

Philips Awarded Over \$93 Million in Damages

Keats McFarland & Wilson LLP

U.S. and Chinese Entities Liable for Philips DVD Infringement

U.S. Philips Corporation v. KXD Technology, Inc., et al.,
Case No. CV 05-8953 ER (PLAx) (C.D. Cal. 2007)

In a patent infringement action filed in the United States District Court for the Central District of California, the Court entered default judgment in favor of Philips and against KXD Technology, Inc., Astar Electronics, Inc., Shenzhen Kaixinda Electronics Co., Ltd., Shenzhen KXD Multimedia Co., Ltd., KXD Digital Entertainment Ltd. and Jingyi Luo a/k/a James Luo (the "KXD Defendants"), for a damages award in excess of \$93 million plus post-judgment interest.

The Court further ordered the KXD Defendants to be permanently enjoined from the unauthorized manufacture, sale, importation, distribution or other use or attempt to circumvent Philips' intellectual property rights in its patented DVD technology.

This precedential decision came on the heels of a \$12.8 million judgment (jury verdict) awarded for Philips against several Norcent defendants in another patent infringement action filed during the same time period in the Central District of California, case no. CV 06-01366 (C.D. Cal. 2007).

Default Judgment Award:
Philips Receives \$93 Million

KXD Permanently Enjoined:
Circumventing Philips' IP Rights

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FILED
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DOCKETED ON CM
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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

U.S. PHILIPS CORPORATION,
Plaintiff,

v.

KXD TECHNOLOGY, INC.;
ASTAR ELECTRONICS, INC.;
SHENZHEN KAIXINDA
ELECTRONICS CO., LTD.;
SHENZHEN KXD MULTIMEDIA
CO., LTD.; KXD DIGITAL
ENTERTAINMENT LTD., and
JINGYI LUO

Defendants.

CV
Case No. 05-8953 ER (PLAx)

DEFAULT JUDGMENT

Priority
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The Application of Plaintiff U.S. Philips Corporation for the entry of Default Judgment against Defendants KXD Technology, Inc.; Astar Electronics, Inc.; Shenzhen Kaixinda Electronics Co., Ltd.; Shenzhen KXD Multimedia Co., Ltd.; KXD Digital Entertainment Ltd., and Jingyi Luo (also known as James Luo), came on for hearing before the Court, having been duly noticed, on August 27, 2007. The Court having found that the entry of Default Judgment is appropriate, IT IS HEREBY ORDERED AND ADJUDGED that Judgment be entered against Defendants KXD Technology, Inc.; Astar Electronics, Inc.; Shenzhen

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1 Kaixinda Electronics Co., Ltd.; Shenzhen KXD Multimedia Co., Ltd.; KXD
2 Digital Entertainment Ltd., and Jingyi Luo (also known as James Luo) and in
3 favor of Plaintiff U.S. Philips Corporation in the sum of \$87,765,249 in trebled
4 damages; \$4,329,114 in prejudgment interest (calculated on \$29,255,083 in
5 compensatory damages); \$22,519 in daily compensatory damages and \$7,489 in
6 daily prejudgment interest per day from August 1, 2007 until date of judgment;
7 and costs to be claimed on a Bill of Costs.

8 It is FURTHER ORDERED that Defendants KXD Technology, Inc.; Astar
9 Electronics, Inc.; Shenzhen Kaixinda Electronics Co., Ltd.; Shenzhen KXD
10 Multimedia Co., Ltd.; KXD Digital Entertainment Ltd., and Jingyi Luo (also
11 known as James Luo), and their officers, agents, servants, employees, and
12 attorneys, and upon those persons in active concert or participation with them who
13 receive actual notice of this Judgment by personal service or otherwise, be
14 enjoined and permanently restrained from directly or indirectly:

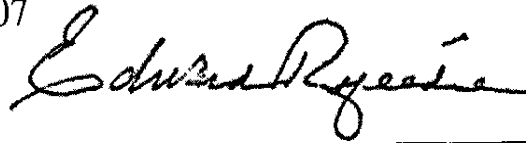
- 15 (a) making, using, selling, offering for sale, importing, advertising,
16 promoting, marketing, or otherwise disposing of DVD products
17 using, incorporating, or containing the patents-in-suit anywhere in the
18 United States or its territories, during the respective terms of the
19 patents-in-suit, without license or other authority from U.S. Philips
20 Corporation;
- 21 (b) inducing or contributing to the infringement of the Patents-in-Suit;
22 and
- 23 (c) effecting assignments or transfers, forming new entities or
24 associations or utilizing any other device for the purpose of
25 circumventing or otherwise avoiding the prohibitions set forth in
26 subparagraphs (a) and (b) above.

1 It is FURTHER ORDERED that this Judgment shall bear post-judgment
2 interest pursuant to 28 U.S.C. § 1961(a) from the date of entry of Judgment.

3
4 IT IS SO ORDERED.

5 IT IS FURTHER ORDERED that the Clerk of the Court shall serve, by United
6 States mail or by telefax or by email, copies of this Order on counsel in this matter.

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8 Dated: September 17, 2007

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11 EDWARD RAFEEDIE
Senior United States District Judge

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