

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**FLEXIWORLD TECHNOLOGIES,
INC.,**

Plaintiff,

v.

**HISENSE VISUAL TECHNOLOGY
CO., LTD., HISENSE
INTERNATIONAL CO., LTD.,
HISENSE INTERNATIONAL
(HONG KONG) AMERICA
INVESTMENT CO., LTD.,
HISENSE ELECTRONICS
MANUFACTURING COMPANY
OF AMERICA CORPORATION and
HISENSE USA CORPORATION,**

Defendants.

Case No. 1:22-CV-04338-SDG

Jury Trial Demanded

FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT

Pursuant to Federal Rule of Civil Procedure 15(a)(2) and the orders at Dkt. Nos. 21, 35, and 37, Plaintiff Flexiworld Technologies, Inc., files this First Amended Complaint for patent infringement against Defendants Hisense Visual Technology Co., Ltd. (“Hisense Visual”), Hisense International Co., Ltd. (“Hisense Int’l”), Hisense International (Hong Kong) America Investment Co., Ltd. (“Hisense Int’l (HK) America”), Hisense Electronics Manufacturing Company of America

Corporation (“Hisense Manufacturing”), and Hisense USA Corporation (“Hisense USA”) (collectively referred to as “Defendants,” “Hisense Group,” or “Hisense”) alleging as follows:

NATURE OF THE SUIT

1. This is a claim for patent infringement arising under the patent laws of the United States, Title 35 of the United States Code. This case asserts infringement of United States Patent No. 7,609,402 (“the ’402 Patent” or “the Patent-in-Suit”).

THE PARTIES

2. Plaintiff **Flexiworld Technologies, Inc. (“Plaintiff” or “Flexiworld”)** is a Washington corporation with its principal place of business at 3439 NE Sandy Blvd., #267, Portland, Oregon 97232.

3. On information and belief, Hisense Visual Technology Co., Ltd., formerly known as Qingdao Hisense Electronics Co., Ltd. and Hisense Electric Co., Ltd., is a corporation organized and existing under the laws of the People’s Republic of China with a principal place of business located at 218 Qianwangang Road, Qingdao Economic and Technological Development Zone, Qingdao, Shandong Province, 266555, P.R. China. Hisense Visual has at least a 10% interest in and, on information and belief, a controlling interest in Hisense Int’l, Hisense Int’l (HK), Hisense Int’l (HK) America, Hisense Manufacturing, and Hisense USA. Hisense

Visual, individually and with Hisense Group, is engaged in making, using, selling, offering for sale, and/or importing, and/or induces its subsidiaries, affiliates, retail partners, and customers in the making, using, selling, offering for sale, and/or importing throughout the United States, including within this District, products, such as televisions, accused of infringement. Hisense Visual operates in agency as part of the Hisense Group. Hisense Visual in agency with the Hisense Group provides a distribution channel of infringing products within this District and the U.S. nationally, where Hisense Visual regularly imports and inserts into the stream of commerce televisions, such that infringing televisions will be offered for sale and sold in this District and throughout the United States.

4. On information and belief, Hisense International Co., Ltd. is a corporation organized and existing under the laws of the People's Republic of China with a principal place of business at Hisense Tower, No. 17, Floor 22, Donghaixi Road, South District, Qingdao, Shandong Province 266071, P.R. Hisense Int'l, individually and with Hisense Group, is engaged in making, using, selling, offering for sale, and/or importing, and/or induces its subsidiaries, affiliates, retail partners, and customers in the making, using, selling, offering for sale, and/or importing throughout the United States, including within this District, products, such as televisions, accused of infringement. Hisense Int'l operates in agency as part of the

Hisense Group. Hisense Int'l in agency with the Hisense Group provides a distribution channel of infringing products within this District and the U.S. nationally, where Hisense Int'l regularly imports and inserts into the stream of commerce televisions, such that infringing televisions will be offered for sale and sold in this District and throughout the United States.

5. On information and belief, Hisense International (Hong Kong) America Investment Co., Ltd. is a corporation organized and existing under the laws of Hong Kong, with a principal place of business located at Room 3101-3105, Singa Commercial Centre, No. 148 Connaught Road West, Sheung Wan, Hong Kong. Hisense Int'l (HK) America, individually and with Hisense Group, is engaged in making, using, selling, offering for sale, and/or importing, and/or induces its subsidiaries, affiliates, retail partners, and customers in the making, using, selling, offering for sale, and/or importing throughout the United States, including within this District, products, such as televisions, accused of infringement. Hisense Int'l (HK) America operates in agency as part of the Hisense Group. Hisense Int'l (HK) America in agency with the Hisense Group provides a distribution channel of infringing products within this District and the U.S. nationally, where Hisense Int'l (HK) America regularly imports and inserts into the stream of commerce televisions,

such that infringing televisions will be offered for sale and sold in this District and throughout the United States.

6. Hisense Manufacturing is a Georgia corporation with its principal place of business at 7310 McGinnis Ferry Road, Suwanee, GA 30024.

7. Hisense USA Corporation is a Georgia corporation with its principal place of business at 7310 McGinnis Ferry Road, Suwanee, GA 30024.

8. On information and belief, Defendants are an interrelated group of companies which collectively comprise one of the largest electronics manufacturers in the United States.

9. On information and belief, Defendants, individually, together, and/or in concert, participate in the design, development, manufacture, sale for importation into the United States, offers for sale for importation into the United States, importation into the United States, sale within the United States after importation, and offers for sale within the United States after importation, of televisions that infringe the Patent-in-Suit.

10. Hisense was founded in the People's Republic of China in 1969 and continues as a partially state-owned enterprise of the Chinese government. Hisense's vision is "[t]o become the most trusted company and loved brand in the U.S. Consumer Electronic and Home Appliance industries by offering solutions that

customers desire.” Hisense is “a fast-growing consumer electronics and appliance manufacturer that offers high-quality and cutting-edge TVs and home appliances.” *See, e.g.*, <https://www.hisense-usa.com/company>.

11. On information and belief, Defendants operate in agency with each other as a group. *See, e.g.*, <https://www.hisense-usa.com/company> (Hisense “has built 54 overseas companies and utilizes 14 high-end international production facilities in Europe, Central America, and South Africa. Hisense also has 12 research and development centers worldwide with the sole aim of delivering first-rate and affordable products that improve the lives of consumers.”). Hisense induces its subsidiaries, affiliates, retail partners, and customers in the making, using, selling, offering for sale, and/or importing throughout the United States, including within this District, products, such as televisions and projectors, accused of infringement. Defendants provide a distribution channel of infringing products within this District and the U.S. nationally. Defendants, between and amongst themselves, purposefully direct the Accused Products into established distribution channels within this District and the U.S. nationally.

12. On information and belief, Defendants maintain a corporate presence in the United States via at least their U.S.-based sales subsidiaries including, Hisense Manufacturing and Hisense USA. Hisense Manufacturing and Hisense USA are

Georgia corporations with a principal place of business at 7310 McGinnis Ferry Road, Suwanee, Georgia, 20024.

13. On information and belief, Hisense Manufacturing provides sales and distribution support in North America as part of the Hisense Group and for its parents, e.g., Hisense Visual. Hisense Manufacturing is an agent of Defendants.

14. On information and belief, Hisense USA provides sales and distribution support in North America as part of the Hisense Group and for its parents, e.g., Hisense Visual. Hisense USA is an agent of Defendants.

15. At the direction and control of Defendants, U.S.-based sales subsidiaries including, Hisense Manufacturing and Hisense USA, import infringing products, such as televisions and projectors, into the United States and this District.

16. On information and belief, Hisense and its U.S.-based sales subsidiaries (which act as part of a global network of overseas sales and manufacturing subsidiaries on behalf of Hisense) have operated as agents of one another and vicariously as parts of the same business group to work in concert together and enter into agreements that are nearer than arm's length. For example, Hisense Visual, alone and via at least the activities of its U.S.-based sales subsidiaries (e.g., Hisense Manufacturing and Hisense USA), conducts business in the United States, including importing, distributing, and selling televisions and projectors that incorporate

devices, systems, and processes that infringe the Patent-in-Suit in Georgia and this judicial district. *See Trois v. Apple Tree Auction Center, Inc.*, 882 F.3d 485, 490 (5th Cir. 2018) (“A defendant may be subject to personal jurisdiction because of the activities of its agent within the forum state...”); *see also Cephalon, Inc. v. Watson Pharmaceuticals, Inc.*, 629 F. Supp. 2d 338, 348 (D. Del. 2009) (“The agency theory may be applied not only to parents and subsidiaries, but also to companies that are ‘two arms of the same business group,’ operate in concert with each other, and enter into agreements with each other that are nearer than arm’s length.”).

17. Through offers to sell, sales, imports, distributions, and other related agreements to transfer ownership of Defendants’ electronics, such as televisions and projectors, with distributors and customers operating in and maintaining a significant business presence in the U.S. and/or its U.S. subsidiaries, Hisense Manufacturing and Hisense USA, Defendants do business in the U.S., the state of Georgia, and in the Northern District of Georgia.

JURISDICTION AND VENUE

18. This action arises under the patent laws of the United States, 35 U.S.C. § 101, et seq. This Court’s jurisdiction over this action is proper under the above statutes, including 35 U.S.C. § 271, et seq., 28 U.S.C. § 1331 (federal question jurisdiction) and § 1338 (jurisdiction over patent actions).

19. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(c). As detailed above, several defendants are foreign entities that may be sued in any judicial district under 28 U.S.C. § 1391(c)(3). In addition, Hisense Manufacturing and Hisense USA have committed acts of infringement in the State of Georgia, including in this District, and have a regular and established place of business in Georgia, including in this District.

20. This Court has general and specific personal jurisdiction over Defendants pursuant to due process and/or the Georgia Long Arm Statute because, *inter alia*, (i) Defendants have done and continue to do business in Georgia and (ii) Defendants have, directly and through intermediaries, committed and continue to commit acts of patent infringement in the State of Georgia, including making, using, offering to sell, and/or selling accused products in Georgia, and/or importing accused products into Georgia, including by Internet sales and sales via retail and wholesale stores, inducing others to commit acts of patent infringement in Georgia, and/or committing at least a portion of any other infringements alleged herein. Defendants have placed, and are continuing to place, infringing products into the stream of commerce, via an established distribution channel, with the knowledge and/or understanding that such products are sold in Georgia, including in this District. Defendants have derived substantial revenues from its infringing acts

occurring within Georgia and within this District. Defendants have 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 infringing goods offered for sale, sold, and imported, and services provided to Georgia residents vicariously through and/or in concert with its alter egos, intermediaries, agents, distributors, importers, customers, subsidiaries, and/or consumers. Defendants also own, use, or possess real property in this State, including at least at 7310 McGinnis Ferry Road, Suwanee, GA 30024.

21. This Court has personal jurisdiction over Defendants, directly or through intermediaries, distributors, importers, customers, subsidiaries, and/or consumers including its U.S.-based sales subsidiaries, e.g., Hisense Manufacturing and Hisense USA. Through direction and control of such subsidiaries, Defendants have committed acts of direct and/or indirect patent infringement within Georgia, and elsewhere within the United States, giving rise to this action and/or has established minimum contacts with Georgia such that personal jurisdiction over Defendants would not offend traditional notions of fair play and substantial justice.

22. On information and belief, Hisense Manufacturing and Hisense USA are wholly-owned subsidiaries of Hisense. The primary business of Hisense

Manufacturing and Hisense USA is the marketing and sale of electronic products in the United States. Hisense has a 100% controlling ownership interest in Hisense Manufacturing and Hisense USA and maintains more than half of the voting rights for such subsidiaries as its basis for control. See, e.g., <https://www.hisense-usa.com/company> (“Hisense USA is the U.S. headquarters that was established by our parent company – Hisense – in Suwanee, GA.”). Upon information and belief, Hisense compensates Hisense Manufacturing and Hisense USA for its sales support services in the United States. As such, Hisense has a direct financial interest in its U.S.-based subsidiaries, and vice versa.

23. Personal jurisdiction is proper because Defendants have committed acts of infringement in this District. This Court has personal jurisdiction over Defendants because, *inter alia*, this action arises from activities Defendants purposefully directed towards the State of Georgia and this District.

24. Exercising personal jurisdiction over Defendants in this District would not be unreasonable given Defendants’ contacts in this District, the interest in this District of resolving disputes related to products sold herein, and the harm that would occur to Flexiworld.

25. In addition, Defendants have knowingly induced and continue to knowingly induce infringement within this District by advertising, marketing,

offering for sale and/or selling devices pre-loaded with infringing functionality within this District, to consumers, customers, manufacturers, distributors, resellers, partners, and/or end users, and providing instructions, user manuals, advertising, and/or marketing materials which facilitate, direct or encourage the use of infringing functionality with knowledge thereof.

26. Personal jurisdiction also exists specifically over each of the Defendants because each, directly or through affiliates, subsidiaries, agents, or intermediaries, transacts business in this State or purposefully directed at this State (including, without limitation, retail stores including Best Buy and Walmart) by making, importing, offering to sell, selling, and/or having sold infringing products within this State and District or purposefully directed at this State or District.

27. Personal jurisdiction also exists specifically over each of the Defendants because Defendants have overlapping executives, interlocking corporate structures, and close relationships as manufacturer, importer, and distributor of the products accused of infringement.

28. To the extent any foreign Defendant is not subject to jurisdiction in any state's court of general jurisdiction, exercising jurisdiction over such Defendant in this State and this District would be consistent with due process and this State's long-arm statute and under national contacts in light of facts alleged in this Complaint.

29. In addition, each of the Defendants, directly or through affiliates, subsidiaries, agents, or intermediaries, places infringing products into the stream of commerce knowing they will be sold and used in Georgia, and economically benefits from the retail sale of infringing products in this State. For example, Defendants' products have been sold and are available for sale in this District at Best Buy and Walmart retail stores, and are also available for sale and offered for sale in this District through online retailers such as Best Buy, Walmart, and Amazon. Hisense also advertises its infringing products and provides customer support of its infringing products to consumers in Georgia and this District through its agent's websites. *See, e.g.,* <https://www.hisense-usa.com/tv-and-audio/televisions/all-tvs>; <https://www.sharptvusa.com/support/>.

30. On information and belief, from 2015 to 2019, Hisense entered into a brand licensing agreement with Sharp Electronics Corporation and/or Sharp Corporation through which Hisense made, used, offered to sell, sold, and/or imported Sharp-branded televisions and projectors in this District and throughout United States. *See, e.g.,* <https://www.lifewire.com/hisense-now-has-sharp-assets-1847076>.

31. On information and belief, in January 2022, Hisense announced that several of its television models (including in its U9H, U8H, U7H, U6H, A7H, A6H,

and A4H series televisions) would include Google TV software. *See, e.g.,* <https://9to5google.com/2022/01/04/hisense-google-tv-2022-mini-led/>. Previously, several of Hisense’s television models (including those transitioned to Google TV) included Android TV software. *See, e.g., id.*

32. On information and belief, in March 2019, Hisense founded VIDAA, “a technology and innovation company whose main product is the VIDAA Smart TV OS and Content Platform.” *See, e.g.,* <https://www.vidaa.com/about/>. On information and belief, VIDAA maintains a headquarters at 7310 McGinnis Ferry Road, Suwanee, GA 30024.

33. As discussed in detail herein, Defendants have infringed (literally and/or under the doctrine of equivalents), directly, indirectly, and/or through subsidiaries, agents, representatives, or intermediaries, one or more claims of each of the Patent-in-Suit by making, using, importing, testing, supplying, causing to be supplied, selling, and/or offering for sale in the United States Hisense and Sharp branded projectors and televisions (including televisions with Android TV, Google TV, or VIDAA software) that infringe at least one claim of one or more of the Patent-in-Suit, including but not limited to the LC-43N7000U, LC-50N7000U, LC-55N7000U, LC-60N7000U, LC-65N7000U, LC-70N7100U, LC-75N8000U, LC-65N9000U, LC-40P5000U, LC-43P5000U, LC-50P5000U, LC-55P5000U, LC-

55P6000U, LC-65P6000U, LC-65P6030U, LC-55P6050U, LC-60P6070U, LC-43P7000U, LC-50P7000U, LC-55P7000U, LC-65P7000U, LC-55P8000U, LC-65P8000U, LC-50Q620U, LC-55Q620U, LC-58Q620U, LC-65Q620U, LC-43Q7000U, LC-50Q7000U, LC-55Q7000U, LC-65Q7000U, LC-55Q7030U, LC-55Q7040U, LC-43Q7080U, LC-65Q7300U, LC-58Q7330U, LC-65Q7330U, LC-58Q7370U, LC-60Q7370U, LC-65Q7370U, LC-60Q7380U, LC-55Q7530U, LC-75Q7570U, LC-55Q8000U, LC-65Q8000U, 65A60GMV, 50A60GMV, 43A60GMV, 75A6G, 60A6G, 50A6G, 70A6G, 65A6G, 55A6G, 43A6G, 32H4F, 40H4, 43H4F, 32H4F5, 43H4030F, 40H4030F, 32H4030F, 40H4030F1, 43H4030F1, 32H4030F3, 43H4080F, 40H5500F, 32H5500F, 43H5500G, 32H5500G, 32H5510G, 43H5510G, 32H5580F, 40H5580F, 43H5580G, 40H5590F, 32H5590F, 43H6510G, 50H6510G, 55H6510G, 65H6510G, 75H6510G, 85H6510G, 58H6550E, 65H6570F, 55H6570F, 50H6570F, 43H6570F, 85H6570G, 75H6570G, 70H6570G, 65H6570G, 55H6570G, 50H6570G, 43H6570G, 65H6590F, 55H6590F, 50H6590F, 43H6590F, 55H8E, 65H8E, 65H8F, 55H8F, 50H8F, 75H8G, 65H8G, 55H8G, 50H8G, 65H9F, 55H9F, 65H9G, 55H9G, 120L10E, 100L10E, 100L10E1, 120L10E1, 100L5F, 120L5FBDL, 100L8D, 88L8E, 75U6G, 55U6G, 50U6G, 65U6G, 55U7G, 75U7G, 65U7G, 55U8G, 65U8G, 75U9DG, 43H6E, 49H6E, 50H6E, 55H6E, 65H6E, 60H6080E, 65R7050E1,

50U6HF, 50U6H, PX1, 43A4H, 40A4H, 32A4H, 43A6H, 50A6H, 55A6H, 100L5G-CINE100A, 65A6H, 120L5G-CINE120A, 75A6H, 100L9G-CINE100A, 120L9G-CINE120A, 100L9G-DLT100A, PX1-PRO, 75U800GR, 50A6GX, 43A6GX, 65H8G1, 55H8G1, 50H8G1, 55U6GR5, 65U6GR5, 32H4G, 43H4G, 50U6G1, 85A76H, 85A7H, 32A45FH, 43A65H, 40A45H, 100L5G-DLT100B, 55U7H, 55U8H, A6GV, A4GV, A45GV, A60GMV, 40A4GV, and 55A6GV televisions/projectors (“the Accused TVs/Projectors”), the U5120G, U5120GW+, AX5100G, HS214, HS218, HS205, HS212F, HS219, and HS312 soundbars (“the Accused Soundbars”), and the Hisense RemoteNOW and Hisense Screen Share apps (“the Accused Apps”). The Accused TVs/Projectors, Accused Soundbars, and Accused Apps are collectively referred to herein as “the Accused Products.”

34. On information and belief, Hisense controls or otherwise directs and authorizes all activities of its U.S.-based sales subsidiaries, including Hisense Manufacturing and Hisense USA. Such directed and authorized activities include, the U.S. subsidiaries’ using, offering for sale, selling, and/or importing the Accused Products, their components, and/or products containing the same that incorporate the fundamental technologies covered by the Patent-in-Suit. The Defendants’ U.S.-based sales subsidiaries (e.g., Hisense Manufacturing and Hisense USA) are authorized to import, distribute, sell, or offer for sale the Accused Products on behalf

of Defendants. For example, Hisense researches, designs, develops, and manufactures televisions and then directs its U.S.-based sales subsidiaries to import, distribute, offer for sale, and sell the Accused Products in the United States. *See, e.g., United States v. Hui Hsiung*, 778 F.3d 738, 743 (9th Cir. 2015) (finding that the sale of infringing products to third parties rather than for direct import into the U.S. did not “place [defendants’] conduct beyond the reach of United States law [or] escape culpability under the rubric of extraterritoriality”). Furthermore, Defendants’ U.S.-based sales subsidiaries also administer, on behalf of Defendants, requests for service under and any disputes arising from Defendants’ limited warranty of the Accused Products sold in the U.S., including in Georgia and this judicial district. *See, e.g.,* <https://www.hisense-usa.com/television-1-year-warranty>. Thus, Defendants’ U.S.-based sales subsidiaries conduct infringing activities on behalf of Defendants.

35. On information and belief, Defendants’ U.S.-based sales subsidiaries corporate presence in the United States gives Hisense substantially the business advantages that it would have enjoyed if it conducted its business through its own offices or paid agents in the state. Defendants’ U.S.-based sales subsidiaries are authorized to import, distribute, sell, and offer for sale Defendants’ products, including televisions incorporating infringing devices and processes, on behalf of

Defendants. For example, Defendants’ U.S.-based sales subsidiaries operate within Defendants’ global network of sales subsidiaries in North and South America, Europe, Asia, Australia, and the Middle East. In the U.S., including within the Northern District of Georgia, Defendants’ projectors and televisions, which comprise infringing devices and processes, are imported, distributed, offered for sale, and sold.

36. Via Defendants’ alter egos, agents, intermediaries, distributors, importers, customers, subsidiaries, and/or consumers maintaining a business presence, operating in, and/or residing in the U.S., Defendants’ products, including products and processes accused of infringing the Patent-in-Suit, are or have been widely distributed and sold in retail stores, both brick and mortar and online, in Georgia including within this judicial district. *See Litecubes, LLC v. Northern Light Products, Inc.*, 523 F.3d 1353, 1369-70 (Fed. Cir. 2008) (“[T]he sale [for purposes of § 271] occurred at the location of the buyer.”); *see also Semcon IP Inc. v. Kyocera Corp.*, No. 2:18-cv-00197-JRG, 2019 WL 1979930, at *3 (E.D. Tex. May 3, 2019) (denying accused infringer’s motion to dismiss because plaintiff sufficiently plead that purchases of infringing products outside of the United States for importation into and sales to end users in the U.S. may constitute an offer to sell under § 271(a)). For example, Defendants’ televisions are sold to end users by the U.S.-based

subsidiaries, distributors, and customers, including, but not limited to, Hisense Manufacturing and Hisense USA, online and at retail stores located throughout the Northern District of Georgia.

37. On information and belief, Hisense has placed and continues to place infringing products and/or products that practice infringing processes into the stream of commerce via established distribution channels comprising at least subsidiaries and distributors, such as Hisense Manufacturing and Hisense USA, and customers such as Walmart, Best Buy, and Amazon, with the knowledge and/or intent that those products are and/or will be imported, used, offered for sale, sold, and continue to be sold in the United States and Georgia, including in this judicial district. As a result, Hisense has, vicariously through and/or in concert with its alter egos, agents, intermediaries, distributors, importers, customers, subsidiaries, and/or consumers, placed the Accused Products into the stream of commerce via established distribution channels with the knowledge and/or intent that those products were sold and continue to be sold in the United States and Georgia, including in this judicial district.

38. In the alternative, the Court has personal jurisdiction over Defendants under Federal Rule of Civil Procedure 4(k)(2), because the claims for patent infringement in this action arise under federal law, Defendants are not subject to the

jurisdiction of the courts of general jurisdiction of any state, and exercising jurisdiction over Defendants is consistent with the U.S. Constitution.

39. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391 because, among other things, Defendants are not residents in the United States, and thus may be sued in any judicial district, including this one, pursuant to 28 U.S.C. § 1391(c)(3). *See In re HTC Corp.*, 889 F.3d 1349, 1357 (Fed. Cir. 2018) (“The Court’s recent decision in *TC Heartland* does not alter” the alien-venue rule.). Venue is also proper in this judicial district with respect to Hisense Manufacturing and Hisense USA because, as alleged herein, they have committed acts of infringement in the State of Georgia, including in this District, and have a regular and established place of business in Georgia, including in this District.

FLEXIWORLD AND THE PATENT-IN-SUIT

40. Flexiworld is a pioneer and leading innovator in the field of pervasive wireless technologies.

41. Flexiworld was founded by American scientist and inventor William Ho Chang and is an innovator engaged in research and development of technologies for wireless applications and embedded solutions in short-range wireless (e.g., WiFi, Bluetooth) and mobile device markets.

42. Flexiworld has significantly contributed to the innovation of wireless devices such as mobile phones, notebooks, PDAs, digital cameras, wireless television, wireless printers, wireless audio devices, etc.

43. Flexiworld was voted the best early-stage company in the Pacific Northwest in 2002 and Flexiworld's business plan was also voted, consecutively, as the top 2 among the "Ten Best" in 2002 and in 2003 by the Business Journal in Silicon Valley, USA.

44. Flexiworld's innovative work and results have been widely recognized in the industry. The company's patents have been repeatedly forward cited by major technology companies worldwide, including by Brother Kogyo Kabushiki Kaisha.

45. Flexiworld has developed wireless applications and embedded solutions for the short-range wireless and mobile device market.

46. William H. Chang, one of the named co-inventors on the Patent-in-Suit, is the founder and President of Flexiworld. Mr. Chang has been granted over 88 United States patents and over 100 patents worldwide on his inventions.

47. Christina Ying Liu, one of the named co-inventors on the Patent-in-Suit, is a Flexiworld shareholder. Ms. Liu has been granted over 65 United States patents and over 75 patents worldwide on her inventions.

The '402 Patent

48. The '402 Patent, entitled "Methods for Universal Data Output," duly and legally issued on October 27, 2009, from U.S. Patent Application No. 10/053,651, filed on January 18, 2002, naming William Ho Chang and Christina Ying Liu as the inventors. A true and correct copy of the '402 Patent is attached hereto as Exhibit 1 and is incorporated by reference.

49. The '402 Patent claims patent-eligible subject matter under 35 U.S.C. § 101.

50. Flexiworld is the owner and assignee of all rights, title, and interest in and under the '402 Patent.

51. An assignment of the '402 Patent from inventors Chang and Liu to Flexiworld is recorded at the United States Patent and Trademark Office ("PTO") at Reel/Frame 028733/0064.

52. Flexiworld has standing to sue for infringement of the '402 Patent.

GENERAL ALLEGATIONS

53. Hisense has not obtained a license to the Patent-in-Suit.

54. Hisense did not have Flexiworld's permission to make, use, sell, offer to sell, or import products or practice methods that are covered by one or more claims of the Patent-in-Suit.

55. Hisense has made, used, sold, offered to sell, and/or imported into the United States products as claimed in the Patent-in-Suit.

56. Hisense has infringed (literally and/or under the doctrine of equivalents), directly, indirectly, and/or through subsidiaries, agents, representatives, or intermediaries, one or more claims of the Patent-in-Suit by making, using, importing, testing, supplying, causing to be supplied, selling, and/or offering for sale in the United States the Accused TVs/Projectors and/or the Accused Soundbars.

57. Hisense's customers have directly infringed the Patent-in-Suit by using the Accused Products. Through its product manuals, website, and/or sales and marketing activities, Hisense solicited, instructed, encouraged, and aided and abetted its customers to purchase and use the Accused Products in an infringing way.

58. Hisense has had knowledge of the Patent-in-Suit at least through Flexiworld's sending of (and Hisense's receipt of) notice letters to Hisense via U.S. mail on October 14, 2021 and December 29, 2021, which notice letters identified the Patent-in-Suit, additional Flexiworld patents, and the Accused Products as infringing the Patent-in-Suit. Copies of these notice letters are attached hereto as Exhibits 2 and 3. In addition or in the alternative, Hisense has knowledge of the Patent-in-Suit through the service of Flexiworld's Original Complaint in this action.

59. By receiving such notice of infringement, Hisense obtained a subjective belief that there is a high probability that the Accused Products infringe the Patent-in-Suit. Despite being put on notice of infringement, on information and belief Hisense has not taken any actions to avoid the conduct alleged to infringe and has not sought to remedy its infringements by offering to take a license. Hisense's failure to act reflects deliberate actions to avoid learning that the Accused Products infringe the Patent-in-Suit and, more generally, a policy of not earnestly reviewing and respecting the intellectual property of others.

60. Hisense's actions after learning of the Patent-in-Suit were with specific intent to cause infringement of one or more claims of the Patent-in-Suit.

61. Further discovery may reveal earlier knowledge of the Patent-in-Suit, which would provide additional evidence of Hisense's specific intent, willful blindness, and/or willful infringement of the Patent-in-Suit.

62. Despite having knowledge of the Patent-in-Suit, as well as knowledge that it was directly and/or indirectly infringing one or more claims of the Patent-in-Suit, Hisense nevertheless proceeded to infringe the Patent-in-Suit, and induce others to do the same, with full and complete knowledge of the applicability of the Patent-in-Suit to the Accused Products, without a license and without a good faith belief that the claims of the Patent-in-Suit were not infringed. As noted above, this

includes, but is not limited to, the willful blindness of Hisense including its refusal to investigate whether the Accused Products infringe the Patent-in-Suit.

63. Flexiworld has been damaged as a result of Hisense's infringing conduct. Hisense is therefore liable to Flexiworld in an amount that adequately compensates Flexiworld for Hisense's infringement, 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.

64. In addition, for the reasons discussed herein, Hisense's infringing activities detailed in this Complaint and Exhibit 4 have been willful, egregious, wanton, and deliberate in disregard to Flexiworld's rights, justifying a finding of willful infringement, enhanced damages under 35 U.S.C. § 284 and attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

65. Hisense markets and sells other products that are not covered by the claims of the Patent-in-Suit but that were sold with or in conjunction with the Accused Products. Accordingly, Flexiworld is entitled to collect damages from Hisense for convoyed sales of certain non-patented items.

66. Hisense failed to obtain permission from Flexiworld to make, use, sell, offer to sell, or import products incorporating the inventions claimed in the Patent-in-Suit including, but not limited to, the Accused Products.

67. Attached hereto as Exhibit 4, and incorporated herein by reference, is a representative claim chart detailing how exemplar Accused Products have infringed the Patent-in-Suit.

68. On information and belief, with respect to each Patent-in-Suit Flexiworld has complied with the requirements of 35 U.S.C. § 287.

69. Since issuance of the Patent-in-Suit, Flexiworld has not made, offered for sale, sold, or imported a product that practices the Patent-in-Suit or that would otherwise require marking under 35 U.S.C. § 287.

70. Further, on information and belief Flexiworld's licensees either did not make, offer to sell, sell, or import products that would require marking under 35 U.S.C. § 287 or otherwise did not have an obligation to mark any of their products with the Patent-in-Suit.

71. Flexiworld complied with the requirements of 35 U.S.C. § 287, to the extent necessary, such that Flexiworld may recover pre-suit damages.

72. For each count of infringement listed below, Flexiworld incorporates and re-states the allegations contained in the preceding paragraphs above, including these General Allegations, as if fully set forth in each count of infringement.

COUNT I – INFRINGEMENT OF THE '402 PATENT

73. Flexiworld incorporates herein the allegations made in paragraphs 1 through 72.

74. Hisense has and continues to directly infringe one or more claims of the '402 Patent, including, for example, claims 1 and/or 9, in violation of 35 U.S.C. § 271(a) by making, using, selling, offering for sale, and/or importing into the United States infringing products including, but not limited to, the Accused Products.

75. An exemplary claim chart demonstrating Hisense's infringement of the '402 Patent, as well as Hisense's customers' infringement of the '402 Patent, which is induced by Hisense, is attached as Exhibit 4 and incorporated herein by reference.

76. Additionally, on information and belief, Hisense has and continues to indirectly infringe the '402 Patent in violation of 35 U.S.C. § 271(b) at least by inducing customers to purchase the Accused Products and/or by instructing customers how to use the Accused Products in a way that directly infringes at least claims 1 and/or 9 of the '402 Patent.

77. Hisense has knowledge of the '402 Patent and of its infringement of the '402 Patent through at least Flexiworld's October 24, 2021 and December 29, 2021 notice letters to Hisense, copies of which are attached hereto as Exhibits 2 and 3.

78. Despite Hisense's knowledge of the '402 Patent and of its infringement of the '402 Patent, Hisense has not sought to remedy its infringement or sought to identify any good faith belief as to why it does not infringe the '402 Patent.

79. On information and belief, Hisense's actions represented a specific intent to induce infringement of at least claims 1 and 9 of the '402 Patent. For example, Hisense offers its customers extensive customer support and instructions that instructed and encouraged its customers to infringe the '402 Patent via at least their use of the Accused TVs/Projectors. *See, e.g.,* <https://www.hisense-usa.com/support>; *see also* Exhibit 4 and materials cited therein.

80. As a result of Hisense's infringement of the '402 Patent, Flexiworld has suffered and is owed monetary damages adequate to compensate it for the infringement under 35 U.S.C. § 284, but in no event less than a reasonable royalty.

81. In addition, Hisense's infringing activities detailed in this Complaint and Exhibit 4 have been willful, egregious, wanton, and deliberate in disregard to Flexiworld's rights, justifying a finding of willful infringement, enhanced damages under 35 U.S.C. § 284 and attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

DEMAND FOR A JURY TRIAL

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Flexiworld demands a trial by jury on all issues triable of right by a jury.

PRAYER FOR RELIEF

WHEREFORE, Flexiworld respectfully requests that this Court enter judgment in its favor and grant the following relief:

- a. A judgment that Hisense has directly and/or indirectly infringed one or more claims of the Patent-in-Suit;
- b. A judgment and order requiring Hisense to pay Flexiworld past and future damages under 35 U.S.C. § 284, including for supplemental damages arising from any continuing post-verdict infringement for the time between trial and entry of the final judgment with an accounting, as needed, as provided by 35 U.S.C. § 284;
- c. A judgment and order that Hisense has willfully infringed the Patent-in-Suit and requiring Hisense to pay Flexiworld enhanced damages under 35 U.S.C. § 284 and attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285;

- d. A judgment and order requiring Hisense to pay Flexiworld pre-judgment and post-judgment interest on the damages award;
- e. A judgment and order requiring Hisense to pay Flexiworld's costs; and
- f. Such other and further relief as the Court may deem just and proper.

Dated: March 7, 2023

Respectfully submitted,

/s/ Timothy E. Grochocinski

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on all counsel of record via the Court's CM-ECF system on March 7, 2023.

/s/ Timothy E. Grochocinski