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STATE OF WASHINGTON  
KING COUNTY SUPERIOR COURT

THE STATE OF WASHINGTON  
  
Plaintiff,  
  
v.  
  
AU OPTRONICS CORPORATION; AU  
OPTRONICS CORP., AMERICA; CHIMEI  
INNOLUX CORPORATION; CHI MEI  
OPTOELECTRONICS USA, INC.; EPSON  
IMAGING DEVICES CORPORATION;  
EPSON ELECTRONICS AMERICA, INC.;  
HITACHI, LTD.; HITACHI DISPLAYS,  
LTD.; HITACHI ELECTRONIC DEVICES  
(USA), INC.; LG DISPLAY CO., LTD.; LG  
DISPLAY AMERICA, INC.; SAMSUNG  
ELECTRONICS CO., LTD.; SAMSUNG  
SEMICONDUCTOR, INC.; SAMSUNG  
ELECTRONICS AMERICA, INC.; SHARP  
CORPORATION; SHARP ELECTRONICS  
CORPORATION; TOSHIBA  
CORPORATION; TOSHIBA AMERICA  
ELECTRONICS COMPONENTS, INC.,  
TOSHIBA AMERICA INFORMATION  
SYSTEMS, INC., and TOSHIBA MOBILE  
DISPLAY TECHNOLOGY CO., LTD.,  
F/K/A TOSHIBA MATSUSHITA  
DISPLAY TECHNOLOGY CO.  
  
Defendants.

NO. 10-2-29164-4  
  
AMENDED COMPLAINT FOR  
INJUNCTION, DAMAGES,  
RESTITUTION, CIVIL  
PENALTIES AND OTHER  
RELIEF UNDER THE  
WASHINGTON STATE  
CONSUMER PROTECTION  
ACT, RCW 19.86  
  
DEMAND FOR JURY TRIAL

Plaintiff, State of Washington, through its Attorney General, brings this action on  
behalf of itself and as *parens patriae* on behalf of persons residing in the State, against AU

1 Optronics Corporation, AU Optronics Corp. America, Chimei Innolux Corporation, Chi Mei  
2 Optoelectronics USA, Inc., Epson Imaging Devices Corporation, Epson Electronics America,  
3 Inc., Hitachi, Ltd., Hitachi Displays, Ltd., Hitachi Electronic Devices (USA), Inc., LG  
4 Display Co., Ltd., LG Display America, Inc., Samsung Electronics Co., Ltd., Samsung  
5 Semiconductor, Inc., Samsung Electronics America, Inc., Sharp Corporation, Sharp  
6 Electronics Corporation, Toshiba Corporation, Toshiba America Electronics Components,  
7 Inc., Toshiba America Information Systems, Inc., and Toshiba Mobile Display Technology  
8 Co., Ltd, f/k/a Toshiba Matsushita Display Technology Co., to recover damages, restitution,  
9 civil penalties, costs and fees and injunctive relief. The State of Washington demands trial by  
10 jury of all issues stated herein.

#### 11 I. NATURE OF THE CASE

12 1. This action alleges that defendants engaged in a violation of state antitrust law  
13 prohibiting anticompetitive conduct from at least January 1, 1998, through at least December  
14 1, 2006 ("the Conspiracy Period"). Defendants' actions included, but were not limited to,  
15 agreeing to raise prices and agreeing on production levels in the market for thin film  
16 transistor liquid crystal display panels, commonly referred to as LCDs.

17 2. To date, eight (8) LCD manufacturers have been charged with criminal  
18 antitrust violations by the U.S. Department of Justice. AU Optronics Corporation and its  
19 subsidiary AU Optronics Corp., America, Chi Mei Optoelectronics, Chunghwa Picture  
20 Tubes, Ltd., Epson Imaging Devices Corporation, HannStar Display Corporation, Hitachi  
21 Display, Ltd. LG Display Co. and its subsidiary LG Display America, and Sharp Corporation  
22 have been indicted. All except AU Optronics Corporation and its U.S. subsidiary have  
23 entered guilty pleas admitting their participation in the conspiracy.

24 3. In addition, a number of current and former employees from Chungwha  
25 Picture Tubes, Ltd. and the AUO, LGD, Hitachi, and CMO Defendants have been indicted  
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1 for criminal antitrust violations. Several of those employees and former employees have also  
2 entered guilty pleas.

3 4. The aggregate penalties imposed on the seven companies that have pled guilty  
4 amount to over \$890 million. The total amount of damages sustained by consumers who  
5 were overcharged for products incorporating LCD panels throughout the United States,  
6 including in Washington State, is substantially greater.

## 7 II. JURISDICTION AND VENUE

8 5. This action alleges violations of the Washington Consumer Protection Act  
9 (“CPA”), RCW 19.86. Jurisdiction exists pursuant to RCW 19.86.160.

10 6. Venue is proper in King County because the Plaintiff resides therein; a  
11 significant portion of the acts giving rise to this action occurred in King County; the  
12 Defendants and their co-conspirators activities were intended to, and did have a substantial  
13 and foreseeable effect on U.S. and Washington State trade or commerce; the conspiracy  
14 affected the price of LCD panels and LCD products purchased in Washington; and all  
15 Defendants knew or expected that products containing their LCD panels would be sold in the  
16 U.S. and into Washington.

## 17 III. THE PARTIES

### 18 Plaintiff

19 7. The Plaintiff is the State of Washington, by and through its Attorney General.

20 8. The State of Washington has a quasi-sovereign interest in maintaining the  
21 integrity of markets operating within its boundaries, protecting its citizens from  
22 anticompetitive and other unlawful practices and supporting the general welfare of its  
23 residents and its economy.  
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1           9.     The Washington Attorney General is charged with representing the citizens of  
2 the State as *parens patriae* and is also the only authorized legal representative of its state  
3 agencies.

4     **Defendants**

5           10.    Defendant AU Optronics Corporation is one of the largest manufacturers of  
6 LCD panels, with its corporate headquarters at No. 1, Li-Hsin Rd. 2, Hsinchu Science Park,  
7 Hsinchu 30078, Taiwan. AU Optronics Corporation was formed in 2001 when Acer Display  
8 Technology, Inc. merged with Unipac Optoelectronics Corp. During the Conspiracy Period,  
9 AU Optronics Corporation and its predecessors manufactured, marketed, sold and/or  
10 distributed LCD panels to customers throughout the United States and in Washington State.

11           11.    Defendant AU Optronics Corp. America is a wholly owned and controlled  
12 subsidiary of Defendant AU Optronics Corporation, with its corporate headquarters at 9720  
13 Cypresswood Drive, Suite 241, Houston, Texas 77070, and has offices in Texas, California  
14 and Illinois. During the Conspiracy Period, AU Optronics Corp. America manufactured,  
15 marketed, sold and/or distributed LCD panels to customers throughout the United States and  
16 in Washington State.

17           12.    AU Optronics Corporation wholly controls AU Optronics Corp. America. AU  
18 Optronics Corporation owns 100% of AU Optronics Corp. America. AU Optronics  
19 Corporation employees hold all of the seats on the board of AU Optronics Corp. America.  
20 Further, all but one of AU Optronics Corp. America's officers were AU Optronics  
21 Corporation employees working in Taiwan and paid solely by AU Optronics Corporation.  
22 AU Optronics Corp. America has no autonomy or independence and is functionally a branch  
23 of AU Optronics Corporation.

24           13.    Defendants AU Optronics Corporation and AU Optronics Corp. America are  
25 referred to collectively hereafter as "AUO."  
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1           14. Defendant AU Optronics America acted as an agent of Defendant AU  
2 Optronics Corporation and its predecessors during the Conspiracy Period.

3           15. Defendant Chimei Innolux Corporation, another of the largest manufacturers  
4 of LCD panels, is a wholly-owned subsidiary of Chi Mei Corporation, with its global  
5 headquarters at No. 160, Kesuyue Rd., Jhunan Science Park, Miaoli County 350, Taiwan  
6 R.O.C. This Defendant was formed in March 2010 through the merger of Chi Mei  
7 Optoelectronics Corp, Innolux Display Corp. and TPO Displays Corp. During the Conspiracy  
8 Period, Chimei Innolux Corporation and its predecessors manufactured, marketed, sold  
9 and/or distributed LCD panels to customers throughout the United States and in Washington  
10 State.

11           16. Defendant Chi Mei Optoelectronics USA, Inc., previously doing business as  
12 International Display Technology USA, Inc., is a wholly owned and controlled subsidiary of  
13 Chi Mei Corporation, with its corporate headquarters at 101 Metro Drive Suite 510, San Jose,  
14 California 95110. During the Conspiracy Period, this Defendant manufactured, marketed,  
15 sold and/or distributed LCD panels to customers throughout the United States and in  
16 Washington State.

17           17. Defendants Chimei Innolux Corporation and Chi Mei Optoelectronics USA,  
18 Inc. are referred to collectively herein as "CMO."

19           18. Defendant Chi Mei Optoelectronics USA, Inc. acted as an agent of Defendant  
20 Chimei Innolux Corporation and its predecessor Chi Mei Optoelectronics Corporation during  
21 the Conspiracy Period.

22           19. Defendant Epson Imaging Devices Corporation, f/k/a Sanyo Epson, is a  
23 wholly owned subsidiary of Seiko Epson Corp., and is headquartered at 3-101 Minami-  
24 Yoshikata, Tottori-shi, Tottori-ken, Japan. During the Conspiracy Period, Epson Imaging  
25 Devices Corporation manufactured, marketed, sold and/or distributed LCD panels to  
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1 customers throughout the United States and in Washington State. Sanyo Epson was a joint  
2 venture between Sanyo Electronics and Seiko Epson Corp. until Seiko Epson acquired Sanyo  
3 Electronics' share and formed Epson Imaging Devices Corporation.

4         20. Defendant Epson Electronics America, Inc. is a wholly owned subsidiary of  
5 Seiko Epson Corporation, and is headquartered at 2580 Orchard Parkway, San Jose, CA  
6 95131. During the Conspiracy Period, Epson Electronics America, Inc. marketed, sold and/or  
7 distributed LCD panels and LCD products to customers throughout the United States and in  
8 Washington State.

9         21. Defendants Epson Imaging Devices Corporation and Epson Electronics  
10 America, Inc. are referred to collectively herein as "Epson."

11         22. Defendants Epson Imaging Devices Corporation and Epson Electronics  
12 America, Inc. each acted as agents of one another during the Conspiracy Period.

13         23. Defendant Hitachi, Ltd. is headquartered at 6-6 Marunouchi 1-chome,  
14 Chiyoda-ku, Tokyo, 100-8280, Japan. During the Conspiracy Period, Hitachi, Ltd.  
15 manufactured, marketed, sold and/or distributed LCD panels to customers throughout the  
16 United States and in Washington State.

17         24. Defendant Hitachi Displays, Ltd. has its principal place of business at AKS  
18 Bldg. 5F, Kanda Neribeicho 3, Chiyoda-ku, Tokyo, 101-0022, Japan and is a subsidiary of  
19 Defendant Hitachi, Ltd. During the Conspiracy Period, this Defendant manufactured,  
20 marketed, sold and/or distributed LCD panels to customers throughout the United States and  
21 in Washington State.

22         25. Defendant Hitachi Electronic Devices (USA), Inc. is a wholly owned and  
23 controlled subsidiary of Defendant Hitachi Ltd., with its principal place of business located at  
24 1000 Hurricane Shoals Road, Ste. D-100, Lawrenceville, GA 30043. During the Conspiracy  
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1 Period, the Defendant manufactured, marketed, sold and/or distributed LCD panels to  
2 customers throughout the United States and in Washington State.

3 26. Defendants Hitachi, Ltd., Hitachi Displays Ltd., Hitachi Electronic Devices  
4 (USA), Inc. are referred to collectively herein as "Hitachi."

5 27. Defendants Hitachi, Ltd., Hitachi Displays, Ltd. and Hitachi Electronic  
6 Devices (USA), Inc. each acted as agents of one another and of Defendant Hitachi, Ltd. and  
7 its predecessors during the Conspiracy Period.

8 28. Defendant LG Display Co., Ltd., formerly known as LG Phillips LCD Co.,  
9 Ltd., is a leading manufacturer of LCD panels. This Defendant was created as a joint venture  
10 in 1999 by Philips Electronics NV and LG LCD, and has its principal place of business  
11 located at 17<sup>th</sup> Floor, West Tower, LG Twin Towers 20 Yoido-dong, Youngdungpo-gu,  
12 Seoul, 150-721, Republic of Korea. During the Conspiracy Period, this Defendant  
13 manufactured, marketed, sold and/or distributed LCD panels and LCD products to customers  
14 throughout the United States and in Washington State.

15 29. Defendant LG Display America, Inc., formerly known as LGD LCD America,  
16 Inc., is a wholly owned subsidiary of LG Display Co., Ltd. and has its principal place of  
17 business located at 2540 North First Street, Suite 400, San Jose, CA 95131. LG Display  
18 America, Inc. also has sales offices in Texas, and California. During the Conspiracy Period,  
19 this Defendant manufactured, marketed, sold and/or distributed LCD panels and LCD  
20 products to customers throughout the United States and in Washington State.

21 30. Defendants LG Display Co., Ltd. and LG Display America, Inc. are referred  
22 to collectively herein as "LGD."

23 31. Defendant LG Display America, Inc. acted as an agent of Defendant LG  
24 Display Co., Ltd. and its predecessors during the Conspiracy Period.

1           32. Defendant Samsung Electronics Co., Ltd. has its principal place of business at  
2 Samsung Main Building, 250-2 ga, Taepyung-ro Chung-gu, Seoul, Republic of Korea  
3 100742. During the Conspiracy Period, Samsung Electronics Co., Ltd. manufactured,  
4 marketed, sold and/or distributed LCD panels and LCD products to customers throughout the  
5 United States and in Washington State.

6           33. Defendant Samsung Semiconductor, Inc. is a wholly-owned and controlled  
7 subsidiary of Defendant Samsung Electronics Co., Ltd., with its principal place of business at  
8 3655 North First Street, San Jose, California 95134. During the Conspiracy Period, Samsung  
9 Semiconductor, Inc. manufactured, marketed, sold and/or distributed LCD panels to  
10 customers throughout the United States and in Washington State.

11           34. Defendant Samsung Electronics America, Inc. is a wholly-owned and  
12 controlled subsidiary of Defendant Samsung Electronics Company, Ltd., with its principal  
13 place of business at 85 Challenger Road, Ridgefield Park, New Jersey 07660. During the  
14 Conspiracy Period, Samsung Electronics America, Inc. sold and distributed LCD Panels  
15 and/or LCD Products manufactured by Samsung Electronics Company, Ltd. to consumers  
16 throughout the United States and in Washington State.

17           35. Defendants Samsung Electronics Co., Ltd., Samsung Electronics America,  
18 and Samsung Semiconductor, Inc. are referred to collectively herein as "Samsung."

19           36. Defendants Samsung Semiconductor, Inc. and Samsung Electronics America,  
20 Inc. each acted as agents of one another and of Defendant Samsung Electronics Co., Ltd. and  
21 its predecessors during the Conspiracy Period.

22           37. Defendant Sharp Corporation has its principal place of business at 22-22  
23 Nagaike-cho, Abeno-ku, Osaka 545-8522, Japan. During the Conspiracy Period, Defendant  
24 Sharp Corporation manufactured, marketed, sold and/or distributed LCD panels to customers  
25 throughout the United States and in Washington State.  
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1           38. Defendant Sharp Electronics Corporation is a wholly owned and controlled  
2 subsidiary of Defendant Sharp Corporation with its principal place of business at Sharp  
3 Plaza, Mahwah, New Jersey, 07495-1163. During the Conspiracy Period, Sharp Electronics  
4 Corporation manufactured, marketed, sold and/or distributed LCD panels and LCD products  
5 to customers throughout the United States and in Washington State.

6           39. Defendant Sharp Corporation and its subsidiaries manufactured, sold and/or  
7 distributed Sharp branded LCD products in the State of Washington through numerous retail  
8 outlets during the Conspiracy Period.

9           40. Defendant Sharp Corporation wholly owns its subsidiary Sharp Laboratories  
10 of America, Inc., which is located in the State of Washington at 5750 NW Pacific Rim Blvd.,  
11 Camas, WA 98607. During the Conspiracy Period, Sharp Laboratories of America, Inc.  
12 engaged in research and development of LCD panels and acted as Sharp Corporation's  
13 liaison with other US based technology companies, including other Defendants herein.

14           41. Defendants Sharp Corporation and Sharp Electronics Corporation are referred  
15 to collectively herein as "Sharp."

16           42. Defendant Sharp Electronics Corporation acted as an agent of Defendant  
17 Sharp Corporation and its predecessors during the Conspiracy Period.

18           43. Defendant Toshiba Corporation has its principal place of business at 1-1,  
19 Shibaura 1-chome, Minato-ku, Tokyo, 105-8001, Japan. During the Conspiracy Period,  
20 Toshiba Corporation manufactured, marketed, sold and/or distributed LCD panels to  
21 customers throughout the United States and in Washington State.

22           44. Defendant Toshiba Mobile Display Technology Co., Ltd. is a wholly owned  
23 subsidiary of Toshiba Corporation and is headquartered at 1-9-2, Hatara-cho, Fukaya-shi,  
24 Saitama, 366-0032, Japan. This Defendant was formerly known as Toshiba Matsushita  
25 Display Co., Ltd. and was formed in 2002 as a joint venture or corporation between Toshiba  
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1 and Panasonic Corp. Toshiba acquired Panasonic's 40% share in 2009, making this  
2 Defendant a wholly owned subsidiary of Toshiba. During the Conspiracy Period, this  
3 Defendant manufactured, marketed, sold and/or distributed LCD panels to customers  
4 throughout the United States and in Washington State.

5 45. Defendant Toshiba America Electronics Components, Inc. is a wholly owned  
6 and controlled subsidiary of Defendant Toshiba Corporation, with its corporate headquarters  
7 at 19900 MacArthur Blvd., Ste. 400, Irvine, CA 92612. During the Conspiracy Period,  
8 Toshiba America Electronics Components, Inc. manufactured, marketed, sold and/or  
9 distributed LCD panels to customers throughout the United States and in Washington State.

10 46. Defendant Toshiba America Information Systems, Inc. is a California  
11 corporation with its principal place of business at 9470 Irvine Boulevard, Irvine, California  
12 92618-1697. Toshiba America Information Systems, Inc. is a wholly-owned and controlled  
13 subsidiary of Toshiba America, Inc. During the Conspiracy Period, Toshiba America  
14 Information Systems, Inc. sold and distributed TFT-LCD Products manufactured by Toshiba  
15 Corporation to customers throughout the United States and in Washington State.

16 47. Defendants Toshiba Corporation, Toshiba Mobile Display Technology Co.,  
17 Ltd. f/k/a Toshiba Matsushita Display Co., Ltd., Toshiba America Information Systems, Inc.  
18 and Toshiba America Electronic Components, Inc. are referred to collectively herein as  
19 "Toshiba."

20 48. Defendants Toshiba America Information Systems, Toshiba Mobile Display,  
21 and Toshiba America Electronics Components each acted as agents of one another and of  
22 Defendant Toshiba Corporation and its predecessors during the Conspiracy Period.

23 49. The actions alleged in this Complaint were taken on behalf of, and with actual  
24 or apparent authority from, the Defendants and co-conspirators named herein. Each  
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1 Defendant and co-conspirator acted as the agent of or for the other Defendants and co-  
2 conspirators with respect to the acts alleged herein.

#### 3 IV. CO-CONSPIRATORS

4 50. The conspiracy alleged herein included various co-conspirators, some of  
5 whom are unknown. Plaintiff may bring claims against known and unknown co-conspirators  
6 at a later date. Currently known co-conspirators include:, among others

- 7 a. Chunghwa Picture Tubes, Ltd. (“CPT”), 1127 Heping Rd., Bade City,  
8 Taoyuan, Taiwan, 334 R.O.C.. During the Conspiracy Period, Chunghwa  
9 manufactured, marketed, sold, and/or distributed LCD panels to customers  
10 throughout the United States, and in Washington. Chunghwa agreed to plead  
11 guilty to fixing prices of LCDs sold in the United States with other major  
12 LCD producers from September 14, 2001, to December 1, 2006;
- 13 b. CMO Japan Co., Ltd., f/k/a International Display Technology, Ltd., a  
14 subsidiary of Chi Mei Corporation, with its principal place of business located  
15 at Nansei Yaesu Bldg. 4F, 2-2-10 Yaesu, Chuo-Ku, Tokyo 104-0028, Japan.
- 16 c. HannStar Display Corporation (“HannStar”), No. 480, Rueiguang Road, 12<sup>th</sup>  
17 Floor, Neihu Chiu, Taipei 114, Taiwan and its wholly owned subsidiary  
18 HannSpree, a Delaware corporation having a principle place of business at  
19 14450 Myford Road, Suite 100, Irvine, CA 92606. During the Conspiracy  
20 Period, CMO Japan manufactured, marketed, sold, and/or distributed LCD  
21 panels to customers throughout the United States, and in Washington;
- 22 d. Hydis Technologies Co., Ltd., f/k/a BOE Hydis Technology Co., Ltd.  
23 (“Hydis”), with its principal place of business located at San 136-1, Ami-ri,  
24 Bubal-eub, Icheon-si, Gyeonggi-do 467-866, South Korea. During the  
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1 Conspiracy Period, Hydix marketed, sold, and/or distributed LCD panels to  
2 customers throughout the United States, and in Washington.

3 **IV. TRADE AND COMMERCE**

4 51. During the Conspiracy Period, the Defendants manufactured LCD panels that  
5 were incorporated into consumer products that were sold globally, including in the United  
6 States and to consumers in Washington State. Products containing LCD panels ("LCD  
7 products") include, but are not limited to, televisions, computer monitors, notebook  
8 computers, cell phones, and portable music devices.

9 52. Taken together, the Defendants and their co-conspirators manufactured a  
10 majority of the share of the market for LCD panels during the Conspiracy Period.  
11 Defendants' LCD panels are found in the majority of, if not all, LCD products sold within the  
12 United States, including in Washington State.

13 53. Each of the Defendants sold LCD Panels to United States buyers with the  
14 knowledge, intent and expectation that such LCD Panels would be incorporated into LCD  
15 Products to be sold throughout the United States, including in Washington State.

16 54. The State of Washington participates in the market for LCD panels by virtue  
17 of being a purchaser of LCD products containing LCD panels manufactured by the  
18 Defendants.

19 55. Washington State consumers participate in the market for LCD panels by  
20 virtue of being purchasers of LCD products containing LCD panels manufactured by the  
21 Defendants.

22 56. LCD panels use glass plates known as "substrates" and a liquid crystal to  
23 electronically display an image when voltage is passed through the crystal. LCD panels are  
24 manufactured to a specific size, regardless of manufacturer, and LCD panels of like  
25 specifications are generally interchangeable regardless of their manufacturer. Manufacturing  
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1 standard panel sizes across the industry facilitates price transparency and allows  
2 manufacturers to monitor LCD panel prices from competitors. These characteristics of the  
3 industry enable LCD manufacturers to easily determine when competitors are deviating from  
4 cartel pricing levels.

5         57. The LCD industry is further characterized by high barriers to entry. For  
6 example, in order to manufacture LCD panels, a new entrant must construct a factory, known  
7 as a “fabrication plant” or simply “fab.” A new fab costs billions of dollars to build. Fabs  
8 must be continually upgraded in order to meet advances in manufacturing technology, as well  
9 as to maintain the ability to manufacture LCD panels to current customer specifications.  
10 Manufacturers must also engage in continual research and development, and must be  
11 prepared to expend resources on obtaining licenses, patents and other intellectual property  
12 protections for their processes, inventions and products.

13         58. LCD panels have no independent use. They are manufactured for the purpose  
14 of being incorporated into LCD products. The demand for LCD panels is wholly dependent  
15 upon the demand for products containing those panels. LCD panels can comprise up to 80%  
16 of the cost of a consumer good incorporating that panel, depending on its application. LCD  
17 panels do not lose their independent characteristics, and are readily separable and  
18 identifiable, both physically and in cost, as a distinct component of any product containing an  
19 LCD panel. This is illustrated by the fact that when an LCD panel needs to be replaced it is  
20 easily replaced without adversely affecting the product it is in.

21         59. LCD panels are readily interchangeable between LCD products with the same  
22 specifications. LCD products can vary in their form and function, but the LCD panels they  
23 contain are substantially identical within LCD products having similar technical  
24 specifications.  
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1           64.    The meetings included, but were not limited to, formal meetings between high  
2 level executives and employees sometimes called "Top Meetings" or "CEO Meetings";  
3 formal and informal management level meetings, sometimes called "Management Meetings"  
4 or "Operational Meetings"; and meetings between lower level employees such as  
5 salespersons, sometimes referred to as "Working Meetings."

6           65.    At these meetings, the participants often exchanged proprietary pricing and  
7 output information, price and output forecasts and plans for the upcoming month or quarter.  
8 They jointly discussed and agreed upon optimum output levels, fixed and/or stabilized prices,  
9 and agreed to their respective future prices.

10          66.    Meetings took place from at least November 1998 through November 2006.  
11 At certain times during the Conspiracy Period meetings were held regularly pursuant to an  
12 agreed schedule. At other times, meetings were held on an *ad hoc* basis. Over the course of  
13 these meetings, the participants included Defendants AUO, CMO, Hitachi, Mitsubishi,  
14 Samsung, Sharp, LGD, and other co-conspirators.

15          67.    The recurring meetings were hosted in turn by different companies. Following  
16 the meetings, minutes were often prepared and circulated to participants and possibly others.  
17 Many of the meeting minutes were marked "Extremely Confidential" and "Must NOT  
18 Distribute," demonstrating that participants were actively attempting to conceal their conduct  
19 from others.

20          68.    In furtherance of, and in order to implement the agreements reached at these  
21 meetings, the Defendants also often engaged in higher level bilateral communications  
22 amongst themselves that included contacts between high level executives in the Defendant  
23 and co-conspirator companies in which they exchanged pricing and output information, all of  
24 which had the effect of fixing or stabilizing prices. These communications were via email,  
25 telephone and in-person, one-on-one meetings.  
26

1           69.     The cartel participants had formal and informal enforcement mechanisms in  
2 place. For example, a November 2001 email describes companies that are complying and  
3 those that are out of compliance with the agreed upon target price and suggests that if  
4 customers are trying to negotiate lower prices, cartel participants should “use the Hot Line to  
5 contact other makers in the industry, to avoid being tricked by customers into cutting prices.”

6           70.     At some of the meetings the participants discussed price coordination and  
7 identified anyone who was not complying with the cartel agreements for the purpose of  
8 encouraging compliance.

9           71.     The Defendants each set prices for their respective LCD panels and LCD  
10 products pursuant to the agreements and information exchanged with the other participants in  
11 the conspiracy, including but not limited to the examples noted below.

12 **A.     AUO**

13           72.     AUO participated in and attended nearly all of the monthly cartel meetings. In  
14 addition, AUO engaged in numerous bilateral communications with its competitors to  
15 implement and discuss the price and output agreements throughout the Conspiracy Period.

16           73.     On September 14, 2001, AUO participated in a meeting with CMO, CPT and  
17 HannStar. The parties agreed to continue meeting each month “to discuss practical methods  
18 to stabilize prices and exchange necessary supply and demand information.” AUO, CMO,  
19 CPT, HannStar, LGD and Samsung continued to attend these meetings regularly until at least  
20 2006, although not every Defendant was present at each meeting.

21           74.     On July 9, 2003, AUO participated in a “crystal operations meeting” hosted  
22 by HannStar and attended by co-conspirators, CMO, CPT, HannStar, LGD and Samsung. At  
23 the meeting, these participants exchanged pricing and output information, disclosed their  
24 pricing and output forecasts and plans for the following quarter.

1           75. In January 2006, AUO participated in a meeting with AUO, CPT, LGD and  
2 Samsung to discuss expected production volume of panels, production targets for the future  
3 and agreed pricing going forward.

4           76. AUO has sold LCD products to Washington based entities and on at least one  
5 occasion has sent an employee to attend a conference in the State.

6 **B. CMO**

7           77. CMO participated in cartel meetings during the Conspiracy Period and  
8 attended nearly all of the monthly cartel meetings. In addition, CMO engaged in numerous  
9 bilateral communications with its competitors to implement and discuss the price and output  
10 agreements throughout the Conspiracy Period.

11           78. On October 5, 2001, CMO met with AUO, CPT, HannStar and LGD at the  
12 Tower Plaza Hotel in Taipei to exchange price and capacity data and to set their future prices  
13 and output. At the meeting they discussed prices for the following month, their supply and  
14 demand forecast for 2002 and strategized "how to cooperate with Japanese makers to adopt  
15 same price policy?" The meeting minutes were circulated among the conspirators.

16           79. On June 11, 2003, CMO hosted a "Crystal Operation Meeting" and  
17 subsequently prepared and distributed meeting minutes. The minutes include proprietary  
18 pricing, manufacturing and capacity information for CMO competitors Samsung, LGD,  
19 CMO, CPT, and HannStar and include a "general consensus" setting goals agreed to by the  
20 group.

21           80. On July 18, 2006, Cory Chang, Deputy Manager of Sales for CMO, wrote that  
22 he had discussed pricing, products and volume with AUO, Samsung, and LGD.

23  
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25 ////

1 **C. Hitachi**

2 81. Hitachi participated in cartel meetings during the Conspiracy Period. In  
3 addition, Hitachi engaged in numerous bilateral communications with its competitors to  
4 reach, implement and discuss price and output agreements throughout the Conspiracy Period.

5 82. On December 10, 2001, Hitachi met with CPT to exchange pricing  
6 information for January 2002.

7 83. In June 2004, Hitachi met with Sharp to exchange competitively sensitive  
8 information regarding volume, price and capacity. Among the information exchanged was  
9 Hitachi's plan to phase out certain business and its product inventories.

10 **D. LGD**

11 84. LGD participated in cartel meetings during the Conspiracy Period and  
12 attended nearly all of the monthly cartel meetings. In addition, LGD engaged in numerous  
13 bilateral communications with its competitors to implement and discuss the price and output  
14 agreements.

15 85. In 1998, LGD Sales Director B. Kwon described a meeting in which Hitachi  
16 solicited feedback on whether LGD's prices were too low and promised to "cooperate in  
17 maintaining the market price."

18 86. In February 2005, LGD marketing employee Matthew Kim, requested  
19 meetings with his Hitachi counterparts to discuss small, medium and large LCD panel  
20 supplies, inventory and pricing. A meeting was held on February 22, 2005, at Hitachi's  
21 Tokyo office at which the participants discussed and reached agreement on appropriate  
22 supplies, inventory levels for Sharp, Hitachi and others, and previewed their business plans  
23 for the remainder of the year.

24 87. In June 2006, Mr. Kim and other Hitachi employees met again with LGD  
25 employees in their Tokyo office. The participants exchanged their respective price  
26

1 information and exchanged the agreed upon prices to be charged by other cartel participants  
2 including AUO, CMO and Sharp.

3 **E. Samsung**

4 88. Samsung participated in cartel meetings during the Conspiracy Period and  
5 attended nearly all of the monthly cartel meetings. In addition, Samsung engaged in  
6 numerous bilateral communications with its competitors to implement and discuss the price  
7 and output agreements.

8 89. In December 1998, Reuben Chang, a Samsung employee, reported meeting  
9 with Sharp and Hitachi. Both Sharp and Hitachi confirmed that they would be raising prices  
10 beginning the following week and discussed their plans to cease designs of specific products.

11 90. In 2001, a Samsung business plan intended for internal distribution set forth  
12 information about future price plans and supplies for cartel members LGD, Sharp, CMO and  
13 others. It also set forth Samsung's wish to confirm cooperation regarding price management  
14 strategies and ensure supplier collaboration.

15 91. Throughout the Conspiracy Period, Samsung employees gathered and  
16 conveyed information from cartel participants for competitor pricing, supplies, inventories  
17 and output, together with their plans for future pricing, supplies and output, and provided the  
18 information to senior executives at Samsung, who used the information to set Samsung's  
19 prices and control output and inventory in accordance with cartel agreements.

20 **F. Sharp**

21 92. Sharp participated in cartel meetings during the Conspiracy Period. In  
22 addition, Sharp engaged in numerous bilateral communications with its competitors to  
23 implement and discuss the price and output agreements.

24 93. In December 1998, Sharp met with Samsung to discuss and exchange their  
25 prices and product design and output.  
26

1           94.     In August 2001, K. Kawada, Sharp's Sr. Director of Display Marketing for  
2 Sharp Microelectronics of the Americas, wrote that he had talked with Toshiba about pricing  
3 their following month. Toshiba exchanged competitive pricing information with Sharp  
4 regarding their price goals for the following month.

5           95.     In August 2001, K. Kawada also discussed and agreed upon future prices with  
6 Hitachi regarding its sales to Dell Computer. Sharp and Hitachi were competitors for Dell's  
7 business.

8           96.     In June 2004, Sharp met with Hitachi to discuss exchange competitive  
9 information, including plans to discontinue certain products.

10 **G.    Toshiba**

11           97.     Toshiba participated in bilateral communications with competitors during the  
12 Conspiracy Period to implement and discuss pricing, supply and output levels and to reach  
13 agreement on future pricing and supply and output coordination.

14           98.     Toshiba engaged in numerous bilateral communications in which it passed  
15 along proprietary pricing and output information to its competitors, including Defendants and  
16 co-conspirators herein.

17           99.     Toshiba shared information with competing bidders on contracts being  
18 negotiated with Dell, Apple and Motorola, thwarting the goals of competitive bidding and  
19 allowing the Toshiba companies and their co-conspirators to artificially increase bid prices.  
20 These increased prices were ultimately passed on to resellers and ultimately to end user  
21 purchasers.

22           100.    Toshiba also engaged in corporate relationships that facilitated its access to  
23 other members of the cartel. For example, in 1998 Toshiba and Hitachi formed a joint  
24 venture called HannStar, merging the companies' LCD manufacturing operations and  
25  
26

1 providing each with access to one another's output, production costs and other competitive  
2 information. HannStar is a co-conspirator and was a frequent participant at cartel meetings.

### 3 VI. FRAUDULENT CONCEALMENT

4 101. The Defendants and their co-conspirators repeatedly sought to mask or  
5 conceal the conspiracy. At no time did the conspirators publicly admit that they were  
6 collaborating to set, stabilize or fix prices and output.

7 102. Minutes of the frequent meetings were sometimes marked "Extremely  
8 Confidential" and "Must NOT Distribute," demonstrating that the participants were actively  
9 attempting to conceal their conduct from others, and that they were aware that their conduct  
10 was unlawful.

11 103. Email correspondence between officials of some of the Defendants cryptically  
12 reference "contacts" in other companies, demonstrating a deliberate attempt to conceal  
13 identities of co-conspirators.

14 104. Defendants often deliberately planned to arrive at meetings at various times  
15 and depart at various times in order to avoid detection.

16 105. Certain Defendants arranged meetings that were expressly intended to conceal  
17 the nature and existence of the conspiracy. One example of such concealment was the "green  
18 meetings," a term used to refer to meetings held on a golf course.

19 106. Another example of the Defendants' efforts to conceal the nature and purpose  
20 of their meetings was "round robin" meetings held in restaurants. Certain Defendants  
21 arranged to covertly meet with their competitors in different restaurants on the same date. In  
22 these "round robin" meetings, the participants would meet one-on-one in a restaurant to  
23 create the false impression that they were socializing. After exchanging price, output or  
24 volume information, and confirming or reaching agreements on price, output or volume, they  
25  
26

1 would move to the next table or the next restaurant to meet the next participant. This process  
2 would continue until each had met with all of the participants.

3 107. Certain of the Defendants would meet in book stores and would discuss cartel  
4 activity and agreements including exchanging and agreeing on price information, volume and  
5 output while pretending to leaf through or read books.

6 108. The Defendants and co-conspirators regularly tried to blame price increases in  
7 the industry on other factors and to deliberately, actively and fraudulently conceal their  
8 collusion and its consequences.

9 109. The State of Washington did not discover, and could not have reasonably  
10 discovered the existence of the conspiracy alleged herein.

## 11 **VII. FIRST CAUSE OF ACTION**

### 12 **Violation of the Consumer Protection Act, RCW 19.86.030**

13 110. Plaintiff realleges and incorporates by reference, as if fully set forth herein,  
14 the allegations in paragraphs 1-109 above.

15 111. The conduct of each of the Defendants alleged herein constitutes a contract,  
16 combination or conspiracy with other Defendants in restraint of trade or commerce.

17 112. Defendants' contract, combination or conspiracy was for the purpose of, and  
18 had the effect of raising and/or stabilizing prices or price levels in violation of the state  
19 Consumer Protection Act, RCW 19.86.030.

## 20 **VIII. INJURY**

21 113. During the Conspiracy Period consumers and the state of Washington paid  
22 supracompetitive prices for LCD products because of the unlawful agreements between the  
23 Defendants and their co-conspirators.

24 114. The acts of the Defendants and co-conspirators caused antitrust injury to  
25 victims in the United States, including in Washington State.  
26

1 **IX. REQUEST FOR RELIEF**

2 Plaintiff requests that the Court:

3 A. Enter judgment in favor of the State of Washington and against Defendants  
4 jointly and severally;

5 B. Adjudge and decree that the Defendants have engaged in the conduct alleged  
6 herein;

7 C. Adjudge and decree the conspiracy described herein to be an unlawful  
8 contract, combination or conspiracy in restraint of trade or commerce in the State of  
9 Washington in violation of the Unfair Business Practices – Consumer Protection Act, RCW  
10 19.86.030;

11 D. Award full damages and restitution to the State of Washington on behalf of its  
12 state agencies and consumers;

13 E. Award any and all civil penalties allowed by law;

14 F. Permanently enjoin Defendants, their affiliates, successors, transferees,  
15 assignees, and the officers, directors, partners, agents, and employees of each of them,  
16 together with all other persons acting or claiming to act on their behalf, from continuing,  
17 maintaining, or renewing the conduct, contract, conspiracy or combination alleged herein, as  
18 well as any similar conduct, contract, conspiracy or combination with similar intent, purpose  
19 and/or effect;

20 G. Award pre-judgment and post-judgment interest at the highest allowable legal  
21 rate and from the earliest time allowable by law;

22 H. Award costs and attorneys' fees expended in this suit to the full extent  
23 allowed by law; and

24 ////

25 ////

1 I. Award such other relief as the Court may deem just and proper.

2 DATED this 16<sup>th</sup> day of August 2010.

3  
4 ROBERT M. MCKENNA  
5 ATTORNEY GENERAL

6 TINA E. KONDO, WSBA #12101  
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