyoon Chung of Samsung
11 SDI, Shigaeki Mizushima of Sharp, Yoshihide Fuji and Mitsugi Ogura of Toshiba, Dr. Hui
12 Hsiung of AU Optronics, Harold Hoskens of Royal Philips (through Philips Mobile
13 Display), and Shoichi Iino of Epson.
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15 244. As indicated by the public pronouncements, these trade association meetings
16 facilitated the conspiracy by giving defendants further opportunities to discuss prices and
17 output.
18

19 **G. Conspiracy’s Effect on U.S. Commerce**

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

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6 246. The U.S. LCD market is enormous and was a major focus of the conspiracy.
7 Measured by value, defendants and others shipped during the Conspiracy Period more than
8 400 million LCD Panels, including those incorporated into LCD Products, into the United
9 States for ultimate sale to U.S. consumers. During the Conspiracy Period, the value of these
10 LCD Panels imported into the United States was in excess of \$50 billion. Defendants
11 shipped millions of LCD Products worth billions of dollars into the United States each year
12 during the Conspiracy Period. As a result, a substantial portion of defendants' revenues was
13 derived from the U.S. market. Defendants spent hundreds of millions of dollars on
14 advertising their products in the United States. Most, if not all, defendants had marketing,
15 sales, and account management teams specifically designated to handle U.S. customer
16 accounts and the U.S. market for LCD Panels and LCD Products.

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

4 248. When high-level executives based at defendants' Asian headquarters agreed
5 on prices, they knew that their price-fixed LCD Panels would be incorporated into LCD
6 Products sold in the United States. Moreover, because LCD Panels are – and were
7 throughout the Conspiracy Period – the most expensive and significant component of LCD
8 Products, defendants knew that price increases for LCD Panels would necessarily result in
9 increased prices for LCD Products sold in the United States.

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11 249. In fact, defendants routinely monitored the effect their price-fixing had on the
12 prices of such LCD Products sold in the United States, which they often referred to as
13 “street prices,” because defendants were aware that the conspiracy would elevate those
14 prices in addition to the prices of LCD Panels. Defendants used LCD Product pricing in the
15 United States as a benchmark for establishing, organizing, and tracking their price-fixing of
16 LCD Panels.

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

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

16 252. For the reasons set forth above, defendants’ illegal conduct involved import
17 trade or import commerce into the United States, and had a direct, substantial, and
18 reasonably foreseeable effect on U.S. commerce.

19 **VII. PLAINTIFF’S INJURIES**

20 253. T-Mobile has suffered a direct, substantial, and reasonably foreseeable injury
21 as both a purchaser of mobile wireless handsets containing LCD Panels and as a purchaser
22 of other LCD Products as a result of defendants’ conspiracy to raise, fix, stabilize, or
23 maintain the price of LCD Panels at supra-competitive levels. Defendants’ conspiracy
24 artificially inflated the price of LCD Panels incorporated into such mobile wireless handsets,
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1 causing T-Mobile to pay higher prices than it would have in the absence of defendants'
2 conspiracy.

3 254. In some cases, T-Mobile purchased mobile wireless handsets directly from
4 defendants. For example, during the Conspiracy Period, T-Mobile purchased mobile
5 wireless handsets directly from defendant Samsung, its affiliates, and/or its wholly owned
6 and controlled sales agents in the United States.

7
8 255. T-Mobile purchased certain handsets from Samsung pursuant to a PCS
9 Handset and Accessory Supply Agreement, dated as of September 1, 2001, and amended
10 from time to time ("Samsung Handset Supply Agreement"). Evidencing the substantial
11 volume of business between T-Mobile and Samsung in New York, the Samsung Handset
12 Supply Agreement was governed by New York law, and the parties agreed to a New York
13 venue to resolve disputes under the agreement.

14
15 256. As a result of defendants' conspiracy to fix the price of LCD Panels,
16 T-Mobile purchased mobile "Samsung"-branded wireless handsets from Samsung at
17 artificially-inflated prices and suffered injury in the United States as a direct purchaser from
18 Samsung.

19 257. T-Mobile also purchased mobile wireless handsets containing LCD Panels
20 from other handset OEMs, which in turn purchased LCD Panels from defendants and their
21 co-conspirators. Defendants' conspiracy affected and artificially inflated the price of LCD
22 Panels purchased by these handset OEMs, which paid higher prices for LCD Panels than
23 they would have absent the conspiracy.

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25 258. The handset OEMs passed on to their customers, including T-Mobile, the
26 overcharges caused by defendants' conspiracy. T-Mobile was not able to pass on to its
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1 customers the overcharge caused by defendants' conspiracy. Thus, T-Mobile suffered
2 injury when it purchased mobile wireless handsets containing LCD Panels from the handset
3 OEMs.

4 259. In addition, T-Mobile has suffered a direct, substantial, and reasonably
5 foreseeable injury as a result of defendants' conspiracy to raise, fix, stabilize or maintain the
6 price of LCD Panels resulting from T-Mobile's purchases of LCD Products for its own use.
7 Defendants' conspiracy artificially inflated the price of the LCD Panels purchased by
8 computer OEMs for incorporation into the desktop computer monitors and laptop and
9 notebook computers sold to T-Mobile. The computer OEMs passed on these artificially-
10 inflated prices for LCD Panels to T-Mobile, causing T-Mobile to pay higher prices for the
11 desktop computer monitors and laptop and notebook computers than they would have paid
12 in the absence of the defendants' conspiracy. As a result, T-Mobile was injured in
13 connection with its purchases of LCD Products for its own internal use during the
14 Conspiracy Period.

17 **VIII. FRAUDULENT CONCEALMENT, EQUITABLE TOLLING, AND**
18 **CONTINUING TORT DOCTRINE**

19 260. T-Mobile had neither actual nor constructive knowledge of the facts
20 supporting its claims for relief despite diligence in trying to discover the pertinent facts.
21 The affirmative acts of defendants alleged herein, including acts in furtherance of the
22 conspiracy, were wrongfully concealed and carried out in a manner that precluded detection.
23 The defendants engaged in a secret conspiracy that did not give rise to facts that would put
24 T-Mobile on inquiry notice that there was a conspiracy to fix the prices of LCD Products.
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261. The defendants agreed to keep the Conspiracy, the agreements reached, and the meetings secret. Participants were instructed to hide the existence of the meetings from others within their own companies and to keep the meeting reports confidential.

262. The conspirators knew their activities were illegal, and kept their conspiracy communications strictly confidential. **REDACTED**

[REDACTED]

263. Therefore, the defendants and their co-conspirators kept their conspiracy communications strictly confidential. **REDACTED**

[REDACTED]

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REDACTED

REDACTED

264. By its very nature, defendants' price-fixing conspiracy was inherently self-concealing. As alleged above, defendants had secret discussions about price and output. Defendants agreed not to publicly discuss the existence or the nature of their agreement. During these meetings, top executives and other officials attending these meetings were instructed on more than one occasion not to disclose the fact of these meetings to outsiders, or even to other employees of defendants not involved in LCD Panel pricing or production. In fact, the top executives who attended the CEO and Commercial Crystal Meetings agreed to stagger their arrivals and departures at such meetings to avoid being seen in public with each other and with the express purpose and effect of keeping them secret. [REDACTED]

REDACTED

REDACTED

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265. [REDACTED]

REDACTED

266. Moreover, when the participants in those meetings became fearful that they might be subject to antitrust scrutiny, in approximately the summer of 2006, they discontinued the Working Level meetings in favor of one-on-one meetings to exchange pricing and supply information. The meetings were coordinated so that on the same date,

1 each competitor met one-on-one with the other in a “Round Robin” set of meetings until all
2 competitors had met with each other. These Round Robin meetings took place until at least
3 November or December of 2006. The information obtained at these meetings was
4 transmitted up the corporate reporting chain to permit defendants to maintain their price-
5 fixing and production- limitation agreement.
6

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

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

17 269. Another false rationale provided by defendants was undercapitalization. In
18 1999, Joel Pollack, a marketing manager for Sharp, stated:

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

22 270. A third rationale for the steep price hikes of 1999 was offered by Yoon-Woo
23 Lee, CEO of Samsung. He claimed that the demand for larger panels was reducing the
24 industry’s capacity because each display used more square inches of motherglass substrate.

25 271. Increased demand was repeatedly cited by defendants throughout the
26 Conspiracy Period. On February 4, 2001, Bruce Berkoff, Executive Vice-President at LG
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1 Philips was quoted in News.com as saying that price increases were due to shortages. He
2 claimed, “demand grew so fast that the supply can’t keep up.” Koo Duk-Mo, an executive
3 at LG Philips, similarly predicted in 1999 that prices would rise 10 to 15 percent due to
4 increased demand for the holiday season. In 2005, Koo Duk-Mo of LG Philips stated “[w]e
5 are seeing much stronger demand for large- size LCD TVs than expected, so LCD TV
6 supply is likely to remain tight throughout the year.”

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

14 273. These explanations were all pretextual and each served to cover up the
15 conspiracy.

16 274. T-Mobile did not discover and could not have discovered, through the
17 exercise of reasonable diligence, the existence of the conspiracy alleged herein until after
18 December of 2006, when the existence of investigations by the DOJ and other antitrust
19 regulators became public, because defendants and their co-conspirators actively and
20 fraudulently concealed the existence of their contract, combination or conspiracy. Because
21 defendants’ agreement, understanding and conspiracy were kept secret, T-Mobile was
22 unaware of defendants’ unlawful conduct alleged herein and did not know that it was paying
23 artificially high prices for LCD Products.

25 275. As a result of defendants’ fraudulent concealment of their conspiracy, the
26 running of any statute of limitations has been tolled with respect to T-Mobile’s claims.

1 276. The statutes of limitations relevant to T-Mobile’s claims for both their direct
2 and indirect purchases of price-fixed LCD Products have also been tolled as a result of the
3 criminal informations and guilty pleas entered as a result of the DOJ criminal investigation.

4 277. Also as a result of defendants’ fraudulent concealment of the Conspiracy,
5 defendants are equitably estopped from asserting statutes of limitations defense, and
6 principles of equitable estoppel toll the statutes of limitations relevant to Plaintiffs claims.
7

8 278. The defendants’ ongoing conspiracy and unlawful conduct constitute a
9 continuing tort, and therefore the statute of limitations cannot accrue until the last act of
10 defendants’ violative conduct.

11 279. The statutes of limitations relevant to T-Mobile’s claims for both their direct
12 and indirect purchases of price-fixed LCD Products have also been equitably tolled as a
13 result of the filing of class actions against defendants and their co-conspirators, including,
14 without limitation, the indirect purchaser class action complaint filed in *Audio Video Artistry*
15 *v. Samsung Elecs. Co. Ltd., et al.*, Case No. 2:06-cv-2848-SHM-dkv (W.D. Tenn.), on
16 December 14, 2006 and transferred to this Court on April 20, 2007 pursuant to an order of
17 the Judicial Panel on Multidistrict Litigation (“JPML”), dated April 17, 2007; the indirect
18 purchaser class action complaint filed in *Minoli, et al. v. LG Philips LCD Co., Ltd., et al.*,
19 No. 06:07-cv-00235-MV-WDS (D.N.M.), on March 9, 2007 and transferred to this Court,
20 effective May 29, 2007, pursuant to an order of the JPML dated May 11, 2007; and the
21 Direct Purchaser Plaintiff’s Consolidated Complaint, dated November 5, 2007, the First
22 Amended Direct Purchaser Plaintiffs’ Consolidated Complaint, dated December 5, 2008,
23 and the Second Amended Direct Purchaser Plaintiff’s Consolidated Complaint, dated March
24 3, 2009.
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1 **IX. VIOLATIONS ALLEGED**

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

4 280. 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.

6 281. 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.

12 282. 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.

22 283. The combination and conspiracy alleged herein has had the following effects,
23 among others:

- 24
25 a. Price competition in the sale of LCD Panels has been restrained,
26 suppressed, and/or eliminated in the United States;
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- 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.

284. 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.

285. 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.

286. 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 could be easily repeated and concealed from T-Mobile, T-Mobile faces a serious risk of

1 future injury, and are thus entitled to an injunction under Section 16 of the Clayton Act, 15
2 U.S.C. § 26 against all defendants, preventing and restraining the violations alleged herein.

3
4 **Second Claim for Relief**
(Violation of State Antitrust and Unfair Competition Laws)

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

7 288. By reason of the foregoing, defendants have entered into agreements in
8 restraint of trade in violation of the “Cartwright Act”:

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

19 290. As a result of its presence in California and the substantial business it
20 conducts in California, T-Mobile is entitled to the protection of the laws of California.

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

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12 292. Beginning at a time presently unknown to T-Mobile, but at least as early as
13 January 1, 1996, and continuing thereafter at least up to and including at least December 11,
14 2006, defendants and their co-conspirators entered into and engaged in a continuing
15 unlawful trust in restraint of the trade and commerce described above in violation of the
16 Cartwright Act, California Business and Professional Code Section 16720. Defendants have
17 each acted in violation of Section 16720 to fix, raise, stabilize and maintain prices of, and
18 allocate markets for, LCD Panels at supra-competitive levels. Defendants' conduct
19 substantially affected California commerce.
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22 293. The aforesaid violations of Section 16720, California Business and
23 Professions Code, consisted, without limitation, of a continuing unlawful trust and concert
24 of action among defendants and their co-conspirators, the substantial terms of which were to
25 fix, raise, maintain and stabilize the prices of, and to allocate markets for, LCD Panels.
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1 294. For the purpose of forming and effectuating the unlawful trust, defendants
2 and their co-conspirators have done those things which they combined and conspired to do,
3 including but in no way limited to the acts, practices and course of conduct set forth above
4 and the following:

- 5 a. to fix, raise, maintain and stabilize the price of LCD Panels;
- 6 b. to allocate markets for LCD Panels amongst themselves;
- 7 c. to submit rigged bids for the award and performance of certain LCD
8 Panels contracts; and
- 9 d. to allocate among themselves the production of LCD Panels.

10 295. The combination and conspiracy alleged herein has had, inter alia, the
11 following effects:
12

- 13 a. price competition in the sale of LCD Panels has been restrained,
14 suppressed and/or eliminated in the State of California;
- 15 b. prices for LCD Panels sold by defendants, their co-conspirators, and
16 others have been fixed, raised, maintained and stabilized at artificially
17 high, non-competitive levels in the State of California; and
- 18 c. those who purchased LCD Panels from defendants, their co-
19 conspirators, and others and LCD Products containing LCD Panels
20 from defendants, their co-conspirators, and others have been deprived
21 of the benefit of free and open competition.
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23 296. As a result of the alleged conduct of defendants, T-Mobile paid supra-
24 competitive, artificially inflated prices for the LCD Products it purchased during the
25 Conspiracy Period.
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1 297. As a direct and proximate result of defendants' conduct, T-Mobile has been
2 injured in its business and property by paying more for LCD Products purchased in
3 California from defendants, their coconspirators, and others than they would have paid in
4 the absence of defendants' combination and conspiracy. As a result of defendants' violation
5 of Section 16720 of the California Business and Professions Code, T-Mobile is entitled to
6 treble damages and the costs of suit, including reasonable attorneys' fees, pursuant to
7 Section 16750(a) of the California Business and Professions Code.
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9 298. By reason of the foregoing, defendants have also engaged in unfair
10 competition in violation of California's Unfair Competition Law, California Business and
11 Professional Code § 17200 et seq.
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13 a. Defendants committed acts of unfair competition, as defined by
14 Section 17200, *et seq.*, by engaging in a conspiracy to fix and
15 stabilize the price of LCD Panels as described above;

16 b. The acts, omissions, misrepresentations, practices and non-disclosures
17 of defendants, as described above, constitute a common and
18 continuing course of conduct of unfair competition by means of
19 unfair, unlawful and/or fraudulent business acts or practices with the
20 meaning of Section 17200, *et seq.*, including, but not limited to (1)
21 violation of Section 1 of the Sherman Act; (2) violation of the
22 Cartwright Act;
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24 c. Defendants' acts, omissions, misrepresentations, practices and non-
25 disclosures are unfair, unconscionable, unlawful and/or fraudulent
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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 containing LCD Panels manufactured and sold by defendants, their co- conspirators, and others, and operated offices and retail stores in

1 California. As a result of their presence in California and the
2 substantial business they conduct in California, T-Mobile is entitled
3 to the protection of the laws of California; and,

- 4 g. By reason of the foregoing, T-Mobile is entitled to full restitution
5 and/or disgorgement of all revenues, earnings, profits, compensation,
6 and benefits that may have been obtained by defendants as result of
7 such business acts and practices described above.
8

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

- 11 a. Defendants' conspiracy restrained, suppressed and/or eliminated
12 competition in the sale of LCD Panels in New York and fixed, raised,
13 maintained and stabilized LCD Panel prices in New York at
14 artificially high, non-competitive levels;
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16 b. As a result, defendants' conspiracy substantially affected New York
17 commerce;
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19 c. During the Conspiracy Period, T-Mobile conducted a substantial
20 volume of business in New York. T-Mobile provided wireless
21 communication services and sold mobile wireless handsets containing
22 LCD Panels to customers in New York at its corporate-owned retail
23 stores and through its website on the Internet. T-Mobile sold mobile
24 wireless handsets to independent agents and retailers in New York.
25 T-Mobile provided wireless communication services and sold mobile
26 wireless handsets directly to business, government and other
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1 customers in New York. T-Mobile maintained in New York
2 inventories of mobile wireless handsets containing LCD Panels
3 manufactured and sold by defendants, their co-conspirators, and
4 others, and operated offices and retail stores in New York. T-
5 Mobile's contacts with New York were so extensive that its supply
6 agreement with one member of the conspiracy – Samsung – was
7 governed by New York law and the parties agreed to a New York
8 venue to resolve their disputes under the agreement.
9

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

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

22 WHEREFORE, T-Mobile requests that:

23 A. The unlawful agreement, conduct, contract, conspiracy or
24 combination alleged herein be adjudged and decreed to be a violation of federal and state
25 law;
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1 B. T-Mobile recover damages, and that a judgment be entered in favor of
2 T-Mobile against defendants, jointly and severally, in an amount to be trebled;

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

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

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

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

15 G. T-Mobile be awarded such other, further, and different relief as the
16 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: November 7, 2011

/s/ Brooke A. M. Taylor
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23 ***Counsel for T-Mobile USA, Inc.***

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DECLARATION OF SERVICE

I, Brooke A. M. Taylor, declares as follows:

I am employed in the County of King, State of Washington. I am over the age of eighteen years and not a party to this action. My business address is 1201 Third Avenue, Suite 3800, Seattle, Washington, 98101, in said County and State. On November 7, 2011, I served the following:

T-MOBILE USA’S AMENDED COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF

To all named consul of record as follows:

 X **BY ECF (ELECTRONIC CASE FILING):** I e-filed the above detailed document(s) utilizing the United States District Court, Northern District of California’s mandated ECF (Electronic Case Filing) service on the date noted below. Counsel of record are required by the Court to be registered e-filers, and as such are automatically e-served with a copy of the documents upon confirmation of e-filing.

 X **BY ELECTRONIC MAIL:** I caused said documents to be prepared in portable document format (PDF) for e-mailing and served by electronic mail.

Certify under penalty of perjury under the laws of the United States that the forgoing is true and correct.

Executed on November 7, 2011, at Seattle, Washington.

By: /s/ Brooke A. M. Taylor