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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

16 LIFETIME SERVICE CENTER, INC., on behalf of itself and others similarly situated.

18 v. Plaintiff,

MURATA MANUFACTURING CO., LTD.;
MURATA ELECTRONICS NORTH
AMERICA, INC.; PANASONIC
CORPORATION; PANASONIC
CORPORATION OF NORTH AMERICA;
PANASONIC ELECTRONIC DEVICES
CO. LTD; PANASONIC ELECTRONIC
DEVICES CORPORATION OF AMERICA;
SUMIDA CORPORATION; SUMIDA
ELECTRIC CO., LTD.; SUMIDA AMERICA
COMPONENTS, INC.; TAIYO YUDEN
CO., LTD.; TAIYO YUDEN (U.S.A.) INC.;
TDK CORPORATION; TDK-EPC
CORPORATION; TDK CORPORATION
OF AMERICA, and TDK U.S.A.
CORPORATION.

Case No.

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

Defendants

1 Plaintiff Lifetime Service Center, Inc. (“Plaintiff”) brings this action on behalf of
2 themselves and on behalf of a class of all persons and entities in the United States, its territories,
3 and the District of Columbia similarly situated (the “Class”) for damages and injunctive relief
4 under Sections 1 and 3 of the Sherman Act (15 U.S.C. §§ 1 and 3) against defendants Murata
5 Manufacturing Co., Ltd.; Murata Electronics North America, Inc.; Panasonic Corporation;
6 Panasonic Corporation of North America; Panasonic Electronic Devices Co. Ltd; Panasonic
7 Electronic Devices Corporation of America; Sumida Corporation; Sumida Electric Co., Ltd.;
8 Sumida America Components, Inc.; Taiyo Yuden Co., Ltd.; Taiyo Yuden (U.S.A.) Inc.; TDK
9 Corporation; TDK-EPC Corporation; TDK Corporation of North America; and TDK U.S.A.
10 Corporation (collectively “Defendants”). Plaintiff alleges as follows, based on information and
11 belief.

12 **I. NATURE OF THE ACTION**

13 1. This action is based on a scheme by Defendants to fix prices of Inductors (as
14 defined herein) (1) that were sold to or billed to persons or entities in the United States during the
15 period from at least January 1, 2003 through December 31, 2016 (the “Class Period”), or (2)
16 where, during the Class Period, the conduct alleged herein had a direct, substantial, or reasonably
17 foreseeable effect on United States commerce.

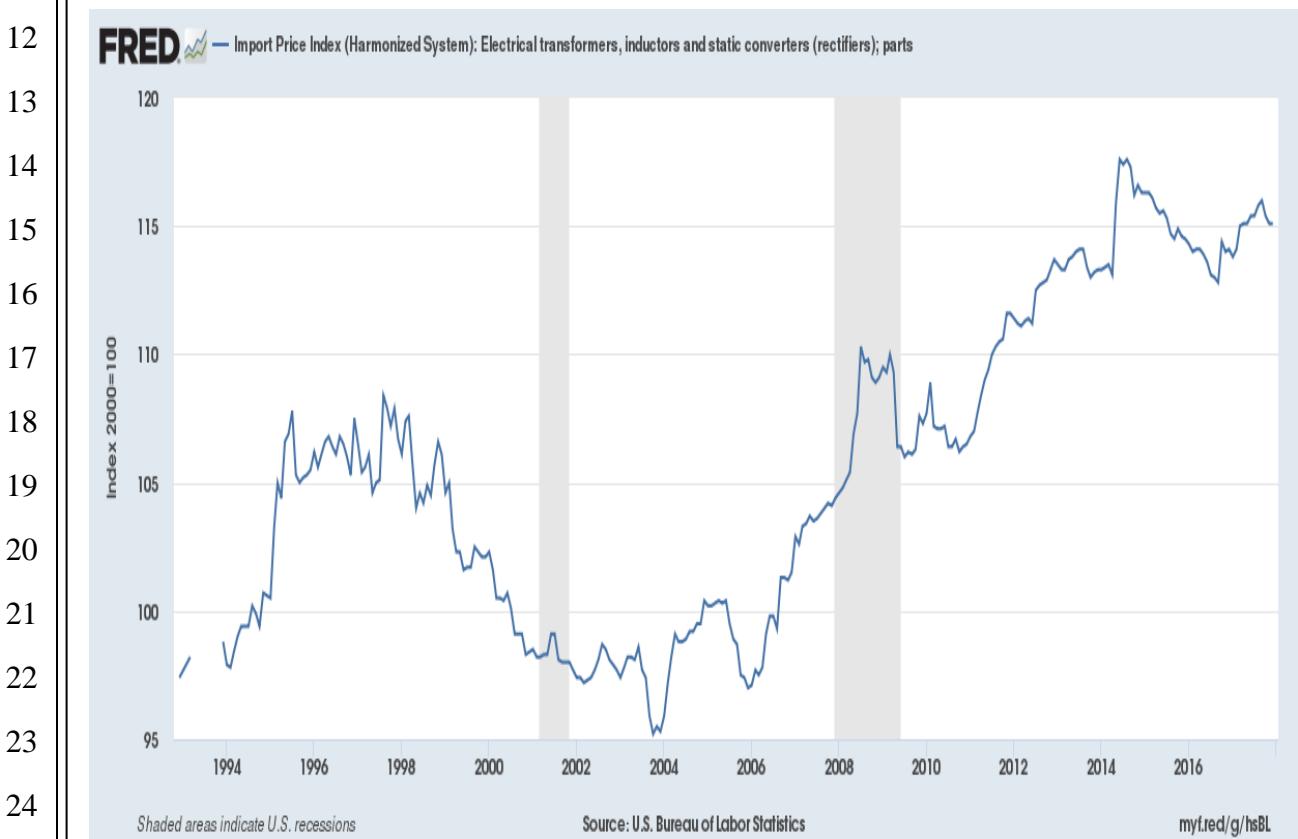
18 2. Inductors are electronic components that store energy in the form of a magnetic
19 field. Along with resistors (a component having a specific amount of resistance to the flow of an
20 electrical current) and capacitors (a two-terminal electronic component that stores potential energy
21 in the form of an electrical field), Inductors are viewed as part of the category of “passive
22 electronic components.” As explained in more detail below, Inductors are now found in a wide
23 variety of electronic equipment, including: (a) smartphones and other types of consumer
24 electronic equipment; (b) advanced driver assistance systems (“ADAS”) used in vehicles; (c)
25 induction motors that are used in industry to convert electrical energy into mechanical energy;
26 and (d) various military, naval, and air force equipment ranging from missile systems to radars
27 and sonars.

1 3. In 2015, the global market for Inductors was estimated to be worth \$3.86 billion.
 2 As explained below, the Defendants control over 75% of the global Inductor market.

3 4. In 2015, the North American market for Inductors was estimated to be worth \$965
 4 million.

5 5. As alleged herein, Defendants formed a cartel to fix and stabilize the prices for
 6 Inductors sold or shipped to the United States and world-wide, just as a similar cartel existed with
 7 respect to capacitors that has been the subject of extensive criminal guilty pleas secured by the
 8 United States Department of Justice (“DOJ”).

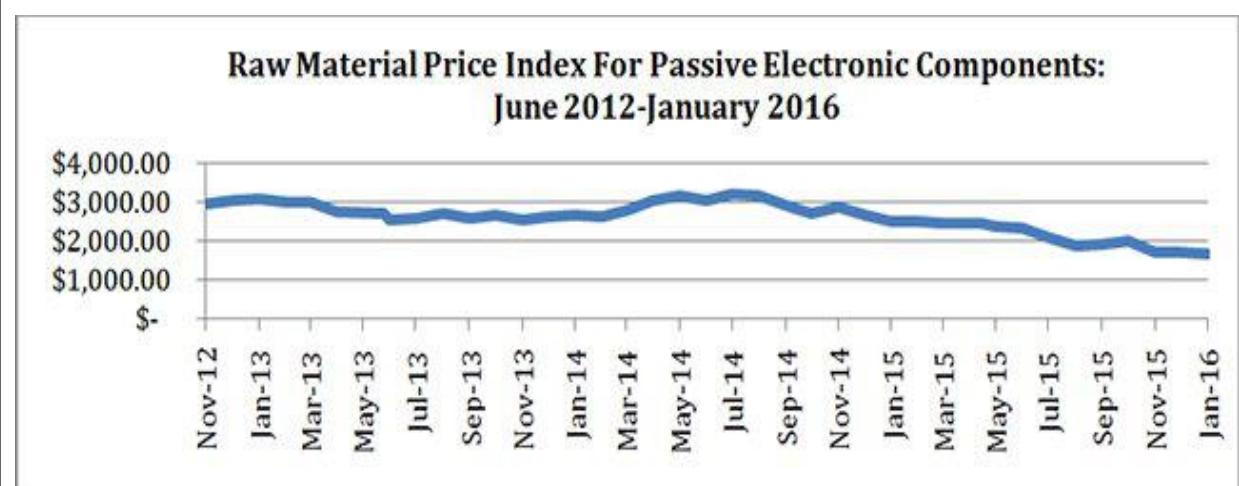
9 6. The following chart, taken from Fderal Reserve Economic Data (“FRED”)
 10 maintained on a database by the Federal Reserve Bank of St. Louis shows the effects of
 11 Defendants’ conspiracy:



26 The chart depicts a Price Index for imported Inductors (as well as related types of electronic
 27 equipment) using the data from the year 2000 as a baseline. As can be seen, import prices for
 28 Inductors started to plummet drastically in January of 1998, after the entry in December of 1997

1 of 29 nations (including Japan and the United States) into the Information Technology Agreement
2 (“ITA”), which eliminated tariffs on world trade of various IT products, including Inductors.
3 Import prices of Inductors started to decline precipitously. They reached a nadir by October of
4 2003, six months after China agreed to enter into the ITA. Thereafter, the import prices of
5 Inductors increased radically, including two major price spikes in July of 2008 and April of 2009,
6 the period of the worldwide recession. Thereafter, import prices of Inductors climbed steadily,
7 reaching a peak in August of 2014. While prices have since declined slightly, they never returned
8 to their pre-2003 levels, spiking again in August of 2017.

9 7. Increased costs of raw materials do not explain the increases in the Import Price
10 Index for Inductors. The following chart depicts how the Raw Material Price Index for passive
11 electronic components stabilized for much of the period between November of 2012 and January
12 of 2016 and declined in the latter portion of that period to the point where it was below its levels
13 in 2012:



22 8. Increases in demand do not explain the huge increases in the Import Price Index for
23 Inductors. For example, analysts noted that in March of 2009, the global market for passive
24 electronic components generally had declined by 18% compared to the previous year and that by
25 March of 2010, demand for passive electronic components had declined by an additional 13
26 percent. As noted above, contrary to sliding electronic component demand in these years, the
27 Import Price Index for Inductors spiked. In Japan, exports of passive components fell from

1 1,130,000 million yen in 2007 to 705,372 million yen in 2009, according to data available from
 2 MITI, the Japanese Ministry of International Trade & Industry.

3 9. While use of Inductors in smartphones and ADAS increased in the years that
 4 followed, the costs of manufacturing these products declined. For example, by 2015, Air Core
 5 Inductors (Inductors consisting of a coil wrapped around a ceramic core) occupied approximately
 6 40% of the market and were much easier to manufacture than other types of Inductors. Yet the
 7 Import Price Index for Inductors in 2014-15 was at levels that vastly exceeded those of 2009-10.

8 10. The only plausible explanation for the discrepancy between ever higher Inductor
 9 prices during times of decreasing global demand and decreasing manufacturing costs is
 10 conspiratorial activity.

11 11. In the capacitor market, the DOJ obtained a series of guilty pleas with respect to a
 12 conspiracy that extended from as long as September of 1997 through January of 2014. See
 13 [https://www.justice.gov/opa/pr/seventh-company-agrees-plead-guilty-fixing-prices-electrolytic-](https://www.justice.gov/opa/pr/seventh-company-agrees-plead-guilty-fixing-prices-electrolytic-capacitors)
 14 [capacitors](#). The conduct in question included, *inter alia*: (a) face-to-face meetings at which
 15 agreements to fix the prices of capacitors were reached; (b) collusive bidding to customers who
 16 asked for pricing on capacitors; (c) exchanges and monitoring of price, sales, bid, supply, demand,
 17 shipping and production of capacitors; and (d) acts of fraudulent concealment of the conspiracy.
 18 The Honorable District Judge James Donato has rejected some of the fines with respect to
 19 corporate plea-takers as being too low.

20 12. The DOJ's actions with respect to capacitors and its investigation into antitrust
 21 violations with respect to resistors (later dropped) have led to the filing of two follow-on class
 22 action proceedings centralized before Judge Donato: *In re Capacitors Antitrust Litig.*, No. 14-
 23 3264 JD (N.D. Cal.); *In re Resistors Antitrust Litig.*, No. 15-3820 JD (N.D. Cal.). Defendant
 24 Panasonic Corporation is a defendant in both cases.

25 13. It has been publicly reported that Panasonic Corporation approached the DOJ and
 26 sought leniency with respect to the conspiracy regarding capacitors. Both NEC Tokin and Taiyo
 27 Yuden Co., Ltd. also acknowledged publicly that they were cooperating with investigators with
 28 respect to the capacitors conspiracy.

1 14. As was the case in capacitors and resistors conspiracies, the conspiracy regarding
 2 Inductors was carried out, in part, under the auspices of the Japan Electronics and Information
 3 Technology Industries Association (“JEITA”), which was formed in 2000. Each of the
 4 Defendants is a member of JEITA. Through JEITA meetings, as well as meetings of another trade
 5 association described below, Defendants exchanged competitively sensitive information and
 6 reached agreements just as some Defendants did in cartels concerning capacitors and resistors.

7 15. On January 4, 2018, the publication *mLex* first reported that certain Japanese
 8 companies received investigative subpoenas from the DOJ’s office in the Northern District of
 9 California relating to an investigation of price-fixing activity in the Inductors market. Globally,
 10 the Inductors market was several billion dollars or more in each year of the Class Period. In the
 11 United States, hundreds of millions of dollars of Inductors were sold during the Class Period.

12 **II. JURISDICTION AND VENUE**

13 16. Jurisdiction exists under Section 16 of the Clayton Act (15 U.S.C. § 26) to recover
 14 equitable relief for violation of Section 1 of the Sherman Act (15 U.S.C. § 1). The Court has
 15 original federal question jurisdiction over the Sherman Act claim asserted in this complaint
 16 pursuant to 28 U.S.C. § 1331 and Section 16 of the Clayton Act.

17 17. Venue is proper in this District under Sections 4(a) and 12 of the Clayton Act (15
 18 U.S.C. §§ 12 and 22), and 28 U.S.C. § 1391(b), (c), and (d) because Defendants regularly transact
 19 business in this District. Additionally, a substantial part of the events giving rise to Plaintiff’s
 20 claims occurred in this District. Specifically, some Defendants maintain offices in this District,
 21 and all Defendants sell or seek to sell Inductors to electronics companies located in this District.

22 18. This Court has jurisdiction over Defendants because the wrongdoing alleged herein
 23 was directed at purchasers of Inductors in the United States and in this District.

24 **III. PARTIES**

25 **A. Plaintiff**

26 19. Plaintiff Lifetime Service Center, Inc. is a corporation with its principal place of
 27 business located at 1955 Wehrle Drive, Williamsville, New York 14221. Lifetime Service Center
 28 offers repair and reverse logistic solutions to the consumer electronics industry. Its programs

1 include customer service triage, work-order creation and management, component level repairs,
2 returns management, and a refurbishing department. Lifetime Service Center has created
3 departments that repair laptop computers, tablets, video game systems, music equipment, and
4 mobile phones.

5 20. During the Class Period, Lifetime Service Center purchased Inductors directly
6 from one or more of the Defendants. Powerweb, Inc. and Powerweb Energy, Inc. paid more for
7 Inductors than they would have in the absence of the conspiracy alleged herein.

8 **B. The Murata Defendants**

9 21. Murata Manufacturing Co., Ltd. (“Murata Manufacturing”) is a Japanese
10 corporation with its principal place of business located at 10-1, Higashikotari 1-chome,
11 Nagaokakyo-shi, Kyoto 617-8555, Japan. Murata Manufacturing—directly and/or through its
12 predecessors and subsidiaries, which it wholly owns and/or controls—manufactures, markets,
13 and/or sells Inductors in the United States during the Class Period. For example, industry data
14 shows that Murata Manufacturing had \$15 million in sales of Inductors in North America in 2007
15 alone. Murata Manufacturing is one of the largest global manufacturers of passive electronic
16 components. Murata Manufacturing annually has revenues in excess of \$5 billion from sales of
17 passive electronic components, including inductors.

18 22. In March of 2014, Murata Manufacturing acquired controlling interest in TOKO,
19 Inc. (“TOKO”), a Japanese company that was a leading Inductor manufacturer that sold hundreds
20 of millions of dollars of Inductors in the United States during the Class Period. According to
21 estimates from one industry expert, TOKO had \$47 million of sales of Inductors in North America
22 in 2007 alone. By April of 2015, Murata Manufacturing had assumed all aspects of TOKO’s
23 business, including its assets, sales, service, and technical support for the portfolio of TOKO
24 products, including Inductors. To the extent Murata Manufacturing assumed, in whole or in part,
25 the assets and liabilities of TOKO, Plaintiff also intends to hold Murata Manufacturing liable for
26 any violations of Sherman Act § 1 by TOKO that occurred during the Class Period.

27 23. Murata Electronics North America, Inc. (“MENA”) is a wholly owned subsidiary
28 of Murata Manufacturing (with Murata Manufacturing and TOKO, “Murata” or the “Murata

1 Defendants”), a Texas corporation with its principal place of business located at 2200 Lake Park
2 Drive SE, Smyrna, Georgia 30080-7604. MENA—directly and/or through its subsidiaries, which
3 it wholly owned and/or controlled—manufactured, marketed, and/or sold Inductors that were
4 purchased throughout the United States, including in this District, during the Class Period.

5 24. Murata Manufacturing also operates Murata Americas RF Product Department
6 (“Murata RF”) in the United States, with offices in Carrollton, Texas and Duluth Georgia,

7 25. Defendants Murata Manufacturing and MENA will be referred to collectively
8 herein as “Murata” or the “Murata Defendants.”

9 26. It has been reported that Murata sells its passive electronics components to 40% of
10 the global smartphone market, including Apple, Inc.

11 **C. The Panasonic Defendants**

12 27. Panasonic Corporation (“Panasonic Corp.”) is a Japanese corporation with its
13 principal place of business located at 1006, Oaza Kadoma, Kadoma-shi, Osaka 571-8501, Japan.

14 Panasonic Electronic Devices Co. Ltd. (“PED”) was a former Japanese subsidiary of
15 Panasonic Corp. that was a leading manufacturer of Inductors. PED has substantial sales of
16 Inductors in the United States during the Class Period. For example, industry data shows that in
17 2007 PED sold \$10 million of Inductors in North America. In August of 2011, Panasonic Corp.
18 announced it was dissolving and absorbing PED in April of 2012. Panasonic is responsible for
19 the acts of its wholly owned and controlled subsidiary PED, and Plaintiff will seek to hold
20 Panasonic Corp. liable for any violations of Section 1 of the Sherman Act (15 U.S.C. §1) by PED
21 that occurred during the Class Period.

22 28. Panasonic Corporation of North America (“PCNA”), a wholly owned subsidiary of
23 Panasonic Corp., is a Delaware corporation with its principal place of business located at Two
24 Riverfront Plaza, Newark, New Jersey 07102. During the Class Period, PCNA—either directly
25 or through its business units, subsidiaries, agents, or affiliates—sold and distributed to United
26 States purchasers Inductors manufactured by business units, subsidiaries, agents, or affiliates of
27 its corporate parent, Panasonic Corp.

28

1 29. Defendants Panasonic Corp., PED, and PCNA are hereinafter referred to as
2 “Panasonic” or the “Panasonic Defendants.”

3 **D. The Sumida Defendants**

4 30. Sumida Electric Co. Ltd. (“Sumida Electric”) is a Japanese corporation with its
5 principal place of business located at 3-6, 3-Chome, Ningyo-cho, Nihonbashi, Chuo-ku, Tokyo
6 103-8589, Japan. Sumida Electric—directly and/or through its predecessors and subsidiaries,
7 which it wholly owned and/or controlled—manufactured, marketed, and/or sold Inductors in the
8 United States during the Class Period. For example, in 2007 Sumida Electric sold \$27 million of
9 Inductors in North America according to industry data.

10 31. Sumida America Components Inc. (“Sumida America”) is a Delaware corporation
11 with its headquarters at 1251 N Plum Grove Road, Suite 150, Schaumburg, Illinois 60173. Sumida
12 America maintains offices in this District, at 1885 Lundy Avenue, Suite 250, San Jose, California
13 95131. During the Class Period, Sumida America—either directly or through its business units,
14 subsidiaries, agents, or affiliates—sold and distributed to United States purchasers Inductors
15 manufactured by business units, subsidiaries, agents, or affiliates of its corporate parent, Sumida
16 Electric.

17 32. Defendants Sumida Electric and Sumida America are hereinafter referred to as
18 “Sumida” or the “Sumida Defendants.”

19 **E. The Taiyo Yuden Defendants**

20 33. Taiyo Yuden Co., Ltd. (“Taiyo Yuden Co.”) is a Japanese corporation with its
21 principal place of business located at 6-16-20, Ueno, Taito-ku, Tokyo 110-0005, Japan. Taiyo
22 Yuden Co.—directly and/or through its predecessors and subsidiaries, which it wholly owned
23 and/or controlled—manufactured, marketed, and/or sold Inductors in the United States during the
24 Class Period. In its 2017 Annual Report, Taiyo Yuden Co. estimated that it sold 41.273 billion
25 yen worth of Inductors.

26 34. Defendant Taiyo Yuden (USA) Inc. (“Taiyo Yuden USA”), an Illinois corporation,
27 is a wholly owned subsidiary of Taiyo Yuden Co., with its principal place of business located at
28 10 North Martingale Road, Suite 575, Schaumburg, Illinois 60173. During the Class Period,

1 Taiyo Yuden USA— either directly or through its business units, subsidiaries, agents, or
 2 affiliates—sold and distributed to United States purchasers Inductors manufactured by business
 3 units, subsidiaries, agents, or affiliates of its corporate parent, Taiyo Yuden Co.

4 35. Defendants Taiyo Yuden Co. and Taiyo Yuden USA are collectively referred to
 5 herein as “Taiyo Yuden” or the “Taiyo Yuden Defendants.”

6 **F. The TDK Defendants**

7 36. TDK Corporation is a Japanese corporation with its principal place of business at
 8 13-1 Nihonbashi 1-chrome, Chuo-ku 103-8272, Tokyo, Japan. TDK Corporation—directly
 9 and/or through its predecessors and subsidiaries, which it wholly owned and/or controlled—
 10 manufactured, marketed, and/or sold Inductors in the United States during the Class Period.

11 37. TDK-EPC Corporation (“TDK-EPC”) is a Japanese corporation with its principal
 12 place of business located at Shibaura Renasite Tower, 3-9-1 Shibaura, Minato-ku, Tokyo 108-
 13 0023, Japan. TDK-EPC was founded on October 1, 2009 from the combination of the passive
 14 components businesses of TDK Corporation and non-party EPCOS AG, a German corporation.
 15 TDK-EPC—directly and/or through its predecessors and subsidiaries, which it wholly owned
 16 and/or controlled—manufactured, marketed, and/or sold Inductors in the United States during the
 17 Class Period.

18 38. Defendant TDK U.S.A. Corporation (“TDK USA”), a New York corporation, is a
 19 wholly owned subsidiary of TDK Corporation with its principal place of business located at 525
 20 RXR Plaza, Uniondale, New York 11556. During the Class Period, TDK USA—either directly
 21 or through its business units, subsidiaries, agents, or affiliates—sold and distributed to United
 22 States purchasers Inductors manufactured by business units, subsidiaries, agents, or affiliates of
 23 its corporate parents, TDK Corporation and TDK-EPC.

24 39. Defendant TDK Corporation of America (“TDK America”) is a subsidiary of TDK
 25 Corporation with its principal place of business at 475 Half Day Road, Suite 300, Lincolnshire,
 26 Illinois 60069. TDK America sold and distributed to United States purchasers Inductors
 27 manufactured by business units, subsidiaries, agents, or affiliates of its corporate parent, TDK
 28 Corporation.

1 40. TDK Corporation, TDK America, TDK-EPC, and TDK USA are collectively
 2 referred to as “TDK” or the “TDK Defendants.”

3 41. The TDK Defendants were the largest manufacturers of Inductors during the Class
 4 Period. For example, in 2007 TDK sold \$57 million in Inductors in North America, more than
 5 any other manufacturer according to one industry expert. Following the 2009 combination, TDK
 6 began to sell TDK and EPCOS-branded Inductors, and does so to this day.

7 **G. Agents and Co-Conspirators**

8 42. Each Defendant acted as the principal of or agent for the other Defendant with
 9 respect to the acts, violations, and common course of conduct alleged herein.

10 **IV. AFFECTED COMMERCE**

11 43. During the Class Period, Defendants collectively controlled the vast majority of the
 12 market for Inductors, both globally and in the United States, as further described below.

13 44. Defendants sold directly Inductors to customers located in the United States.
 14 Substantial quantities of Inductors are shipped from outside the United States into the United
 15 States in a continuous and uninterrupted flow of interstate and foreign trade and commerce.

16 45. In addition, substantial quantities of equipment and supplies necessary to the
 17 production and distribution of Inductors, as well as payments for Inductors and related products
 18 sold by Defendants, traveled in interstate and foreign trade and commerce. The business activities
 19 of Defendants in connection with the production and sale of Inductors that were the subject of the
 20 charged conspiracy were within the flow of, and substantially affected, interstate and foreign trade
 21 and commerce.

22 **A. Defendants’ Conduct Involved Import Trade or Import Commerce and Had
 23 a Direct, Substantial and Reasonably Foreseeable Effect on U.S. Domestic and
 24 Import Trade or Commerce that Gave Rise to Plaintiff’s and Class Members’
 25 Antitrust Claims**

26 46. Defendants’ illegal conduct involved United States import trade or import
 27 commerce. Defendants knowingly and intentionally sent price-fixed Inductors into a stream of
 28 commerce that they knew led directly into the United States, one of their most important markets
 and a major source of their revenues. In this respect, they directed their anticompetitive conduct

1 at imports into the United States with the intent of causing price-fixed Inductors to enter the
 2 United States market and inflating the prices of Inductors destined for the United States. Such
 3 conduct was meant to produce and did in fact produce a substantial effect in the United States in
 4 the form of higher prices.

5 47. The United States Inductors market is enormous. According to a 2017 analyst
 6 report, The United States Inductor market represents 71% of the total North American Inductor
 7 market. The total size of the United States Inductor market was approximately \$768 million in
 8 2015 and is expected to reach \$965 million by 2021. Demand from private industry (such as
 9 smartphone and automobile makers) and from the military is fueling this growth.

10 48. Defendants recognize the importance of sales of Inductors in the United States in
 11 their annual reports and other financial reports. That is why they created and invested in entities like
 12 MENA, Murata RF, Taiyo Yuden USA, Sumida America, PCNA, TDK America, and TDK USA.
 13 The websites of those entities boast about their respective sales networks in the United States.

14 49. To give one example, MENA's website states that “[w]e serve as the regional and
 15 functional headquarters supporting our customers' engineering and procurement activities
 16 throughout the Americas. Along with experienced teams of Technical Sales Managers located in
 17 several major hubs, including Silicon Valley, San Jose, San Diego, Austin, Dallas, Chicago,
 18 Detroit, Kokomo and Boston, we utilize a network of Sales Representatives and Authorized
 19 Distributors to service our customers' requirements for sales and technical support, design
 20 expertise, logistics and supply chain initiatives.” [https://www.murata.com/en-](https://www.murata.com/en-us/about/company/muratlocations/americas/mea)
[us/about/company/muratlocations/americas/mea](#).

22 50. Taiyo Yuden's website similarly lists a headquarters for Taiyo Yuden USA in
 23 Chicago and “sales offices” in San Diego, San Jose, Chicago and Boston.
<https://www.yuden.co.jp/ut/company/overseas/>.

25 51. As a third example, TDK America's website states that “TDK Corporation of
 26 America (TCA), a group company of TDK Corporation, was established in 1974 in California as
 27 the sales and marketing force for electronic components in North America and Latin America.
 28 TCA has grown into a sales force of fifteen offices in the U.S. and a headquarter office located in

1 Lincolnshire, Illinois. The combined efforts of sales, marketing and technical personnel have built
 2 the TDK name as a respected leader in the industry.” <http://www.component.tdk.com/about-us.php>.

3 52. Sumida and Panasonic likewise tout their worldwide sales networks, which include
 4 the United States.

5 53. Defendants and others shipped millions of Inductors into the United States during
 6 the Class Period. In addition, Inductors that were shipped to countries such as Mexico, Taiwan,
 7 China, and Canada were billed to United States companies. As a result, a substantial portion of
 8 Defendants’ revenues were derived from the United States market. Defendants spent millions of
 9 dollars on advertising their products in the United States.

10 54. Because of the importance of the United States market to Defendants and their co-
 11 conspirators, Inductors intended for importation into and ultimate consumption in the United
 12 States were a focus of Defendants’ illegal conduct. Defendants knowingly and intentionally sent
 13 price-fixed Inductors into a stream of commerce that led directly into the United States. This
 14 conduct by Defendants was meant to produce and did in fact produce a substantial effect in the
 15 United States in the form of artificially-inflated prices for Inductors.

16 55. Thus, when high-level executives within Defendants’ companies agreed on prices
 17 for Inductors, they knew that their price-fixed Inductors would be sold in the United States.

18 56. For the reasons set forth above, Defendants’ illegal conduct involved import trade
 19 or import commerce into the United States.

20 57. Defendants’ illegal conduct had a direct, substantial, and reasonably foreseeable
 21 effect on United States domestic and import trade or commerce in the form of higher prices for
 22 Inductors that Plaintiff and Members of the Class paid. These prices, tainted by collusion, directly
 23 and immediately impacted Plaintiff and Members of the Class in the United States. In this respect,
 24 the United States effects of Defendants’ illegal conduct gave rise to Plaintiff’s and Class
 25 Members’ antitrust claims and were the proximate cause of the injury that Plaintiff and Members
 26 of the Class suffered.

27 58. A number of facts demonstrate that Defendants’ price-fixing conspiracy had a
 28 direct, substantial and reasonably foreseeable effect on domestic commerce.

1 **B. The Defendants Targeted the United States.**

2 59. Because of the relatively small size of Inductors, transportation costs are relatively
 3 minor and there is substantial international trade in these electronic components.

4 60. During the Class Period, Defendants manufactured and sold substantial quantities
 5 of Inductors shipped from outside the United States in a continuous and uninterrupted flow of
 6 interstate and foreign trade and commerce. Defendants also sold substantial amounts of Inductors
 7 to foreign companies, which in turn had contracts with companies based in the United States to
 8 assemble equipment for such companies to sell in the United States. Apple Inc.'s contracts with
 9 Foxconn Technology, Compal Electronics, Pegatron Corporation and Wistron Corporation (based
 10 in China or Taiwan) to assemble smartphones are examples of this. In addition, substantial
 11 quantities of equipment and supplies necessary to the production and distribution of Inductors, as
 12 well as payments for Inductors and related products sold by Defendants, traveled in interstate and
 13 foreign trade and commerce. The business activities of Defendants in connection with the
 14 production and sale of Inductors were within the flow of, and affected substantially, interstate and
 15 foreign trade and commerce.

16 61. Defendants engaged in conduct both inside and outside the United States that
 17 caused direct, substantial, and reasonably foreseeable and/or intended anticompetitive effects
 18 upon interstate commerce within the United States.

19 62. Defendants, directly and through their subsidiaries agents, engaged in a conspiracy
 20 to fix or inflate prices of Inductors that restrained trade unreasonably and affected adversely the
 21 market for Inductors. Defendants affected commerce, including import commerce, substantially
 22 throughout the United States, proximately causing injury to Plaintiff and members of the Class.

23 **V. FACTUAL ALLEGATIONS**

24 63. Plaintiff incorporates by reference the factual allegations made in previous sections.

25 **A. The Structure Of The Inductor Market Is Conducive to Collusion.**

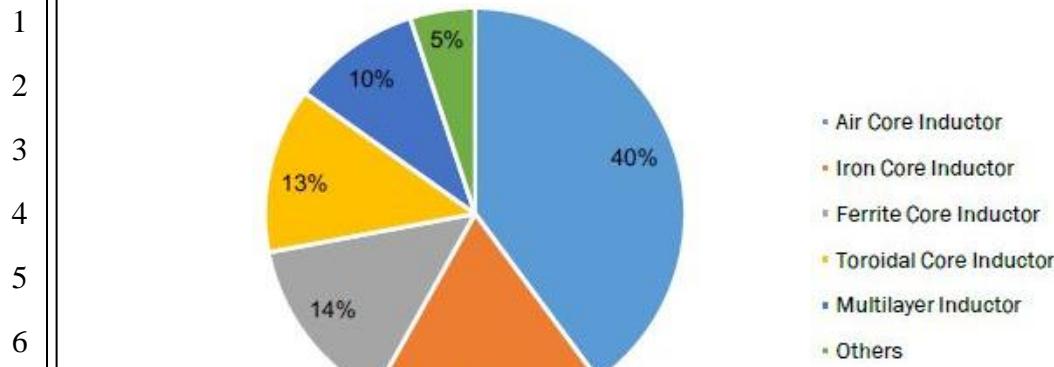
26 64. Several factors inherent in the Inductor market are conducive to collusion. These
 27 include: (1) the commodified nature of Inductors; (2) market concentration, with Defendants
 28 having a collective dominant position; (3) high barriers to entry; and (4) inelasticity of demand.

1 **1. Inductors Generally And Types Of Inductors.**

2 65. As noted above, Inductors are passive electronic components that store and regulate
3 energy in a circuit using principles of electromagnetism. Examples of various forms of Inductors
4 are depicted in the following photograph:



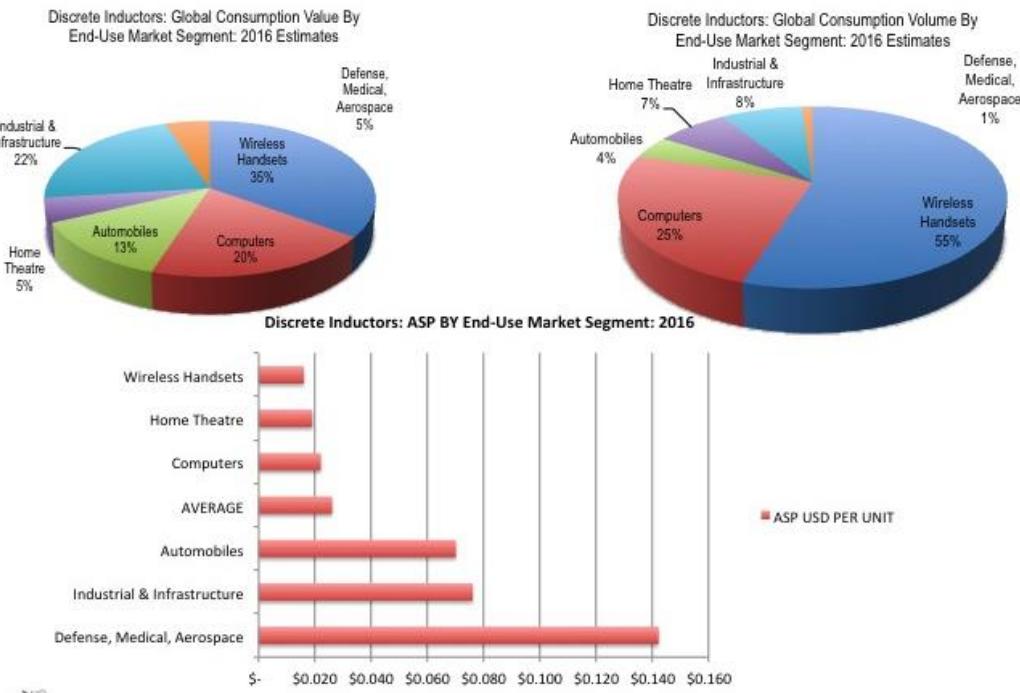
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13 66. As can be seen, Inductors can be as simple as wrapping a metal wire around some
14 form of a core. At present, the principal type of Inductors are air core Inductors, iron core
15 Inductors, ferrite core Inductors, toroidal core Inductors, and multilayer Inductors. Air core
16 Inductors are the simplest type to make, with a wire wrapped around a ceramic core. These are
17 the cheapest form of Inductors to manufacture. Iron core Inductors are wrapped around an iron
18 core and can be smaller in size than air core Inductors. Ferrite Inductors use ferrite, a metal oxide
19 ceramic based around a mixture of ferric oxide, which has a high degree of magnetic permeability.
20 Toroidal core Inductors are made using a coil wrapped around a toroidal (doughnut-shaped) core.
21 The core is often also made of ferrite. Multilayer Inductors consist of two conductive coil
22 patterns that are arranged in two layers in the upper part of a multilayered body and are
23 electrically connected in consecutive manner. Thin film Inductors are a type of multilayer
24 Inductor typically utilizing a ceramic chip that produces a small form factor. The Defendants
25 each produce a variety of the various categories of Inductors. The global market shares for these
26 various types of Inductors are depicted in the following graphic taken from a 2017 market
27 report:
28



67. Inductors have various uses, as noted above. In automobiles, they are used, for example, in headlight circuitry, transmission systems, electronic control units, fuel systems, air navigation systems and ADAS. In consumer applications, they are used in LCD televisions, LED lighting, computer laptops, digital still cameras, smartphones, printers, game consoles, air conditioning systems and home appliances. In industry and defense, for example, they are used in security systems, audio line suppression, and power line systems.

68. The following chart depicts the value, volume and pricing of Inductors by end-use segment:

Value, Volume and Pricing Forecasts for Inductors, Beads and Cores by End-Use Segment



© 2016 Paumanok Group Consulting

1 69. A 2017 report has indicated that the global market for Inductors was worth \$2.78
 2 billion in 2014 and is estimated to reach \$3.75 billion in 2019. The North American Inductor
 3 market (of which the United States has approximately 71% was worth \$768 million in 2015 and
 4 is estimated to be worth \$965 million in 2021.

5 **2. Product Commoditization.**

6 70. Inductors are a commoditized product and are indeed found in the United Nations
 7 Commodity Statistics database under a separate reference code (no. 77122). A 2017 market report
 8 indicates that product differentiation is “minimal.”

9 71. Inductors are marked using standardized values. The first two digits marking a
 10 standardized Inductor are the value of the inductance, expressed in units of Henry, and the third
 11 digit is the multiplier by power of 10. So, “101” = $10 * 101 \mu\text{H} = 100 \mu\text{H}$. If there is an R, it acts as
 12 a decimal point and there is no multiplier. Therefore, “4R7” means $4.7 \mu\text{H}$. Precision of an
 13 Inductor is also expressed in standard terms, using a final letter F, G, J, K, or M, which refers to
 14 +/-1%, +/-2%, +/-5%, +/-10%, and +/-20%, respectively.

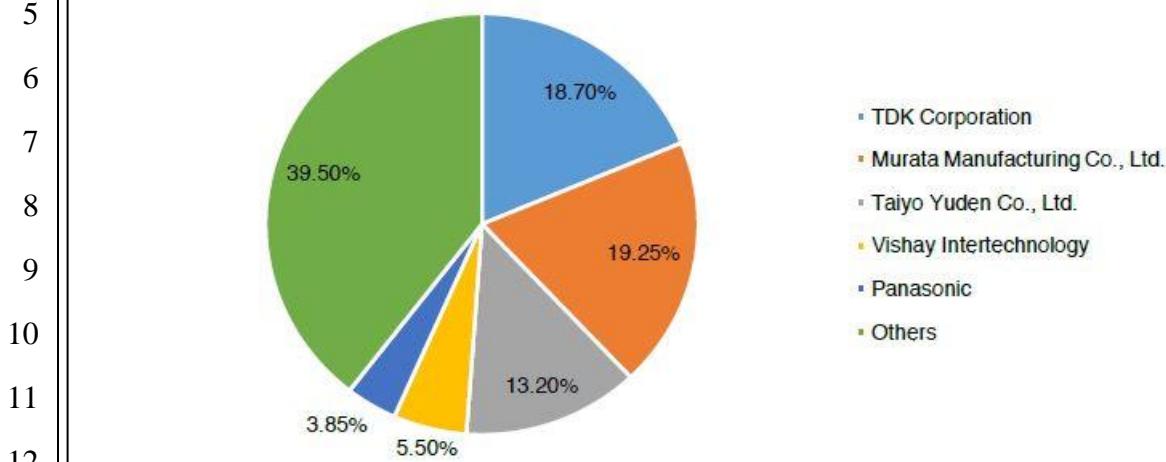
15 72. The International Electrotechnical Commission, an organization that promotes
 16 standardization in the electrical fields, has published standards for testing relating to Inductors.
 17 Defendants’ products refer to these standards. For example, TDK’s product reference guide states
 18 that “[a]ll chokes [another name for Inductors] for low-frequency main networks are dimensioned
 19 and tested in compliance with applicable EN and IEC standards.” Inductors are mass produced
 20 pursuant to these standards, making them interchangeable.

21 73. Defendants understand their products are interchangeable. A webpage
 22 maintained by TDK relating to Inductors allows users to enter a non-TDK product code
 23 so that, “[u]sing the part number of a product of other manufacturers, [TDK’s] products
 24 with similar specifications can be searched.”
 25 https://product.tdk.com/en/search/inductor/inductor/smd/cross_reference/. Other Defendants’
 26 websites offer similar comparison aids.

27
 28

1 **3. Market Concentration.**

2 74. As noted above, market concentration within the Inductor industry is high. While
 3 there are a number of manufacturers, the Defendants collectively control a dominant global
 4 market share, as depicted in the following graphic.



13 75. Acquisitions within the Inductor market, such as Murata Manufacturing's
 14 acquisition of TOKO in April of 2015 and TDK's successful tender offer for EPCOS AG in
 15 October of 2008, have added to this market concentration.

16 **4. Entry Barriers.**

17 76. Entry barriers into the Inductor market are high. Costs of maintaining extensive
 18 sales networks, supply chains, production facilities, and a global presence are considerable.
 19 Murata, for example, announced in February of 2016 the creation of an expanded 28,000 square
 20 foot facility in Carrollton, Texas for the purpose of better integrating its United States operations.

21 77. Barriers to entry also exist because of the resources of the incumbents. The
 22 Inductors market is a mature one dominated by established corporations, most of which have
 23 global operations. Panasonic and TDK both manufacture a variety of electronic products, as well
 24 as other electronic components. Panasonic reported revenues of over \$62 billion in its 2017 fiscal
 25 year. TDK reported revenues of over \$10 billion in 2017. Both are large and diverse multinational
 26 corporations that, like all Defendants, can benefit from economies of scale. Murata manufactures
 27 virtually every electronic component and has yearly revenues that top \$5 billion. Taiyo Yuden is
 28 a diversified manufacturer of passive electronic components with annual net sales in excess of \$2

1 billion, most of which is attributable to sales of electronic components. Sumida is another
 2 international giant, who most recently announced sales in excess of \$700 million annually.
 3 Sumida has R&D offices in the United States, Asia, Europe, and Canada; sales offices in the
 4 United States, Asia and Europe; and factories in Asia, Mexico and Europe.

5 78. Meaningful new entry of Inductor manufacturers that could have posed a challenge
 6 to the Defendants did not occur during the Class Period. As noted above, some of the Defendants
 7 acquired smaller companies.

8 **5. Demand Inelasticity.**

9 79. A 2017 report on the Inductor market has noted that “demand is considerably
 10 inelastic.” As the report explains:

11 In the inductors market, the consumer base is rather fragmented and product
 12 differentiation is minimal, thus lowering the overall bargaining power of
 13 customers. But fixed costs for suppliers are high thus giving them some power.
 14 For a consumer, the switching cost is high and the possibility of backward
 15 integration is low since production of inductors involves exclusive expertise and
 16 most OEMs find it cheaper to buy it from such suppliers than foray into its
 17 manufacturing.

18 The bargaining power of customers is *low*. (Emphasis in original).

19 80. This is an accurate assessment for several reasons. First, the prices of most
 20 Inductors are low in relation to the electronic equipment they are used in. Second, there are no
 21 ready substitutes for Inductors; other passive electronic components, like resistors or capacitors,
 22 perform a different function altogether. And, as noted in the quotation above, switching costs can
 23 be prohibitive, thus causing OEMs to often stay with the same supplier.

24 **B. The Conduct Of Defendants Is Plausibly Explained By Collusion.**

25 81. As noted above, beginning in 2003, Inductor prices steadily rose in a historically
 26 unprecedented manner, despite the lifting of tariffs by the ITA, despite declining demand for a
 27 period of time, despite stable or lower raw material costs, and despite the great international
 28 recession of 2008-09 and its aftermath.

29 82. The only plausible explanation for this behavior is a conspiratorial one. In such a
 30 period, the Defendants would have a motive to conspire to stabilize or increase prices for their
 31 products.

1 83. Collusion is an explanation consistent with the market factors described above and
 2 is also consistent with: (1) the subpoenas just issued by DOJ; (2) the involvement of several of
 3 the Defendants in conspiracies in other markets, and (3) the involvement of Defendants in trade
 4 associations that facilitated collusion.

5 **1. Subpoenas Issued By DOJ.**

6 84. On January 4, 2018, the publication *mlex* reported:

7 Electronics manufacturers have been subpoenaed by US antitrust prosecutors as
 8 part of a price-fixing investigation involving the inductor market, *Mlex* has
 learned.

9 Subpoenas were sent out in mid-November, and the San Francisco office at the
 10 Department of Justice's antitrust division is overseeing the investigation, it is
 understood.

11 The inductor subpoenas are part of a long-running investigation, which also
 12 includes capacitors and resistors. The components are part of electrical circuits
 13 that store and regulate the flow of electricity, and are ubiquitous in electronic
 devices.

14 85. Plaintiff reasonably believes that Panasonic may have given the DOJ information
 15 about a conspiracy in the Inductors market, just as it has reportedly done with respect to the
 16 capacitors market, where seven companies have pled guilty to antitrust violations. As noted
 17 above, Taiyo Yuden and TDK are reportedly cooperating in the investigation of the capacitors
 18 industry, which is ongoing.

19 **2. Involvement of Panasonic In Other Conspiracies.**

20 86. Collusion is also a plausible explanation of what occurred in the Inductors market
 21 because Defendant Panasonic is a well-known recidivist antitrust violator. Panasonic, one of the
 22 world's leading manufacturers of Inductors, has pled guilty in numerous price-fixing cases,
 23 including electronic products.

24 87. On September 30, 2010, Panasonic agreed to plead guilty and to pay a large
 25 criminal fine for its participation in a conspiracy to price-fix refrigerant compressors from
 26 October 14, 2004 through December 31, 2007.

27 88. On July 18, 2013, Panasonic agreed to plead guilty and to pay a \$45.8 million
 28 criminal fine for its participation in a conspiracy to price-fix switches, steering angle sensors and

1 automotive high intensity discharge ballasts installed in cars sold in the United States and
 2 elsewhere from at least as early as September of 2003 until at least February of 2010.

3 89. On information and belief, that same day, Panasonic's subsidiary, SANYO Electric
 4 Co., Ltd., agreed to plead guilty and to pay a large criminal fine for its participation in a conspiracy
 5 to fix the prices of cylindrical lithium-ion battery cells sold worldwide for use in notebook
 6 computer battery packs from about April 2007 until about September 2008. The production and
 7 sale of Inductors resistors were often overseen by the same departments and personnel that were
 8 involved in fixing lithium ion battery prices.

9 90. In 2008, Panasonic created "Rules Concerning Activity and Relationship with
 10 Competitors" that were supposed to ensure antitrust compliance; a Compliance Committee that
 11 meets annually was set up to monitor these efforts. The rules did not solve the problem. In its
 12 2012 corporate "Sustainability Report," Panasonic stated:

13 In fiscal 2012, the company reviewed the efforts related to the company's
 14 compliance activities in the corporate "Compliance Committee" and discussed
 15 additional personnel measures. The top management strongly restated that it is the
 16 company's policy not to engage in cartel activities and requests employees mainly
 17 in sales and marketing departments to confirm whether they encounter suspicious
 18 activities or not.

19 <https://www.panasonic.com/global/corporate/sustainability/pdf/sr2012e.pdf>. The same report
 20 noted that Panasonic had created a Global & Group Risk Management Committee chaired by the
 21 President of the company and including directors and executive officers in charge of corporate
 22 operational fuctions at the company's headquarters. That group identified the "corporate major
 23 risks" for the then just-ended fiscal year 2012 and the then upcoming fiscal year 2013. On both
 24 lists was "Cartels." Subsequent corporate sustainability reports for 2013, 2014 and 2015 identified
 25 this same "corporate major risk" for the 2013, 2014 and 2015 fiscal years, as well as the 2016
 26 fiscal year. See <https://www.panasonic.com/global/corporate/sustainability/pdf/sr2013e.pdf>;
http://www.panasonic.com/global/corporate/sustainability/downloads/back_number/pdf/2014/sr2014e.pdf.

27 91. The foregoing pattern of anticompetitive practices in various technology-related
 28 markets is illustrative of Panasonic's corporate conduct, which has included illegal activity aimed

1 at generating profits at the expense of its customers. It is highly plausible that the same type of
 2 conduct occurred in the Inductors market.

3 92. Faced with an overall decline in demand for their Inductors, and steep price declines
 4 after the introduction of the ITA, Panasonic and its colleagues had a keen desire to avoid price
 5 competition.

6 93. The highly concentrated nature and structure of the Inductors market made it likely
 7 that collusion would be both possible and profitable. As shown above, Defendants comprised
 8 over 75% of the market during much of the Class Period. They thus engaged in a historically
 9 unprecedented set of increases for Inductor prices that lasted at least eleven years.

10 **3. Use of Trade Associations To Facilitate The Conspiracy.**

11 94. Defendants agreed to operate as a cartel through both oral and written
 12 communications among directors, executives, officers, business unit managers, sales
 13 representatives, and employees of the Defendant companies.

14 95. Trade associations provided opportunities for Defendants to meet frequently and
 15 exchange information to facilitate collusion. Defendants are members of a number of trade
 16 associations in the United States, Asia and Europe. Their overlapping membership in various
 17 trade associations also provided incentive for cartel members to stay within the illegally agreed
 18 upon price framework, as they could monitor and police one another's activities in the Inductor
 19 market and punish non-compliance. Defendants' participation in trade associations, as described
 20 above, helped facilitate their collusion.

21 96. One such organization is the Electronic Components Industry Association
 22 ("ECIA"), which is located in Alpharetta, Georgia. Several of the Defendants are members of
 23 this organization, including MENA, Sumida America, TDK America, and PCNA (through its
 24 division Panasonic Industrial Sales Company of America). They regularly meet to discuss matters
 25 of mutual concern. As the website of the ECIA states:

26 ECIA provides resources and opportunities for members to improve their business
 27 performance while enhancing the industry's overall capacity for growth and
 28 profitability. From driving critical conversations and process optimization to
 product authentication and industry advocacy, ECIA is your trusted source for
 support, insight and action.

1 Bringing together the talent and experience of broad array of industry leaders and
 2 professionals representing all facets of the electronics components supply chain,
 3 ECIA is uniquely positioned to enable individual connection as well as industry-
 wide collaboration. As the supply chain becomes increasingly more complex,
 ECIA serves as a vital nexus for refinement and progress.

4 <https://www.ecianow.org/about-ecia/what-we-do/>.

5 97. For manufacturers, the ECIA promises access to “[d]ata & statistics for better
 6 decision-making (Executive summaries, confidence surveys, end market reports, etc.)”, the
 7 opportunity to “[s]hape opinion and direction by participating on Councils and Committees that
 8 design, develop, and publish processes the industry will follow” and “[n]etworking among the
 9 industry leaders (...can’t have enough professional relationships!).”

10 <https://www.ecianow.org/join-ecia/manufacturer/>.

11 98. The data and statistics mentioned by ECIA are significant. For the Inductors
 12 market, ECIA prepares quarterly sale reports of Inductors sold in North America, as well as
 13 indices of monthly and weekly sales of electronic components. <https://www.ecianow.org/north-america-sales-booking-reports/>. The ECIA also has a Statistics and Industry Data Council, the
 14 role of which is defined as follows:

15 The Statistics and Industry Data Council oversees several programs that collect and
 16 provide unique industry data. These include commodity and market segment level
 17 sales trends as well as discrete passive electronic components market reports. The
 18 primary outputs are the Electronic Component Sales Trends survey (ECST) and the
 19 MS Series, a collection of 13 individual reports on capacitors, resistors, and
 inductors that include world statistics.

20 <https://www.ecianow.org/about-ecia/councils/statistics-industry-data-council/>. The same
 21 webpage goes on to list among “2014 accomplishments” that the Statistics and Industry Data
 22 Council “[c]ompiled and published more than 100 statistics reports (MS series) on *North*
 23 *American Sales and Booking* for capacitors, resistors and inductors plus monthly reports on world
 24 statistics for capacitors and quarterly reports for world statistics for resistors and inductors.”
 25 Within the council is the “Passive Components Market Services Working Group,” of which TDK
 26 America, Panasonic Corp., and MENA are members.

27 99. By virtue of their membership in such organizations, Defendants have the
 28 opportunity to meet, have improper discussions under the guise of legitimate business contacts,

1 and perform acts necessary for the operation and furtherance of the conspiracy. ECIA, for
 2 example, hosts an annual “Executive Conference.” The 2014 conference was held in Chicago,
 3 Illinois, and the 2015 conference was held in Chicago on October 25-27, 2015. ECIA also hosts
 4 an “EDS Summit” that includes electronic component manufacturers “where valuable idea
 5 exchange can happen through high-level strategic meetings, event functions and informal
 6 gatherings.” <https://www.ecianow.org/connection-points/eds/>. This year’s EDS Summit will take
 7 place on May 15-18, 2018 in Las Vegas, Nevada.

8 In Japan, as noted above, there exists JEITA, to which all the Japanese Defendants belong. JEITA
 9 conducts an annual conference described as follows: “[a]ll JEITA member companies gather
 10 annually for a conference that serves as the industry’s premier decision-making forum.”
 11 <http://www.jeita.or.jp/english/about/orga/index.htm>. Its Board of Directors “discusses and makes
 12 decisions concerning important issues related to JEITA’s activities, including items raised at the
 13 Annual Conference.” *Id.* JEITA has created five sector-specific boards including an Electronics
 14 Component Board. One of the current Vice-Chairmen of the Electronic Components Board is
 15 Tsuneo Murata, the President of Murata Manufacturing and Takehiro Kamigama, President and
 16 CEO of TDK. As of July 7, 2017, the Chairman of JEITA is Shusaku Nagae, Chairman of the
 17 Board of Panasonic. JEITA maintains an office in Washington, D.C.

18 100. JEITA holds periodic meetings lasting up to several days and nights. There are
 19 formal meetings at which minutes are taken, but there are also social events, such as meals and
 20 parties. In addition, JEITA has subcommittees organized by general product types and purposes,
 21 such as the Passive Components Subcommittee. Subcommittees also meet periodically,
 22 telephonically and sometimes in person. On information and belief, JEITA also has working
 23 groups organized by specific passive component.

24 101. Through JEITA meetings, Defendants had the opportunity to exchange
 25 competitively sensitive information on price and volume, and for specific bids.

26 102. Trade organizations such as JEITA are often pretext for industry members to
 27 conspire. It has now been publicly admitted that membership in JEITA played a large role in
 28 facilitating collusion by the defendants in those actions.

VI. TOLLING OF THE STATUTE OF LIMITATIONS PURSUANT TO THE INJURY-DISCOVERY RULE AND THE DOCTRINE OF FRAUDULENT CONCEALMENT

103. Plaintiff and members of the Class could not have discovered, with reasonable diligence, the existence of the conspiracy, or the fact that they had been injured as a result of it, until the DOJ's investigation was made public in January of 2018.

104. Defendants actively concealed the existence of the conspiracy from Plaintiff and members of the Class, and there is nothing in the public domain that would put Plaintiff or anyone else on notice that Defendants were conspiring at meetings regarding prices for Inductors sold in the United States.

105. The meetings held by Defendants were furtive. The nature of a price-fixing cartel requires secrecy.

VII. CLASS ACTION ALLEGATIONS

106. Plaintiff brings this action on behalf of itself and as a class action pursuant to Federal Rules of Civil Procedure 23(a), (b)(2) and (b)(3), on behalf of the members of a Class, which is defined as follows:

All persons or entities in the United States, its territories, and the District of Columbia who purchased Inductors (including through controlled subsidiaries, agents, affiliates, or joint ventures) directly from any of the Defendants, their subsidiaries, agents, affiliates or joint ventures from January 1, 2003 through December 31, 2016 (the “Class Period”). Excluded from the Class are Defendants and their co-conspirators, subsidiaries, agents, and/or affiliates; Defendants’ officers, directors, management, employees, subsidiaries, and/or agents; all governmental entities; and the Judges and chambers staff presiding over this case, as well as any members of their immediate families.

107. The Class definition encompasses those who purchased Inductors directly from any of the Defendants, even if the Inductors purchased were manufactured, sold, or distributed by a given Defendant's predecessors, parents, business units, subsidiaries, affiliated entities, principals, agents, or co-conspirators.

108. While Plaintiff does not know the exact number of the members of the Class, Plaintiff believes there are at least thousands of members.

109. Plaintiff also does not know the exact duration of the alleged conspiracy and reserves the right to amend its complaint.

1 110. Common questions of law and fact exist as to all members of the Class. This is
 2 particularly true given the nature of Defendants' conspiracy, which was applicable to all of the
 3 members of the Class, thereby making appropriate relief with respect to the Class as a whole.
 4 Such questions of law and fact common to the Class include, but are not limited to:

- 5 a. Whether Defendants engaged in a combination and conspiracies among
 themselves to fix, raise, maintain, and/or stabilize the prices of Inductors sold
 to or billed in in the United States;
- 6 b. The identity of the participants of the alleged conspiracy;
- 7 c. The duration of the alleged conspiracy and the acts carried out by Defendants
 in furtherance of the conspiracy;
- 8 d. Whether the alleged conspiracy violated the Sherman Act;
- 9 e. Whether the conduct of Defendants, as alleged in this Complaint, caused injury
 to the business or property of Plaintiff and members of the Class;
- 10 f. The effect of the alleged conspiracy on the prices of Inductors sold in the
 United States during the Class Period;
- 11 g. The appropriate injunctive and related equitable relief; and
- 12 h. The appropriate class-wide measure of damages.

13 111. Plaintiff's claims are typical of the claims of the members of the Class, and Plaintiff
 14 will fairly and adequately protect the interests of the Class. Plaintiff and all members of the Class
 15 are similarly affected by Defendants' wrongful conduct in that they paid artificially inflated prices
 16 for Inductors purchased indirectly from Defendants.

17 112. Plaintiff's claims arise out of the same common course of conduct giving rise to the
 18 claims of the other members of the Class. Plaintiff's interests are coincident with, and not
 19 antagonistic to, those of the other members of the Class. Plaintiff is represented by counsel who
 20 are competent and experienced in the prosecution of antitrust, unfair competition, and class action
 21 litigation.

22 113. The questions of law and fact common to the members of the Class predominate
 23 over any questions affecting only individual members, including legal and factual issues relating

1 to liability and damages.

2 114. Class action treatment is a superior method for the fair and efficient adjudication of
3 the controversy, in that, among other things, such treatment will permit a large number of
4 similarly situated persons to prosecute their common claims in a single forum simultaneously,
5 efficiently and without the unnecessary duplication of evidence, effort and expense that numerous
6 individual actions would engender. The benefits of proceeding through the class mechanism,
7 including providing injured persons or entities with a method for obtaining redress for claims that
8 it might not be practicable to pursue individually, substantially outweigh any difficulties that may
9 arise in management of this class action.

10 115. The prosecution of separate actions by individual members of the Class would
11 create a risk of inconsistent or varying adjudications, establishing incompatible standards of
12 conduct for Defendants.

**VIII. CLAIM FOR RELIEF
VIOLATIONS OF THE SHERMAN ACT
15 U.S.C. §§ 1 and 3
(Alleged against all Defendants)**

16 116. Plaintiff hereby repeats and incorporates by reference each preceding and
17 succeeding paragraph as though fully set forth herein.

18 117. Defendants violated Sections 1 and 3 of the Sherman Act by conspiring to
19 artificially restrict competition in the market for Inductors. Starting January 1, 2003 Defendants
20 met repeatedly to exchange competitively sensitive information, including price and price-related
21 information. The effect of these meetings was to raise, fix, set, stabilize, or otherwise artificially
22 manipulate the prices of Inductors beyond the natural interplay of supply and demand.

23 118. Defendants formed a cartel, organized around JEITA meetings, designed to raise,
24 fix, set, stabilize, or otherwise artificially manipulate the prices of Inductors beyond the natural
25 interplay of supply and demand.

26 119. As a result of Defendants' and their co-conspirators' unlawful conduct and acts
27 taken in furtherance of their conspiracy, prices for Inductors sold to purchasers in the United
28 States during the Class Period were raised, fixed, maintained, or stabilized at artificially inflated

1 cartel levels.

2 120. The combination or conspiracy among Defendants consisted of a continuing
3 agreement, understanding and concerted action among Defendants and their co-conspirators.

4 121. For purposes of formulating and effectuating their combination or conspiracy,
5 Defendants and their co-conspirators did those things they combined or conspired to do, including
6 setting prices of Inductors at supra-competitive prices, and selling these Inductors to Plaintiff and
7 the members of the Class.

8 122. Defendants' anticompetitive and unlawful conduct is illegal *per se*.

9 123. As a result of Defendants' anticompetitive and unlawful conduct, Plaintiff and the
10 members of the Class have been injured in their businesses and property in that they have paid
11 more for the Inductors that they purchased during the Class Period than they otherwise would
12 have paid but for Defendants' conduct.

13 **IX. DEMAND FOR JUDGMENT**

14 124. Plaintiff requests that the Court enter judgment on their behalf and on behalf of the
15 Class that:

- 16 A. This action may proceed as a class action, with Plaintiff serving as Class
17 Representatives under Fed. R. Civ. P. 23(c);
- 18 B. Defendants have violated Sections 1 and 3 of the Sherman Act (15 U.S.C. §§ 1
19 and 3) and that Plaintiff and the Class have been injured in their business and
20 property as a result of Defendants' violations;
- 21 C. Plaintiff and the Class are entitled to recover damages sustained by them, as
22 provided by the federal antitrust laws under which relief is sought herein, and that
23 a joint and several judgment in favor of Plaintiff and the Class be entered against
24 Defendants in an amount subject to proof at trial, which is to be trebled in
25 accordance with Section 4 of the Clayton Act, 15 U.S.C. § 15;
- 26 D. Plaintiff and the Class are entitled to pre-judgment and post-judgment interest on
27 the damages awarded them, and that such interest be awarded at the highest legal
28 rate from and after the date this class action complaint is first served on Defendants;

- E. Plaintiff and the Class are entitled to equitable relief appropriate to remedy Defendants' restraint of trade, including issuing a permanent injunction against Defendants and their parents, subsidiaries, affiliates, successors, transferees, assignees and the respective officers, directors, partners, agents, and employees thereof and all other persons acting or claiming to act on their behalf from repeating (or continuing and maintaining) the conspiracy or agreements alleged herein;
- F. Defendants are to be jointly and severally responsible financially for all costs, including the expenses of a Court-approved notice program;
- G. Plaintiff and the Class recover their reasonable attorneys' fees as provided by law; and
- H. Plaintiff and the Class receive such other or further relief as may be just and proper.

X. JURY DEMAND

Pursuant to Federal Rule of Civil Procedure 38(c), Plaintiff demands a trial by jury on all matters so triable.

Dated: January 23, 2018

Respectfully submitted,

By: /s/ Allan Steyer
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D. Scott Macrae (Cal. Bar No. 104663)
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Attorneys for Lifetime Service Center, Inc.

CIVIL COVER SHEET

The JS-CAND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Lifetime Service Center, Inc.

(b) County of Residence of First Listed Plaintiff
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Allan Steyer
STEYER LOWENTHAL BOODROOKAS ALVAREZ & SMITH LLP
One California Street, Suite 300, San Francisco, CA 94111, Tel.: (415) 421-3400**DEFENDANTS**

Murata Manufacturing Co., Ltd.; Murata Electronics North America, Inc.; Panasonic Corporation; Panasonic Corporation of North America; Panasonic Electronic Devices Co. Ltd; Panasonic Electronic Devices Corporation of America; Sumida Corporation; Sumida Electric Co., Ltd.; Sumida America Components, Inc.; Taiyo Yuden Co., Ltd.; Taiyo Yuden (U.S.A.) Inc.; TDK Corporation; TDK-EPC Corporation; TDK Corporation of America, and TDK U.S.A. Corporation

County of Residence of First Listed Defendant
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- | | |
|------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <input type="checkbox"/> 1 U.S. Government Plaintiff | <input checked="" type="checkbox"/> 3 Federal Question
(U.S. Government Not a Party) |
| <input type="checkbox"/> 2 U.S. Government Defendant | <input type="checkbox"/> 4 Diversity
(Indicate Citizenship of Parties in Item III) |

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

	PTF	DEF	PTF	DEF
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
110 Insurance	PERSONAL INJURY	PERSONAL INJURY	625 Drug Related Seizure of Property 21 USC § 881	375 False Claims Act
120 Marine	310 Airplane	365 Personal Injury – Product Liability	422 Appeal 28 USC § 158	376 Qui Tam (31 USC § 3729(a))
130 Miller Act	315 Airplane Product Liability	367 Health Care/Pharmaceutical Personal Injury Product Liability	423 Withdrawal 28 USC § 157	400 State Reapportionment
140 Negotiable Instrument	320 Assault, Libel & Slander	330 Federal Employers' Liability		<input checked="" type="checkbox"/> 410 Antitrust
150 Recovery of Overpayment Of Veteran's Benefits	340 Marine	368 Asbestos Personal Injury Product Liability		430 Banks and Banking
151 Medicare Act	345 Marine Product Liability			450 Commerce
152 Recovery of Defaulted Student Loans (Excludes Veterans)	350 Motor Vehicle	PERSONAL PROPERTY	710 Fair Labor Standards Act	460 Deportation
153 Recovery of Overpayment of Veteran's Benefits	355 Motor Vehicle Product Liability	370 Other Fraud	720 Labor/Management Relations	470 Racketeer Influenced & Corrupt Organizations
160 Stockholders' Suits	360 Other Personal Injury	371 Truth in Lending	740 Railway Labor Act	480 Consumer Credit
190 Other Contract	362 Personal Injury -Medical Malpractice	380 Other Personal Property Damage	751 Family and Medical Leave Act	490 Cable/Sat TV
195 Contract Product Liability		385 Property Damage Product Liability	790 Other Labor Litigation	850 Securities/Commodities/ Exchange
196 Franchise	CIVIL RIGHTS	PRISONER PETITIONS	791 Employee Retirement Income Security Act	890 Other Statutory Actions
REAL PROPERTY	440 Other Civil Rights	HABEAS CORPUS		891 Agricultural Acts
210 Land Condemnation	441 Voting	463 Alien Detainee	861 HIA (1395ff)	893 Environmental Matters
220 Foreclosure	442 Employment	510 Motions to Vacate Sentence	862 Black Lung (923)	895 Freedom of Information Act
230 Rent Lease & Ejectment	443 Housing/ Accommodations	530 General	863 DIWC/DIWW (405(g))	896 Arbitration
240 Torts to Land	445 Amer. w/Disabilities– Employment	535 Death Penalty	864 SSID Title XVI	899 Administrative Procedure Act/Review or Appeal of Agency Decision
245 Tort Product Liability	446 Amer. w/Disabilities–Other	OTHER	462 Naturalization Application	950 Constitutionality of State Statutes
290 All Other Real Property	448 Education	540 Mandamus & Other	465 Other Immigration Actions	
		550 Civil Rights		
		555 Prison Condition		
		560 Civil Detainee– Conditions of Confinement		

V. ORIGIN (Place an "X" in One Box Only)

- | | | | | | | |
|-----------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------------|---------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------|
| <input checked="" type="checkbox"/> 1 Original Proceeding | <input type="checkbox"/> 2 Removed from State Court | <input type="checkbox"/> 3 Remanded from Appellate Court | <input type="checkbox"/> 4 Reinstated or Reopened | <input type="checkbox"/> 5 Transferred from Another District (specify) _____ | <input type="checkbox"/> 6 Multidistrict Litigation–Transfer | <input type="checkbox"/> 8 Multidistrict Litigation–Direct File |
|-----------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------------|---------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------|

VI. CAUSE OF ACTION Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
Section 1 of the Sherman Act, 15 U.S.C. section 1

Brief description of cause:

Unlawful restraint of trade.

VII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION
UNDER RULE 23, Fed. R. Civ. P.

DEMAND \$ _____

CHECK YES only if demanded in complaint:
JURY DEMAND: Yes No**VIII. RELATED CASE(S), IF ANY** (See instructions):

JUDGE _____

DOCKET NUMBER _____

See Attachment A

IX. DIVISIONAL ASSIGNMENT (Civil Local Rule 3-2)

(Place an "X" in One Box Only)

 SAN FRANCISCO/OAKLAND SAN JOSE EUREKA-MCKINLEYVILLE

DATE 01/23/2018

SIGNATURE OF ATTORNEY OF RECORD

/s/ Allan Steyer

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS-CAND 44

Authority For Civil Cover Sheet. The JS-CAND 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I. a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
 - b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
 - c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)."
 - II. Jurisdiction.** The basis of jurisdiction is set forth under Federal Rule of Civil Procedure 8(a), which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
 - (1) United States plaintiff. Jurisdiction based on 28 USC §§ 1345 and 1348. Suits by agencies and officers of the United States are included here.
 - (2) United States defendant. When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
 - (3) Federal question. This refers to suits under 28 USC § 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 - (4) Diversity of citizenship. This refers to suits under 28 USC § 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
 - III. Residence (citizenship) of Principal Parties.** This section of the JS-CAND 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
 - IV. Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
 - V. Origin.** Place an "X" in one of the six boxes.
 - (1) Original Proceedings. Cases originating in the United States district courts.
 - (2) Removed from State Court. Proceedings initiated in state courts may be removed to the district courts under Title 28 USC § 1441. When the petition for removal is granted, check this box.
 - (3) Remanded from Appellate Court. Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 - (4) Reinstated or Reopened. Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 - (5) Transferred from Another District. For cases transferred under Title 28 USC § 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 - (6) Multidistrict Litigation Transfer. Check this box when a multidistrict case is transferred into the district under authority of Title 28 USC § 1407. When this box is checked, do not check (5) above.
 - (8) Multidistrict Litigation Direct File. Check this box when a multidistrict litigation case is filed in the same district as the Master MDL docket.

Please note that there is no Origin Code 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
 - VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC § 553. Brief Description: Unauthorized reception of cable service.
 - VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Federal Rule of Civil Procedure 23.
Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
 - VIII. Related Cases.** This section of the JS-CAND 44 is used to identify related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
 - IX. Divisional Assignment.** If the Nature of Suit is under Property Rights or Prisoner Petitions or the matter is a Securities Class Action, leave this section blank. For all other cases, identify the divisional venue according to Civil Local Rule 3-2: "the county in which a substantial part of the events or omissions which give rise to the claim occurred or in which a substantial part of the property that is the subject of the action is situated."
- Date and Attorney Signature.** Date and sign the civil cover sheet.

ATTACHMENT A TO CIVIL COVER SHEET

Related Cases:

Judge: Joseph C. Spero	Docket Number:	3:18-cv-00349-JCS
Judge: Joseph C. Spero	Docket Number:	3:18-cv-00198-JCS
Judge: James Donato	Docket Number:	3:15-cv-03820-JD

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Class Action Claims Inductor Manufacturers Involved in Price-Fixing Conspiracy](#)
