

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.

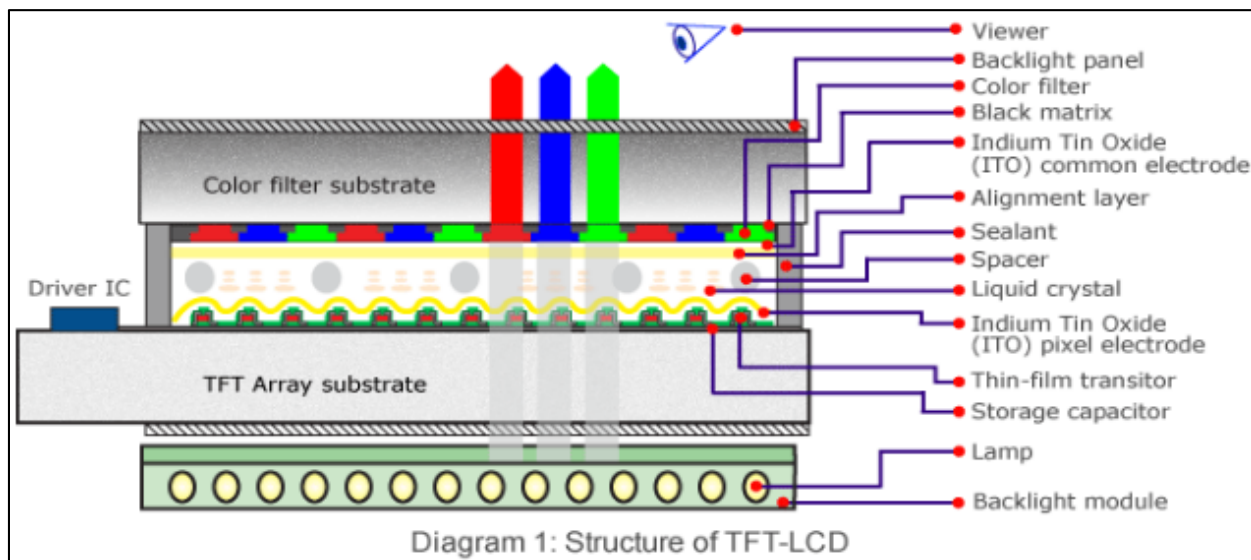
THE ASSERTED PATENTS AND TECHNOLOGY

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:

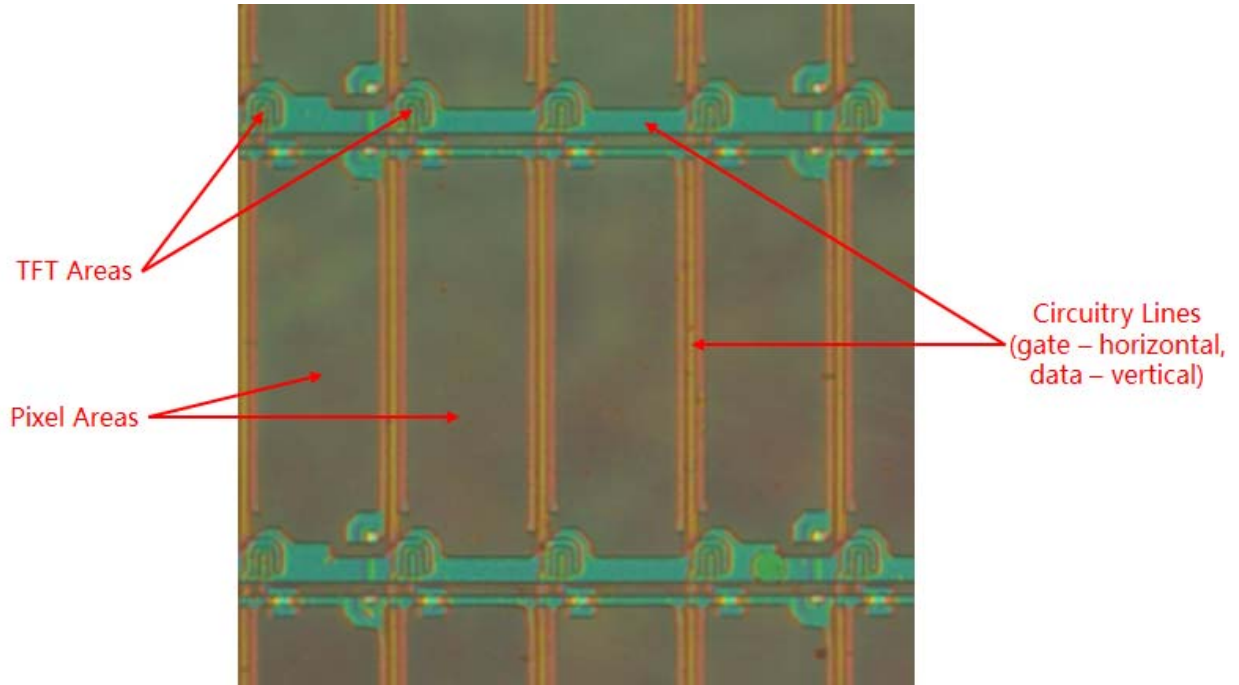


14. Innolux publishes a diagram of the structure of its TFT-LCDs as follows:

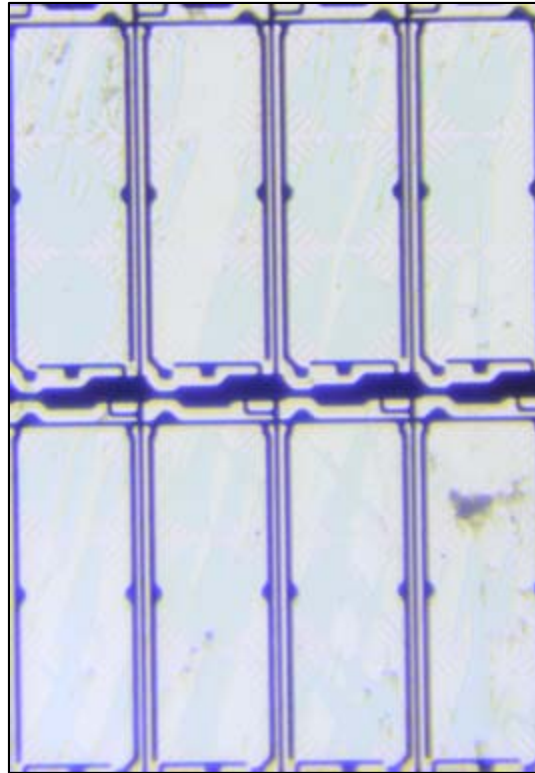


http://www.innolux.com/Pages/EN/Technology/TFT_LCD_EN.html

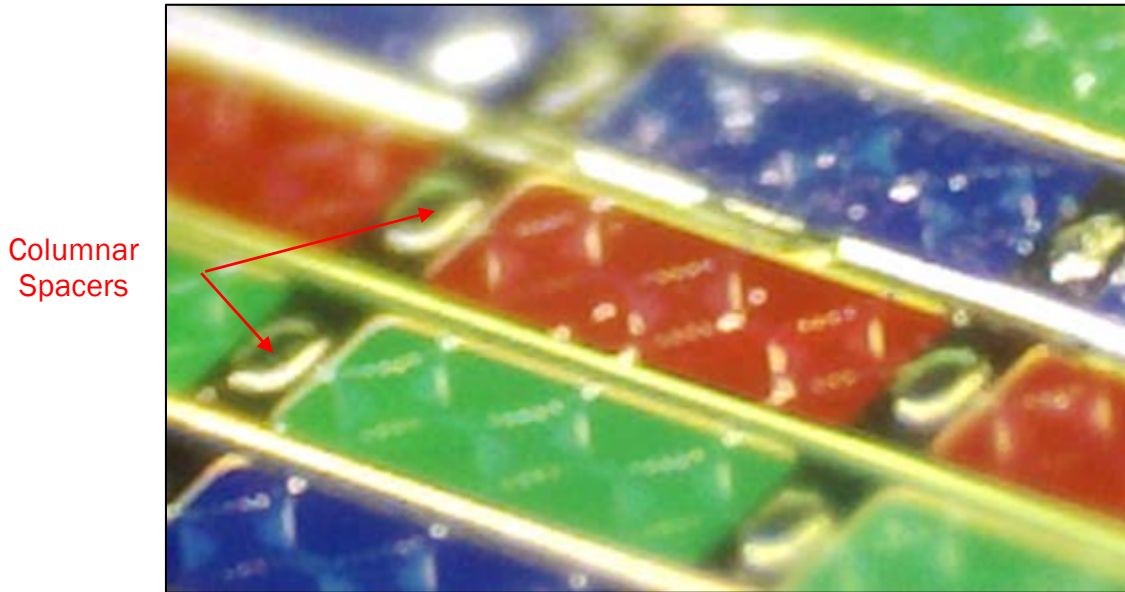
15. As shown in the diagram above, the TFT-LCD panel contains a TFT array substrate and many TFTs. A teardown image below from the Innolux TFT-LCD model no. M270HGE-L30 shows a sampling of TFTs and their accompanying circuitry lines, with larger rectangular areas associated with the pixels.



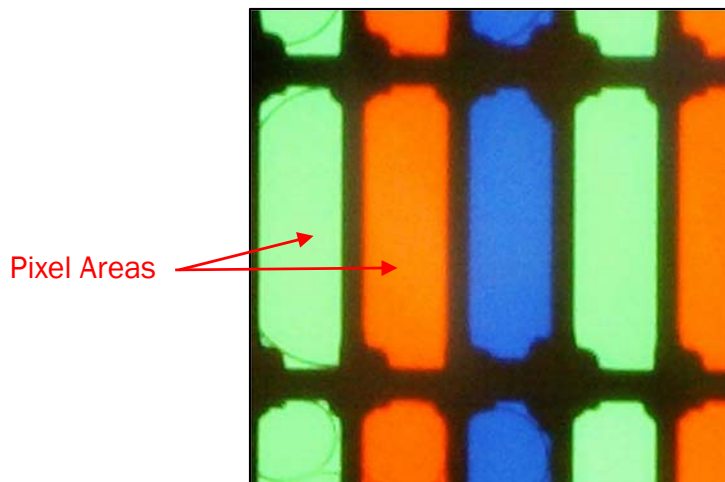
16. Another example of the TFTs, their accompanying circuitry lines, and pixel regions is shown in the following teardown image of the Innolux TFT-LCD model no. M280HKJ-L30:



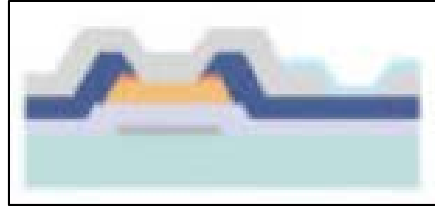
17. Another teardown image of the Innolux TFT-LCD model no. M280HKJ-L30 shows the black matrix and color filter layers referred to in the Innolux diagram above. This image shows columnar spacers as annotated.



18. A TFT acts as a switch that operates its respective individual pixels using the circuitry lines. In that way, the pixels can be turned on and off to create an image on an LCD by allowing or preventing light to pass through. The individual pixels are more apparent when a color filter layer overlays the circuits as shown in the image below for the M270HGE-L30.



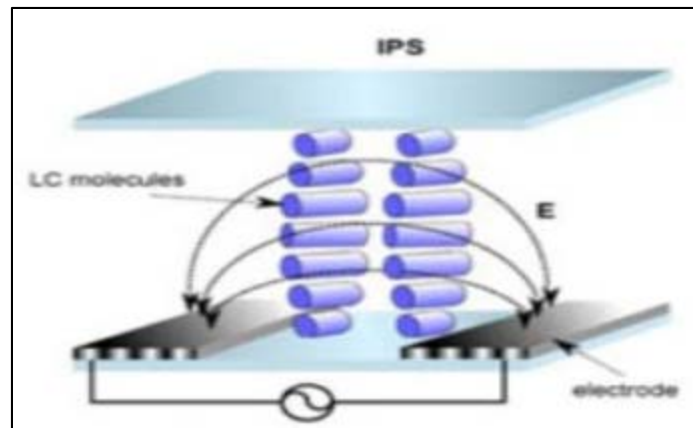
19. Innolux publishes a version of a side view of its TFTs on its website as follows.



http://www.innolux.com/Pages/EN/Technology/Production_Process/CF_TFT_EN.html

(excerpt).

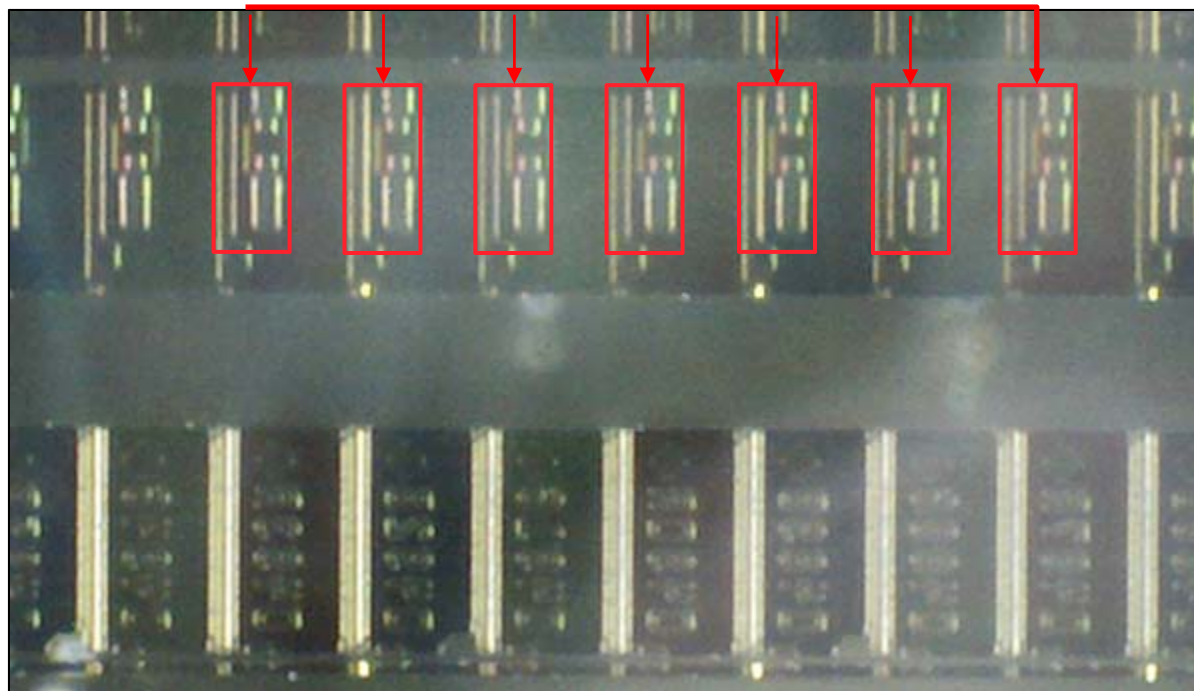
20. For in-plane switching devices, Innolux publishes a diagram and description of how the output of the TFTs creates the electric fields that orient the liquid crystals to determine whether light passes through the pixels. When an electric field is created, the liquid crystal molecules orient themselves parallel to the electric field and rotate on the same plane, so that light can pass through a polarizer and create an image on the display.



21. http://www.innolux.com/Pages%2fen%2fTechnology%2fProduction_Process_en.html

22. Lastly, a teardown image below from the Innolux TFT-LCD model no. M270HGE-L30 shows a sampling of floating-gate field effect transistors used for surge protection in the device.

Floating-gate field effect transistors



COUNT I

(INFRINGEMENT OF U.S. PATENT NO. 6,549,259)

23. Plaintiff incorporates paragraphs 1 through 22 herein by reference.

24. VPV is the assignee of the '259 patent, entitled "Liquid crystal display panel and fabrication method of the same," with ownership of all substantial rights in the '259 patent, including the right to exclude others and to enforce, sue, and recover damages for past and future infringements.

25. The '259 patent is valid, enforceable, and was duly issued in full compliance with Title 35 of the United States Code. The '259 patent issued from U.S. Patent Application No. 09/780,382.

26. Innolux has and continues to directly and/or indirectly infringe (by inducing infringement) one or more claims of the '259 patent in this judicial district and elsewhere in Texas and the United States.

27. 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).

28. Innolux directly infringes the '259 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 '259 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 '259 patent.

29. For example, Innolux infringes claim 1 of the '259 patent via its LCD panel model no. M270HGE. That product includes a "liquid crystal display panel 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 array substrate having a switching element array; an opposing substrate opposing to said array substrate; a liquid crystal layer disposed between said array substrate and said opposing substrate; a seal member sealing said liquid crystal layer within said display panel; a spacer disposed within said seal member so as to make a gap between said array substrate and said opposing substrate constant; and a leveling layer formed on said switching element array, said leveling layer being provided with one of an opening area and a thin region at a seal area of said seal member, said thin region being thinner than thickness of said leveling layer on each switching element of said switching element array.

30. Innolux further infringes the '259 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 '259 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.

31. At a minimum, Innolux has known of the '259 patent at least as early as the filing date of the complaint. In addition, Innolux has known of the '259 patent since April 22, 2018, when Innolux was provided access to a data room containing claim charts, including for the '259 patent.

32. 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 '259 patent to directly infringe one or more claims of the '259 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 '259 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.

33. On information and belief, despite having knowledge of the '259 patent and knowledge that it is directly and/or indirectly infringing one or more claims of the '259 patent, Innolux has nevertheless continued its infringing conduct and disregarded an objectively high likelihood of infringement. Innolux's infringing activities relative to the '259 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.

34. 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. 6,781,643)

35. Plaintiff incorporates paragraphs 1 through 34 herein by reference.

36. VPV is the assignee of the '643 patent, entitled "Active matrix liquid crystal display device," with ownership of all substantial rights in the '643 patent, including the right to exclude others and to enforce, sue, and recover damages for past and future infringements.

37. The '643 patent is valid, enforceable, and was duly issued in full compliance with Title 35 of the United States Code. The '643 patent issued from U.S. Patent Application No. 09/573,185.

38. Innolux has and continues to directly and/or indirectly infringe (by inducing infringement) one or more claims of the '643 patent in this judicial district and elsewhere in Texas and the United States.

39. 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).

40. Innolux directly infringes the '643 patent via 35 U.S.C. § 271(a) 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 '643 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 '643 patent.

41. For example, Innolux infringes claim 1 of the '643 patent via its LCD panel model no. M270HGE. That product includes an “active matrix liquid crystal display device 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 plurality of scan lines formed on an insulating substrate; a plurality of signal lines formed to cross said scan lines; thin film transistors formed near intersections between said scan lines and signal lines, respectively; pixel electrodes connected to an electrode of said thin film transistors, respectively; an area surrounded by: (a) one of said plurality of scan lines; (b) another one of said plurality of scan lines at a preceding stage; (c) one of said plurality of signal line which crosses said scan lines; and (d) another one of said plurality of signal lines which crosses said scan lines thereby forming a unit pixel; said plurality of scan lines and said plurality of signal lines thereby forming a plurality of unit pixels, each said unit pixel having one of said thin film transistors and one of said pixel electrodes associated with each said unit pixel; an accumulation capacity portion formed by said pixel electrode overlapping with said scan line at the preceding stage via insulating film; an additional capacity portion formed in at least one of said plurality of unit pixels, said additional capacity portion formed by overlapping said

pixel electrode associated with said at least one unit pixel, via an insulating film and a semiconductor film each associated with said associated pixel electrode, over the scan line at an applicable stage to be connected to a gate electrode of said thin film transistor associated with the same said at least one unit pixel, said associated thin film transistor for switching said associated pixel electrode of said unit pixel; and said pixel electrode at the next stage overlaps with said scan line at the applicable stage via insulating film to thereby form an accumulation capacity portion for said pixel electrode at the next stage.

42. At a minimum, Innolux has known of the '643 patent at least as early as the filing date of the complaint. In addition, Innolux has known of the '643 patent since April 22, 2018, when Innolux was provided access to a data room containing claim charts, including for the '643 patent.

43. 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 all of the limitations of one or more claims of the '643 patent to directly infringe one or more claims of the '643 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 '643 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.

44. On information and belief, despite having knowledge of the ’643 patent and knowledge that it is directly and/or indirectly infringing one or more claims of the ’643 patent, Innolux has nevertheless continued its infringing conduct and disregarded an objectively high likelihood of infringement. Innolux’s infringing activities relative to the ’643 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.

45. 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. 6,950,165)

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

47. VPV is the assignee of the ’165 patent, entitled “In-plane switching mode liquid crystal display device,” with ownership of all substantial rights in the ’165 patent, including the right to exclude others and to enforce, sue, and recover damages for past and future infringements.

48. The '165 patent is valid, enforceable, and was duly issued in full compliance with Title 35 of the United States Code. The '165 patent issued from U.S. Patent Application No. 10/397,256.

49. Innolux has and continues to directly and/or indirectly infringe (by inducing infringement) one or more claims of the '165 patent in this judicial district and elsewhere in Texas and the United States.

50. 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).

51. Innolux directly infringes the '165 patent via 35 U.S.C. § 271(a) 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 '165 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 '165 patent.

52. For example, Innolux infringes claim 1 of the '165 patent via its LCD panel model no. M270HGE. That product includes an “in-plane switching mode liquid crystal display device 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 first substrate having a scanning line, a data line and a common electrode interconnect line formed thereon, said data line being formed to cross said scanning line while interposing an insulation film between said data line and said

scanning line, said common electrode interconnect line being constructed such that said common electrode interconnect line is located farther from said first substrate than said scanning line and said data line, and has a width greater than those of said scanning line and said data line in order to geometrically cover said scanning line and said data line, wherein said common electrode interconnect line includes a laminated structure comprising a transparent film and an opaque film, both being bonded to one another, and said opaque film is geometrically located inside said scanning line; a second substrate disposed to face said first substrate; and a liquid crystal interposed between said first substrate and said second substrate.

53. At a minimum, Innolux has known of the '165 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 '165 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 '165 patent.

54. 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 all of the limitations of one or more claims of the '165 patent to directly infringe one or more claims of the '165 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 '165 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.

55. On information and belief, despite having knowledge of the ’165 patent and knowledge that it is directly and/or indirectly infringing one or more claims of the ’165 patent, Innolux has nevertheless continued its infringing conduct and disregarded an objectively high likelihood of infringement. Innolux’s infringing activities relative to the ’165 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.

56. 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 IV

(INFRINGEMENT OF U.S. PATENT NO. 7,046,327)

57. Plaintiff incorporates paragraphs 1 through 56 herein by reference.

58. VPV is the assignee of the ’327 patent, entitled “Liquid crystal display device including columnar spacer above gate line,” with ownership of all substantial rights in the ’327

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

59. The '327 patent is valid, enforceable, and was duly issued in full compliance with Title 35 of the United States Code. The '327 patent issued from U.S. Patent Application No. 10/833,318.

60. Innolux has and continues to directly and/or indirectly infringe (by inducing infringement) one or more claims of the '327 patent in this judicial district and elsewhere in Texas and the United States.

61. 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).

62. Innolux directly infringes the '327 patent via 35 U.S.C. § 271(a) 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 '327 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 '327 patent.

63. For example, Innolux infringes claim 1 of the '327 patent via its LCD panel model no. M280HKJ. That product includes a "liquid crystal display device including" each of the limitations of claim 1. The technology discussion above and the example accused TFT-LCD panel (M280HKJ) provide context for Plaintiff's allegations that each of those limitations are met. For example, the M280HKJ includes a first substrate, a second substrate, and a liquid crystal layer

sandwiched between the first and second substrates, the device comprising, on the first substrate: a gate line; a common line parallel to the gate line; a data line intersecting the gate line while sandwiching a gate insulating film on the gate line therebetween; a first interlayer insulating film coating the data line; and a first orientation film coating the first interlayer insulating film, and the device comprising, on the second substrate: a light shielding film opposite to the gate line; a second interlayer insulating film coating the light shielding film; a columnar spacer located above the gate line apart from an intersection of the gate line and the data line and provided on the second interlayer insulating film; and a second orientation film coating the second interlayer insulating film and the columnar spacer, wherein a center of a top of the columnar spacer is shifted from above a widthwise center of the gate line toward above the common line, and the top of the columnar spacer partially overruns from above the gate line toward above the common line when viewed from the above, the top being directed to the first substrate.

64. At a minimum, Innolux has known of the '327 patent at least as early as the filing date of the complaint. In addition, Innolux has known of the '327 patent since May 2, 2018, when Innolux was provided access to a data room containing claim charts, including for the '327 patent.

65. 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 all of the limitations of one or more claims of the '327 patent to directly infringe one or more claims of the '327 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 '327 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.

66. On information and belief, despite having knowledge of the '327 patent and knowledge that it is directly and/or indirectly infringing one or more claims of the '327 patent, Innolux has nevertheless continued its infringing conduct and disregarded an objectively high likelihood of infringement. Innolux's infringing activities relative to the '327 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.

67. 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 V

(INFRINGEMENT OF U.S. PATENT NO. 6,812,528)

68. Plaintiff incorporates paragraphs 1 through 67 herein by reference.

69. VPV is the assignee of the '528 patent, entitled "Surge protection circuit for semiconductor devices," with ownership of all substantial rights in the '528 patent, including the right to exclude others and to enforce, sue, and recover damages for past and future infringements.

70. The '528 patent is valid, enforceable, and was duly issued in full compliance with Title 35 of the United States Code. The '528 patent issued from U.S. Patent Application No. 09/874,296.

71. Innolux has and continues to directly and/or indirectly infringe (by inducing infringement) one or more claims of the '528 patent in this judicial district and elsewhere in Texas and the United States.

72. 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).

73. Innolux directly infringes the '528 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 '528 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 '528 patent.

74. Innolux directly infringes the '528 patent via 35 U.S.C. § 271(a) 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 '528 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 '528 patent.

75. For example, Innolux infringes claim 23 of the '528 patent via its LCD panel model no. M270HGE. That product includes a “surge protection circuit for a semiconductor display panel, comprising” each of the limitations of claim 23. 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 plurality of vertical signal lines; a plurality of horizontal signal lines intersecting said vertical signal lines; and a plurality of floating-gate field effect transistors, each having a channel capacitance and including a floating gate electrode, a source electrode and a drain electrode, said source and drain electrodes of each of said transistors being respectively connected to said vertical signal lines, each of said transistors being responsive to the respective vertical signal line being subjected to a surge potential for developing a voltage on said channel capacitance sufficient to turn on said floating-gate field effect transistor and establish a low-impedance path to ground.

76. At a minimum, Innolux has known of the '528 patent at least as early as the filing date of the complaint. In addition, Innolux has known of the '528 patent since April 22, 2018, when Innolux was provided access to a data room containing claim charts, including for the '528 patent.

77. 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 all of the limitations of one or more claims of the '528 patent to directly infringe one or more claims of

the '528 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 '528 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.

78. On information and belief, despite having knowledge of the '528 patent and knowledge that it is directly and/or indirectly infringing one or more claims of the '528 patent, Innolux has nevertheless continued its infringing conduct and disregarded an objectively high likelihood of infringement. Innolux's infringing activities relative to the '528 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.

79. 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.

INJUNCTIVE RELIEF

80. 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

81. 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.

82. 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

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

PRAYER FOR RELIEF

84. 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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