

3. On information and belief, Innolux is a multi-national corporation organized under the laws of the Republic of China, with its principal place of business located at No.160, Kesyue Rd., Jhunan Science Park, Miaoli County 35053, Taiwan. Innolux does business in the State of Texas and in the Eastern District of Texas.

JURISDICTION AND VENUE

4. This action arises under the patent laws of the United States, namely 35 U.S.C. §§ 271, 281, and 284-285, among others.

5. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

6. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(c). Innolux is a foreign entity and may be sued in any judicial district under 28 U.S.C. § 1391(c)(3).

7. On information and belief, Innolux is subject to this Court's specific and general personal jurisdiction pursuant to due process and/or the Texas Long Arm Statute, due at least to its substantial business in this State and judicial district, including: (A) at least part of its infringing activities alleged herein; and (B) regularly doing or soliciting business, engaging in other persistent conduct, and/or deriving substantial revenue from goods sold and services provided to Texas residents. For example, Innolux has "delivery hubs in major cities in Asia, Europe, and America, so that [it] can achieve 'deliver just in time' object and strengthen the long term cooperative relationship with customers." 2016 Annual Report (*available at* http://www.innolux.com/Files/OWNFiles/InvestorRelations/Financials/Annual_Reports/2016%20Annual_Report%20en.pdf.) at 79. The same report notes that "[g]iven that the business of the Company covers the entire world and the size mix of panels is complete, the Company is a comprehensive LCD provider." *Id.* at 68.

8. This Court has personal jurisdiction over Innolux, directly or through intermediaries, including its wholly-owned subsidiaries, InnoLux Corporation (2525 Brockton Drive, Suite 300, Austin, TX 78758), Innolux Optoelectronics USA, Inc. (101 Metro Drive Suite 510, San Jose, CA 95110), and Innolux Technology USA Inc. (2300 North Barrington Road, Suite 400, Hoffman Estates, IL 60169), because it has committed acts within Texas giving rise to this action and/or has established minimum contacts with Texas such that personal jurisdiction over Innolux would not offend traditional notions of fair play and substantial justice.

9. Upon information and belief, Innolux controls each of the wholly-owned subsidiaries listed above, as well as many other subsidiaries. *See* 2016 Annual Report at 135-138. And each of the subsidiaries above gives Innolux substantially the business advantages that it would have enjoyed if it conducted its business through its own offices or paid agents in the state.

10. Innolux has placed and continues to place infringing TFT-LCD panels into the stream of commerce via an established distribution channel with the knowledge and/or intent that those products were sold and continue to be sold in the United States and Texas, including in this District. In 2016, Innolux reported 11,582,252,000 NT\$ (approximately \$380,682,100 USD) in sales to “America.” 2016 Annual Report at 76.

11. On information and belief, Innolux has significant ties to, and presence in, the State of Texas and the Eastern District of Texas, making venue in this judicial district both proper and convenient for this action.

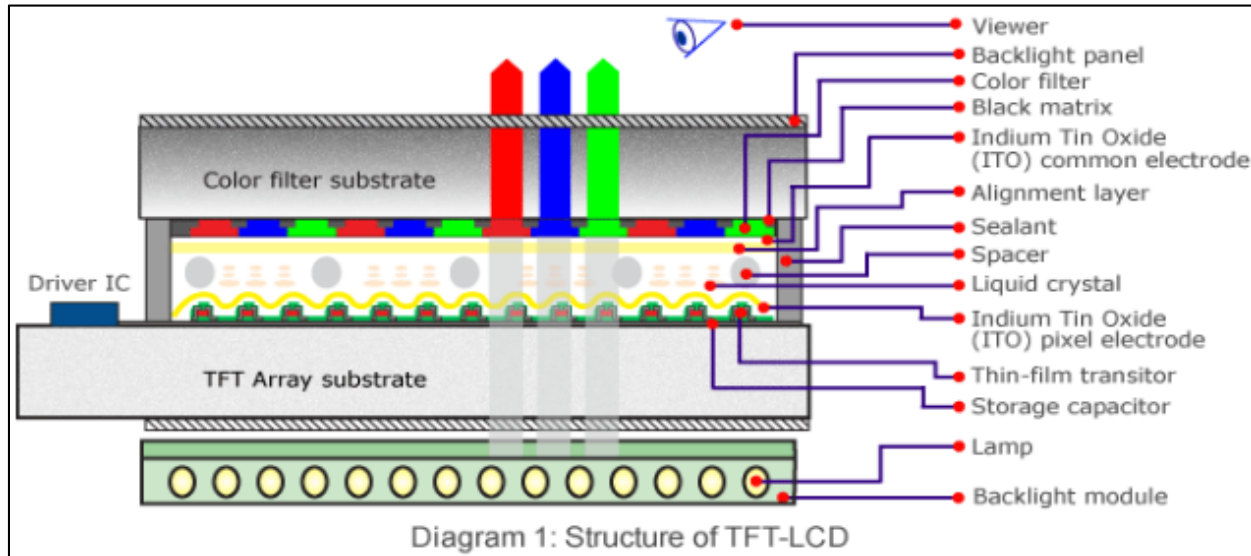
THE ASSERTED PATENTS AND TECHNOLOGY

12. Upon information and belief, the combined operating revenue of Innolux is derived from TFT-LCD (thin-film transistor – liquid crystal display) flat panel displays and Innolux’s main commodities include large-sized and small-to-medium-sized TFT-LCD related products.

13. The Asserted Patents cover Innolux’s TFT-LCDs, their components, and processes related to the same. An example Innolux TFT-LCD is model no. M270HGE-L30, which is used in end-user products such as AOC monitor model no. 270LM00004. That monitor and the label for its Innolux TFT-LCD panel are shown below:

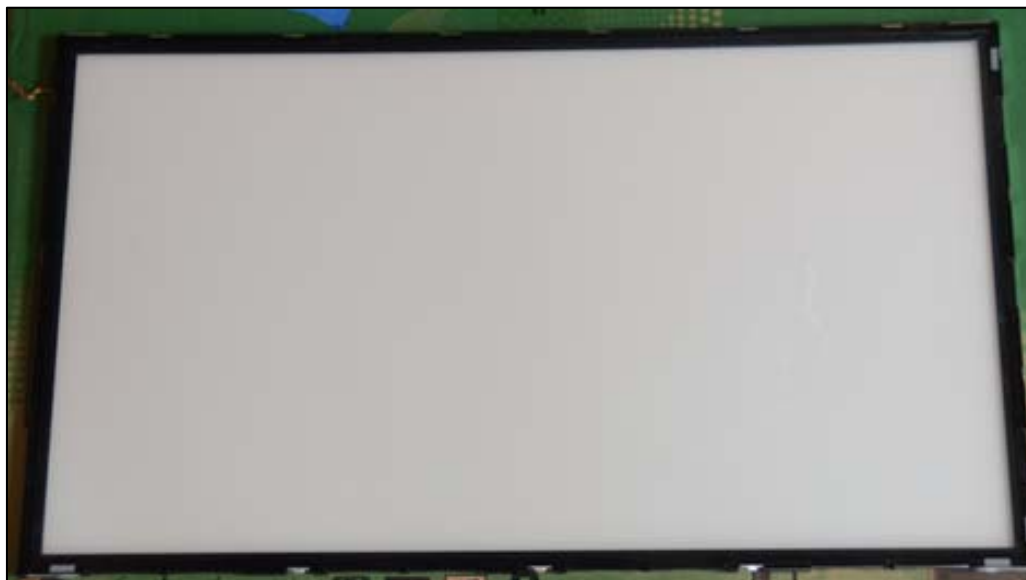


14. Innolux publishes a diagram of the structure of its TFT-LCDs as follows:



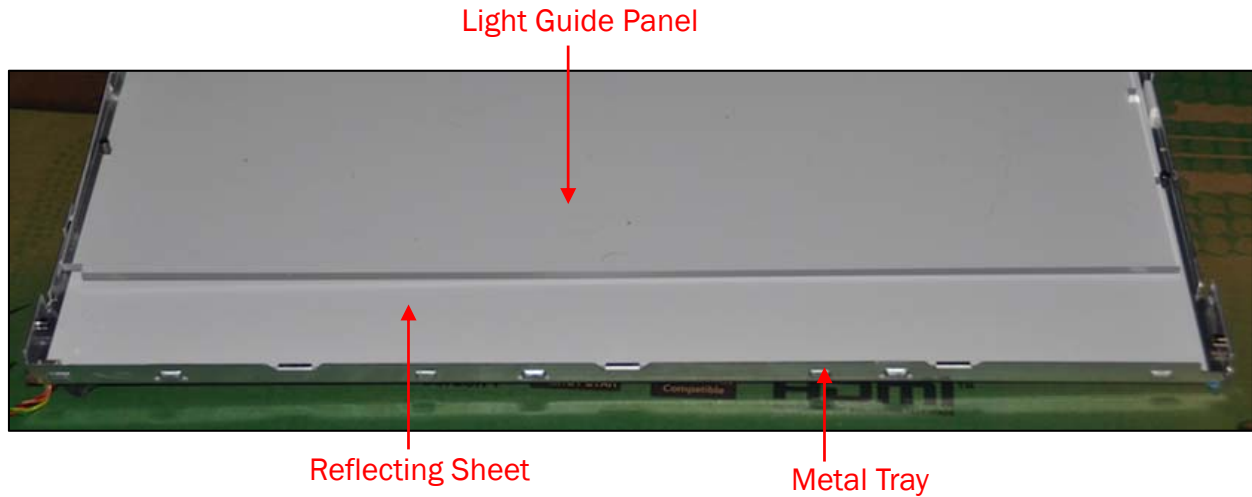
http://www.innolux.com/Pages/EN/Technology/TFT_LCD_EN.html

15. As shown in the diagram above, the TFT-LCD panel contains a backlight module. A teardown image below from the Innolux TFT-LCD model no. M270HGE-L30 shows its backlight module.

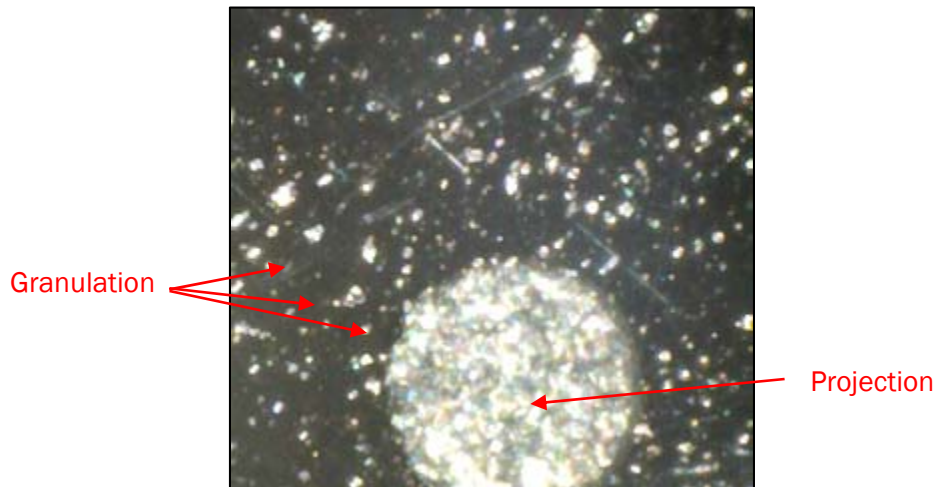


16. A TFT-LCD panel's backlight module contains many components. The image below shows, for example, part of the backlight module's tray, and its transparent light guide panel

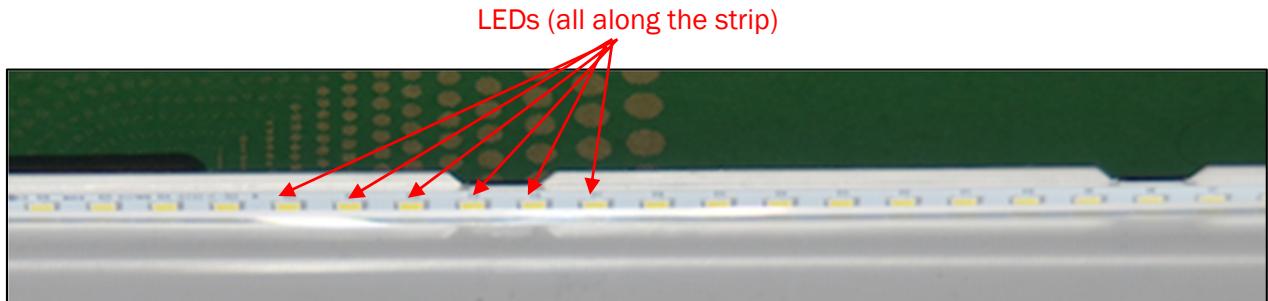
(optical guide body) partially removed from the tray, and a white reflection sheet underneath the light guide panel.



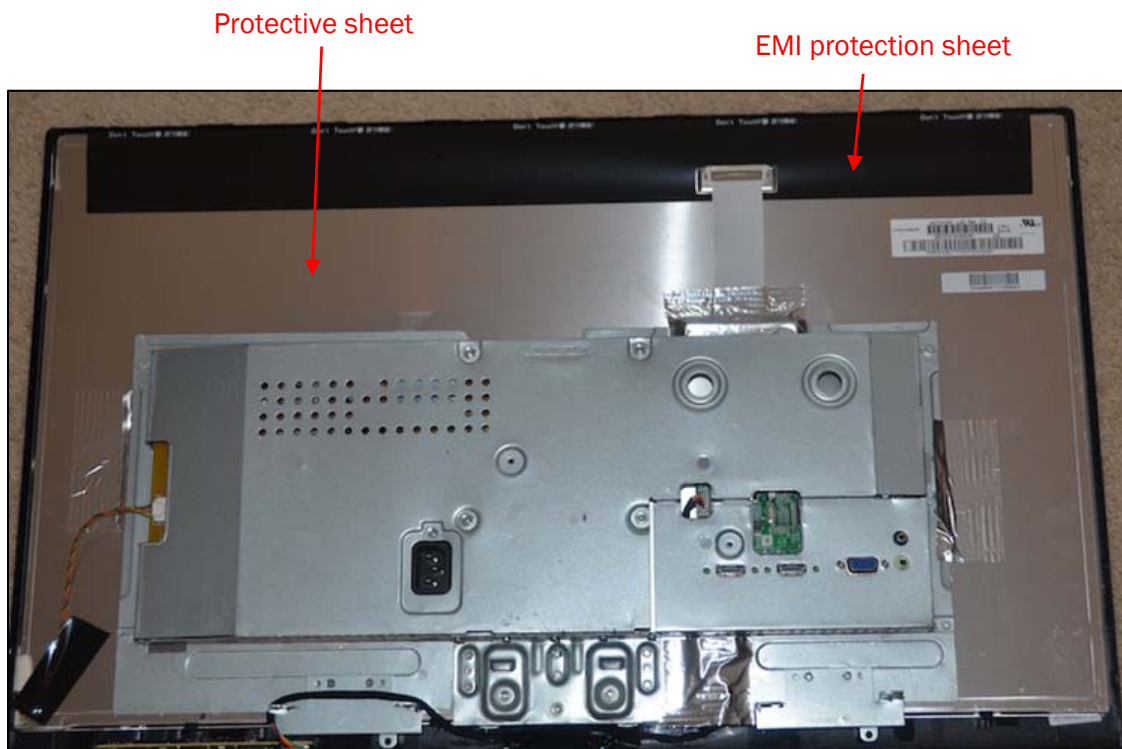
17. The light guide panel in the backlight module has granulated diffusion surfaces as well as projections on its surface as shown in the teardown image below from the Innolux TFT-LCD model no..



18. A TFT-LCD panel's backlight module also contains a light source, which provides the light that ultimately travels through the LCD by way of many of the components in the backlight including the light guide panel. The image below from the M270HGE-L30 shows part of a strip of many LEDs (generally, the yellow rectangles), which when assembled in the backlight module, align with the light guide panel to supply light to it.



19. A TFT-LCD panel's backlight module also contains a protective sheet (part of the metal tray above) and EMI protection sheet, shown for example in the teardown image below from the M270HGE-L30.



COUNT I

(INFRINGEMENT OF U.S. PATENT NO. 6,486,931)

20. Plaintiff incorporates paragraphs 1 through 19 herein by reference.

21. VPV is the assignee of the '931 patent, entitled "LCD optical guide plate with a roughened back surface having projections that support a reflecting sheet," with ownership of all substantial rights in the '931 patent, including the right to exclude others and to enforce, sue, and recover damages for past and future infringements.

22. The '931 patent is valid, enforceable, and was duly issued in full compliance with Title 35 of the United States Code. The '931 patent issued from U.S. Patent Application No. 09/592,914.

23. Innolux has and continues to directly and/or indirectly infringe (by inducing infringement) one or more claims of the '931 patent in this judicial district and elsewhere in Texas and the United States.

24. Upon information and belief, Innolux engages in the research, development, design, manufacture, and sales of TFT-LCD panels. *See* Innolux Corporation and Subsidiaries, Consolidated Financial Statement (Dec. 31, 2017).

25. Innolux directly infringes the '931 patent via 35 U.S.C. § 271(a) by making, offering for sale, selling, and/or importing those TFT-LCD panels, their components, and/or products containing same that incorporate the fundamental technologies covered by the '931 patent, or by having its controlled subsidiaries do the same. Furthermore, upon information and belief, Innolux sells and makes TFT-LCD panels outside of the United States, intending and/or knowing that those panels are destined for the United States and/or designing those products for sale in the United States, thereby directly infringing the '931 patent.

26. For example, Innolux infringes claim 1 of the '931 patent via its LCD panel model no. M270HGE. That product includes an “optical guide plate used in a liquid crystal display, comprising” each of the limitations of claim 1. The technology discussion above and the example accused TFT-LCD panel (M270HGE) provide context for Plaintiff’s allegations that each of those limitations are met. For example, the M270HGE includes an optical guide body formed of a transparent material, and including an incident surface, a granulated diffusion surface for scattering light components, a light output surface for radiating said light components therefrom and projections formed on said granulated diffusion surface, said projections having peaks with a height dimension of approximately 10 microns to 20 microns, which height dimension is greater than the dimensions of a granulation of the granulated diffusion surface; a reflecting sheet supported by said peaks of said projections so as to form an air layer between the reflecting sheet and the granulated diffusion surface; and a light source opposed to said incident surface for supplying said light components to said optical guide body.

27. Innolux further infringes the '931 patent via 35 U.S.C. § 271(g) by selling, offering to sell, and/or importing TFT-LCD panels, their components, and/or products containing same, that are made by a process covered by the '931 patent. Upon information and belief the infringing TFT-LCD panels, their components, and/or products containing same are not materially changed by subsequent processes, and they are neither trivial nor nonessential components of another product.

28. At a minimum, Innolux has known of the '931 patent at least as early as the filing date of the complaint. In addition, Innolux has known of the '931 patent since April 22, 2018, when Innolux was provided access to a data room containing claim charts, including for the '931 patent.

29. Upon information and belief, since at least the above-mentioned date when Innolux was on notice of its infringement, Innolux has actively induced, under U.S.C. § 271(b), distributors, importers and/or consumers that purchase or sell TFT-LCD panels that include or are made using all of the limitations of one or more claims of the '931 patent to directly infringe one or more claims of the '931 patent by using, offering for sale, selling, and/or importing the TFT-LCD panels. Since at least the notice provided on the above-mentioned date, Innolux does so with knowledge, or with willful blindness of the fact, that the induced acts constitute infringement of the '931 patent. Upon information and belief, Innolux intends to cause, and has taken affirmative steps to induce, infringement by the distributors, importers, and/or consumers by, *inter alia*, creating advertisements that promote the infringing use of the TFT-LCD panels, creating established distribution channels for the TFT-LCD panels into and within the United States, manufacturing the TFT-LCD panels in conformity with U.S. laws and regulations, distributing or making available instructions or manuals for these products to purchasers and prospective buyers, and/or providing technical support, replacement parts, or services for these products to these purchasers in the United States. *See, e.g.*, Innolux's "Global Service" webpage: http://www.innolux.com/Pages/EN/Quality_Service/Global_Service_EN.html.

30. On information and belief, despite having knowledge of the '931 patent and knowledge that it is directly and/or indirectly infringing one or more claims of the '931 patent, Innolux has nevertheless continued its infringing conduct and disregarded an objectively high likelihood of infringement. Innolux's infringing activities relative to the '931 patent have been, and continue to be, willful, wanton, malicious, in bad-faith, deliberate, consciously wrongful, flagrant, characteristic of a pirate, and an egregious case of misconduct beyond typical

infringement such that Plaintiff is entitled under 35 U.S.C. § 284 to enhanced damages up to three times the amount found or assessed.

31. VPV has been damaged as a result of Innolux's infringing conduct described in this Count. Innolux is, thus, liable to VPV in an amount that adequately compensates VPV for Innolux's infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

COUNT II

(INFRINGEMENT OF U.S. PATENT NO. 7,446,825)

32. Plaintiff incorporates paragraphs 1 through 31 herein by reference.

33. VPV is the assignee of the '825 patent, entitled "Backlight unit, display device provided with the backlight unit, and method of manufacturing the display device," with ownership of all substantial rights in the '825 patent, including the right to exclude others and to enforce, sue, and recover damages for past and future infringements.

34. The '825 patent is valid, enforceable, and was duly issued in full compliance with Title 35 of the United States Code. The '825 patent issued from U.S. Patent Application No. 11/490,119.

35. Innolux has and continues to directly and/or indirectly infringe (by inducing infringement) one or more claims of the '825 patent in this judicial district and elsewhere in Texas and the United States.

36. Upon information and belief, Innolux engages in the research, development, design, manufacture, and sales of TFT-LCD panels. *See* Innolux Corporation and Subsidiaries, Consolidated Financial Statement (Dec. 31, 2017).

37. Innolux directly infringes the '825 patent by making, having made, offering for sale, selling, and/or importing those TFT-LCD panels, their components, and/or products containing same that incorporate the fundamental technologies covered by the '825 patent, or by having its controlled subsidiaries do the same. Furthermore, upon information and belief, Innolux sells and has sold TFT-LCD panels outside of the United States, intending and/or knowing that those panels are destined for the United States and/or designing those products for sale in the United States, thereby directly infringing the '825 patent.

38. Innolux directly infringes the '825 patent via 35 U.S.C. § 271(a) by making, offering for sale, selling, and/or importing those TFT-LCD panels, their components, and/or products containing same that incorporate the fundamental technologies covered by the '825 patent, or by having its controlled subsidiaries do the same. Furthermore, upon information and belief, Innolux sells and makes TFT-LCD panels outside of the United States, intending and/or knowing that those panels are destined for the United States and/or designing those products for sale in the United States, thereby directly infringing the '825 patent.

39. For example, Innolux infringes claim 1 of the '825 patent via its LCD panel model no. M270HGE. That product includes a “backlight unit, comprising” each of the limitations of claim 1. The technology discussion above and the example accused TFT-LCD panel (M270HGE) provide context for Plaintiff’s allegations that each of those limitations are met. For example, the M270HGE includes a case having a frame shape; a light guide plate fixed to the case; a light source located on the side of the light guide plate; a reflective sheet located on the rear of the light guide plate; an EMI protection sheet for covering at least a flexible board located on the rear surface of the reflective sheet; and a protective sheet located between the reflective sheet and the flexible board, for preventing deformation of the reflective sheet, wherein the EMI protection sheet is

bonded to the flexible board and the protective sheet, whereby the flexible board is fixed to the protective sheet.

40. Innolux further infringes the '825 patent via 35 U.S.C. § 271(g) by selling, offering to sell, and/or importing TFT-LCD panels, their components, and/or products containing same, that are made by a process covered by the '825 patent. Upon information and belief the infringing TFT-LCD panels, their components, and/or products containing same are not materially changed by subsequent processes, and they are neither trivial nor nonessential components of another product.

41. At a minimum, Innolux has known of the '825 patent at least since February 16, 2018, and no later than the filing of this complaint. On February 16, 2018, Innolux received a letter from Dominion Harbor Group, LLC, notifying Innolux that it required a license to the '825 patent, and offering to provide claim charts to Innolux. Moreover, on April 22, 2018, Innolux was provided access to a data room containing claim charts, including for the '825 patent.

42. Upon information and belief, since at least the above-mentioned date when Innolux was on notice of its infringement, Innolux has actively induced, under U.S.C. § 271(b), distributors, importers and/or consumers that purchase or sell TFT-LCD panels that include or are made using all of the limitations of one or more claims of the '825 patent to directly infringe one or more claims of the '825 patent by using, offering for sale, selling, and/or importing the TFT-LCD panels. Since at least the notice provided on the above-mentioned date, Innolux does so with knowledge, or with willful blindness of the fact, that the induced acts constitute infringement of the '825 patent. Upon information and belief, Innolux intends to cause, and has taken affirmative steps to induce, infringement by the distributors, importers, and/or consumers by, *inter alia*, creating advertisements that promote the infringing use of the TFT-LCD panels, creating

established distribution channels for the TFT-LCD panels into and within the United States, manufacturing the TFT-LCD panels in conformity with U.S. laws and regulations, distributing or making available instructions or manuals for these products to purchasers and prospective buyers, and/or providing technical support, replacement parts, or services for these products to these purchasers in the United States. *See, e.g.*, Innolux’s “Global Service” webpage: http://www.innolux.com/Pages/EN/Quality_Service/Global_Service_EN.html.

43. On information and belief, despite having knowledge of the ’825 patent and knowledge that it is directly and/or indirectly infringing one or more claims of the ’825 patent, Innolux has nevertheless continued its infringing conduct and disregarded an objectively high likelihood of infringement. Innolux’s infringing activities relative to the ’825 patent have been, and continue to be, willful, wanton, malicious, in bad-faith, deliberate, consciously wrongful, flagrant, characteristic of a pirate, and an egregious case of misconduct beyond typical infringement such that Plaintiff is entitled under 35 U.S.C. § 284 to enhanced damages up to three times the amount found or assessed.

44. VPV has been damaged as a result of Innolux’s infringing conduct described in this Count. Innolux is, thus, liable to VPV in an amount that adequately compensates VPV for Innolux’s infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

COUNT III

(INFRINGEMENT OF U.S. PATENT NO. 7,593,070)

45. Plaintiff incorporates paragraphs 1 through 44 herein by reference.

46. VPV is the assignee of the ’070 patent, entitled “Optical unit and LCD device using the optical unit,” with ownership of all substantial rights in the ’070 patent, including

the right to exclude others and to enforce, sue, and recover damages for past and future infringements.

47. The '070 patent is valid, enforceable, and was duly issued in full compliance with Title 35 of the United States Code. The '070 patent issued from U.S. Patent Application No. 11/984,403.

48. Innolux has and continues to directly and/or indirectly infringe (by inducing infringement) one or more claims of the '070 patent in this judicial district and elsewhere in Texas and the United States.

49. Upon information and belief, Innolux engages in the research, development, design, manufacture, and sales of TFT-LCD panels. *See* Innolux Corporation and Subsidiaries, Consolidated Financial Statement (Dec. 31, 2017).

50. Innolux directly infringes the '070 patent by making, having made, offering for sale, selling, and/or importing those TFT-LCD panels, their components, and/or products containing same that incorporate the fundamental technologies covered by the '070 patent, or by having its controlled subsidiaries do the same. Furthermore, upon information and belief, Innolux sells and has sold TFT-LCD panels outside of the United States, intending and/or knowing that those panels are destined for the United States and/or designing those products for sale in the United States, thereby directly infringing the '070 patent.

51. Innolux directly infringes the '070 patent via 35 U.S.C. § 271(a) by making, offering for sale, selling, and/or importing those TFT-LCD panels, their components, and/or products containing same that incorporate the fundamental technologies covered by the '070 patent, or by having its controlled subsidiaries do the same. Furthermore, upon information and belief, Innolux sells and makes TFT-LCD panels outside of the United States, intending and/or

knowing that those panels are destined for the United States and/or designing those products for sale in the United States, thereby directly infringing the '070 patent.

52. For example, Innolux infringes claim 1 of the '070 patent via its LCD panel model no. M270HGE. That product includes a “optical unit, comprising” each of the limitations of claim 1. The technology discussion above and the example accused TFT-LCD panel (M270HGE) provide context for Plaintiff’s allegations that each of those limitations are met. For example, the M270HGE includes a frame surrounding an opening, the frame having a first surface and a second surface, placed directly across from the first surface of the frame; a light conductive plate positioned in the opening of the frame, the light conductive plate having a first surface adjacent the first surface of the frame and a second surface adjacent the second surface of the frame; a diffusion sheet fastened to the first surface of the frame in a manner to cover at least a portion of the first surface of the frame and to cover the first surface of the light conductive plate; and a light reflective sheet fastened to the second surface of the frame in a manner to cover at least a portion of the second surface of the frame and to cover the second surface of the light conductive plate, wherein the diffusion sheet and the light reflective sheet cooperate to fasten the light conductive plate within the frame.

53. Innolux further infringes the '070 patent via 35 U.S.C. § 271(g) by selling, offering to sell, and/or importing TFT-LCD panels, their components, and/or products containing same, that are made by a process covered by the '070 patent. Upon information and belief the infringing TFT-LCD panels, their components, and/or products containing same are not materially changed by subsequent processes, and they are neither trivial nor nonessential components of another product.

54. At a minimum, Innolux has known of the '070 patent at least as early as the filing date of the complaint. In addition, Innolux has known of the '070 patent since April 22, 2018, when Innolux was provided access to a data room containing claim charts, including for the '070 patent.

55. Upon information and belief, since at least the above-mentioned date when Innolux was on notice of its infringement, Innolux has actively induced, under U.S.C. § 271(b), distributors, importers and/or consumers that purchase or sell TFT-LCD panels that include or are made using all of the limitations of one or more claims of the '070 patent to directly infringe one or more claims of the '070 patent by using, offering for sale, selling, and/or importing the TFT-LCD panels. Since at least the notice provided on the above-mentioned date, Innolux does so with knowledge, or with willful blindness of the fact, that the induced acts constitute infringement of the '070 patent. Upon information and belief, Innolux intends to cause, and has taken affirmative steps to induce, infringement by the distributors, importers, and/or consumers by, *inter alia*, creating advertisements that promote the infringing use of the TFT-LCD panels, creating established distribution channels for the TFT-LCD panels into and within the United States, manufacturing the TFT-LCD panels in conformity with U.S. laws and regulations, distributing or making available instructions or manuals for these products to purchasers and prospective buyers, and/or providing technical support, replacement parts, or services for these products to these purchasers in the United States. *See, e.g.*, Innolux's "Global Service" webpage: http://www.innolux.com/Pages/EN/Quality_Service/Global_Service_EN.html.

56. On information and belief, despite having knowledge of the '070 patent and knowledge that it is directly and/or indirectly infringing one or more claims of the '070 patent, Innolux has nevertheless continued its infringing conduct and disregarded an objectively high

likelihood of infringement. Innolux's infringing activities relative to the '070 patent have been, and continue to be, willful, wanton, malicious, in bad-faith, deliberate, consciously wrongful, flagrant, characteristic of a pirate, and an egregious case of misconduct beyond typical infringement such that Plaintiff is entitled under 35 U.S.C. § 284 to enhanced damages up to three times the amount found or assessed.

57. VPV has been damaged as a result of Innolux's infringing conduct described in this Court. Innolux is, thus, liable to VPV in an amount that adequately compensates VPV for Innolux's infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

INJUNCTIVE RELIEF

58. Plaintiff seeks preliminary and permanent injunctions as a result of Innolux's infringement of the Asserted Patents. Plaintiff is likely to succeed in showing that Innolux infringes the Asserted Patents. Because of that infringement, Plaintiff has suffered an irreparable injury, and the remedies available at law, such as monetary damages, are inadequate to compensate for that injury. For example, if Plaintiff must enforce a judgment against Innolux in China, Plaintiff will face a historically challenging burden in persuading a Chinese court to enforce a judgment from a U.S. court, likely preventing Plaintiff from obtaining any monetary damages from Innolux. Considering the balance of hardships between the Plaintiff and Innolux, a remedy in equity is warranted; and the public interest would not be disserved by a permanent or preliminary injunction.

CONCLUSION

59. Plaintiff is entitled to recover from Innolux the damages sustained by Plaintiff as a result of Innolux's wrongful acts in an amount subject to proof at trial, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court.

60. Plaintiff has incurred and will incur attorneys' fees, costs, and expenses in the prosecution of this action. The circumstances of this dispute may give rise to an exceptional case within the meaning of 35 U.S.C. § 285, and Plaintiff is entitled to recover its reasonable and necessary attorneys' fees, costs, and expenses.

JURY DEMAND

61. Plaintiff hereby requests a trial by jury pursuant to Rule 38 of the Federal Rules of Civil Procedure.

PRAYER FOR RELIEF

62. Plaintiff respectfully requests that the Court find in its favor and against Innolux, and that the Court grant Plaintiff the following relief:

1. A judgment that Innolux has infringed the Asserted Patents as alleged herein, directly and/or indirectly by way of inducing infringement of such patents;
2. A judgment for an accounting of all damages sustained by Plaintiff as a result of the acts of infringement by Innolux;
3. A preliminary and permanent injunction against Innolux, its subsidiaries, or anyone acting on its behalf from making, using, selling, offering to sell, or importing any products that infringe the Asserted Patents, and any other injunctive relief the Court deems just and equitable;
4. A judgment and order requiring Innolux to pay Plaintiff damages under 35 U.S.C. § 284, including up to treble damages as provided by 35 U.S.C. § 284, and any royalties determined to be appropriate;
5. A judgment and order requiring Innolux to pay Plaintiff pre-judgment and post-judgment interest on the damages awarded;

6. A judgment and order finding this to be an exceptional case and requiring Innolux to pay the costs of this action (including all disbursements) and attorneys' fees as provided by 35 U.S.C. § 285; and
7. Such other and further relief as the Court deems just and equitable.

Dated: July 10, 2018

Respectfully submitted,

/s/ Patrick J. Conroy w/permission Claire
Abernathy Henry

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