

3. Defendant Dell Incorporated is a corporation existing and organized under the laws of Delaware and has its principal place of business at 1 Dell Way, Round Rock, TX 78682.

4. Defendant International Business Machines Corporation is a corporation existing and organized under the laws of New York and has its principal place of business at New Orchard Road, Armonk, NY 10504.

5. Defendant Toshiba America, Incorporated is a corporation existing and organized under the laws of Delaware and has its principal place of business at 1251 Avenue of the Americas, 41st Floor, New York, NY 10020.

6. Defendant Toshiba America Consumer Products, Inc. is a corporation existing and organized under the laws of New Jersey and has its principal place of business at 82 Totowa Road, Suite 1, Wayne, NJ 07470.

7. Defendant Toshiba America Information Systems, Inc. is a corporation existing and organized under the laws of California and has its principal place of business at 9740 Irvine Boulevard, Irvine, CA 92618.

8. Defendant Toshiba America Electronic Components, Inc. is a corporation existing and organized under the laws of California and has its principal place of business at 9775 Toledo Way, Irvine, CA 92618.

JURISDICTION AND VENUE

9. This action for patent infringement arises under the Patent Laws of the United States, 35 U.S.C. §§ 1 et seq., and in particular 35 U.S.C. §§ 271, 281, 283, 284 and 285. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. 1338(a).

10. On information and belief, this Court has personal jurisdiction over each of the Defendants and venue is proper in this Court pursuant to 28 U.S.C. §§ 1391 and 1400.

COUNT 1 – PATENT INFRINGEMENT

11. This case involves technology used to process digital signals. CLI owns patents relating to such technology, and CLI invested substantial amounts in related research and development.

12. United States Patent No. 4,698,672 entitled “Coding System for Reducing Redundancy” (hereinafter “the ‘672 patent”), was duly and legally issued on October 6, 1987. CLI is the sole owner of the ‘672 patent and has the exclusive rights to sue and recover for infringement thereof. A copy of the ‘672 patent is attached as Exhibit A.

13. Defendants offer to sell, sell, use, and/or import into the United States devices and/or systems, at least portions of which are designed to be at least partly compliant with the JPEG standard as defined by CCITT Recommendation T.81 approved on September 18, 1992, entitled “Information Technology—Digital Compression and Coding of Continuous Tone Still Images—Requirements and Guidelines,” the identical text of which is also published as ISO/IEC International Standard 10918-1, or with any version or variance thereof defining a lossy compression scheme (hereinafter referred to as “the Accused Devices”). The Accused Devices are covered by, and carry out methods that are covered by, one or more claims of the ‘672 patent.

14. Through their actions including offering to sell, selling, using and importing the Accused Devices, Defendants have infringed the aforementioned patent and actively induced others to infringe and contributed to the infringement by others of the ‘672 patent in the United States, including within the jurisdiction of this Court. Certain of the Defendants also have made the Accused Devices in the United States, and such Defendants have also infringed the aforementioned patent by their actions in this regard.

15. CLI is likely to be irreparably harmed by Defendants’ infringement, inducement of others to infringe, and contributory infringement of the ‘672 patent. CLI has no adequate remedy at law.

WHEREFORE, CLI prays for judgment that:

A. United States Patent No. 4,698,672 has been infringed, directly, by inducement, and/or contributorily, by each Defendant;

B. Each Defendant, its officers, agents, servants and employees, and those persons in active concert and participation with any of them, be permanently enjoined from the direct or

contributory infringement of, and from inducing others to infringe, United States Patent No. 4,698,672;

C. CLI be awarded damages sufficient to compensate it for each Defendant's infringement, contributory infringement and inducement of others to infringe, that such damages be increased to three times the amount found or assessed pursuant to 35 U.S.C. § 284, and that such damages be awarded to CLI with prejudgment interest;

D. That this case be declared exceptional pursuant to 35 U.S.C. § 284 and that CLI be awarded its attorney fees, costs and expenses in this action; and

E. CLI be awarded such other and further relief as the Court may deem just.

CLI DEMANDS A TRIAL BY JURY.

Respectfully submitted,
Compression Labs, Inc.

Dated: October 19, 2004

By: /s/ Stephen G. Rudisill (by perm. Otis Carroll)

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3). Any other counsel of record will be served by facsimile transmission and/or first class mail this 19th day of October, 2004.

/s/ Otis Carroll _____