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8 Attorneys for Plaintiffs  
9 The Magnavox Company and  
Sanders Associates, Inc.

11 UNITED STATES DISTRICT COURT

12 FOR THE NORTHERN DISTRICT OF CALIFORNIA

14 THE MAGNAVOX COMPANY, a corporation, )  
and SANDERS ASSOCIATES, INC., )  
15 a corporation, )  
16 Plaintiffs, )  
17 v. )  
18 ACTIVISION, INC., a corporation, )  
19 Defendant. )

No. C 82 5270 JPV

PLAINTIFFS' SETTLEMENT  
CONFERENCE STATEMENT

Magistrate  
Frederick J. Woelflen

Date: September 13, 1984  
Time: 9:30 a.m.

21 The following settlement conference statement is lodged  
22 by plaintiffs pursuant to Local Rule 240-1. It is understood that  
23 this document will not be filed or otherwise made a part of the  
24 file in this case and will not be served on defendant or its  
25 counsel.

26 //







1 tentatively agreed that this counterclaim will be dropped and  
2 plaintiffs will agree not to assert that patent against Activision.

3 Activision also filed a counterclaim for unfair competi-  
4 tion based on acts of the plaintiffs in attempting to enforce their  
5 patents. Plaintiffs understand that Activision is no longer pur-  
6 suing that counterclaim.

7 Activision also initially alleged that the '507 patent  
8 is invalid because of an alleged failure to inform the Patent and  
9 Trademark Office of certain purported items of prior art while the  
10 application for that patent was pending. Plaintiffs understand  
11 that Activision is no longer asserting that ground for invalidity.

12 DISCREET ISSUES

13 Plaintiffs have no knowledge of any such issue.

14 RELIEF SOUGHT

15 Plaintiffs seek an award of their damages caused by  
16 Activision's infringement, which damages shall be not less than a  
17 reasonable royalty for use of the patented subject matter, with  
18 interest and costs. 35 U.S.C. § 284. The amount so determined  
19 should also be trebled in light of the willful nature of Activi-  
20 sion's infringement, 35 U.S.C. § 284, and plaintiffs should be  
21 awarded their attorneys' fees, 35 U.S.C. § 285. Plaintiffs also  
22 seek an injunction against further infringement of the '507 patent.

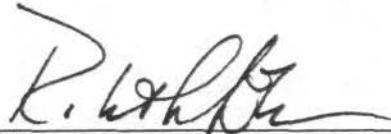
23 SETTLEMENT STATUS

24 Prior to the filing of this action, Magnavox offered  
25 Activision a license under the '507 patent at its then current  
26 royalty rates. Activision did not take a license. Magnavox will

PLAINTIFFS' SETTLEMENT CONFERENCE STATEMENT

1 still consider licensing Activision at its current royalty rate.  
2 Prior to entering into such a license, the matter of Activision's  
3 past infringement would have to be resolved.

4 As of the time this document is being prepared, Acti-  
5 vision has made no offer to settle this action, and no serious  
6 settlement negotiations have occurred. Based on sales information  
7 Activision has provided to palintiffs, the lost royalty damages  
8 due to past sales by Activision (with interest) is approximately  
9 \$4 million, which should be tripled. Plaintiffs would be willing  
10 to settle for \$12 million plus their attorneys' fees and an  
11 injunction against further acts of infringement of the '507 patent.  
12 Plaintiffs are also willing to consider resolution of this matter  
13 and all future claims based upon this patent by entering into  
14 a paid up, nonroyalty bearing license under the '507 patent with  
15 Activision.



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