

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION**

PHENIX LONGHORN LLC,

Plaintiff,

v.

INNOLUX CORPORATION,

Defendant.

**CIVIL ACTION NO. 2:23-cv-00478**

**JURY TRIAL DEMANDED**

**COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiff Phenix Longhorn, LLC (“Phenix”) files this Complaint for infringement of U.S. Patent No. 7,233,305 (“the ’305 Patent”) and U.S. Patent No. 7,557,788 (“the ’788 Patent”) (collectively, the “Asserted Patents”) against Defendant Innolux Corporation (“Innolux”) and alleges as follows:

**NATURE OF ACTION**

1. This is a patent infringement action to remedy Defendant’s infringement of the Asserted Patents.
2. Phenix seeks injunctive relief and monetary damages.

**THE PARTIES**

3. Phenix is a limited liability company organized and existing under the laws of the State of Texas. Phenix maintains a registered agent and office located at 107 Austin Street, Martindale, Texas 78655.

4. On information and belief, Defendant is a multi-national corporation organized under the laws of the Republic of China (R.O.C. or Taiwan), with its principal place of business located at No.160, Kexue Road, Zhunan Science Park, Miaoli County 35053 Taiwan.

5. On information and belief, Defendant manufactures and sells LCD panel modules, including the LCD screen and the circuits that control the LCD screen. Defendant sells its panels to manufacturers who sell under their own brand and to original equipment manufacturers (OEMs) that sell under contract for another brand. Defendant's panels are incorporated into television sets sold and/or intended for sale throughout the United States, including the State of Texas and the Eastern District of Texas ("this District").

6. On information and belief, Defendant places or contributes to placing infringing products, including one or more of those specifically accused of infringement below, into the stream of commerce via established distribution channels knowing or understanding that such products will be sold and used in the United States, including in this District.

7. On information and belief, Defendant has derived substantial revenue from infringing acts in this District, including from the sale and use of these infringing products like those specifically accused of infringement below.

#### **JURISDICTION AND VENUE**

8. This is a civil action for patent infringement arising under the Patent Laws of the United States, 35 U.S.C. § 1, including §§ 271 and 281-285.

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

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

11. Personal jurisdiction exists generally over the Defendant because Defendant has sufficient minimum contacts with the forum as a result of business conducted within the State of Texas and the Eastern District of Texas.

12. Personal jurisdiction exists over Defendant because it, directly or through affiliates, agents, subsidiaries, or intermediaries, makes, uses, sells, offers for sale, imports, advertises, makes available, and/or markets products within the State of Texas and this District that infringe one or more claims of the Asserted Patents, as alleged more particularly below.

13. On information and belief, this Court has jurisdiction over Defendant by virtue of its systematic and continuous contacts with this jurisdiction, as alleged herein, as well as because the injury to Phenix occurred in the State of Texas and the claim for relief possessed by Phenix against Defendant for this injury arose in the State of Texas. On information and belief, Defendant has purposely availed itself of the privileges of conducting business within the State of Texas, such business including but not limited to: (i) at least a portion of the infringements alleged herein; (ii) purposely and voluntarily placing one or more infringing products into the stream of commerce through established distribution channels with the expectation, knowledge, and intent that those products be sold throughout the United States, including the State of Texas and this District; (iii) regularly transacting or soliciting business, engaging in other persistent courses of conduct, or deriving or attempting to derive substantial revenue and financial benefits from goods and services provided to individuals in the State of Texas and in this District. Thus, Defendants are subject to the Court's specific and general jurisdiction pursuant to due process and the Texas Long Arm Statute.

14. Venue in this District is proper under 28 U.S.C. §§ 1400(b) and 1391(b) and (c) because Defendant is subject to personal jurisdiction in this District and has committed acts of infringement in this District. Defendant, through its own acts and/or through the acts of others acting as its representative, alter ego, or agent, makes, uses, sells, and/or offers to sell infringing products within this District, has a continuing presence within the District, and has the requisite

minimum contacts with the District such that this venue is a fair and reasonable one. On information and belief, Defendant has transacted, and at the time of the filing of the Complaint, is continuing to transact business within this District.

15. On information and belief, Innolux is located in Taiwan, which is not a signatory to the Hague Service Convention or any other multilateral or bilateral agreement specifying an appropriate means of service. Therefore, Innolux may be served outside the United States pursuant to Fed. R. Civ. P. 4(f)(2) or 4(f)(3).

### **THE ASSERTED PATENTS**

16. The USPTO duly issued the '305 Patent, entitled "Gamma Reference Voltage Generator," on June 19, 2007, after full and fair examination of Application No. 10/746,333, which was filed on June 11, 2003. Phenix is the owner, by assignment, of all rights, title, and interest in the '305 Patent. A true and accurate copy of the '305 Patent is attached as **Exhibit A**.

17. The '788 Patent is a continuation of the '305 Patent. The USPTO duly issued the '788 Patent, entitled "Gamma Reference Voltage Generator," on July 7, 2009, after full and fair examination of Application No. 10/746,333, which was filed on December 23, 2003. Phenix is the owner, by assignment, of all rights, title, and interest in the '788 Patent. A true and accurate copy of the '788 Patent is attached as **Exhibit B**.

### **BACKGROUND FACTS**

18. The Asserted Patents are directed to LCD panels using gamma reference voltage generator integrated circuits, also known as programmable gamma integrated circuits or "Pgamma chips." These chips are components of LCD panels and contributed to innovations in manufacturing that brought us the high-quality and low-cost LCD television sets we have today.

19. The co-inventors of the Asserted Patents, Richard V. Orlando and Trevor A. Blyth, founded the semiconductor company Alta Analog, Inc. ("Alta") in Silicon Valley in March 2002.

Alta pioneered and sold the first Pgamma chip capable of generating two or more gamma reference voltage display conditions for LCD displays using an integrated circuit that would be part of a new LCD architecture.

20. When fresh off the production line, the picture produced from LCD panel displays vary noticeably, not only by batch, but also from display-to-display within the same batch. The problem is that the brightness of the pixels making up the LCD display is not a linear or straight-line function of the voltages applied. Compounding the problem is that the sensitivity of the human eye to light is also not linear. In order to obtain an acceptable LCD picture, a way is needed to drive the pixels with a voltage to correct for non-linear abnormalities. The correction is controlled by a set of voltages applied to the panel. These are gamma reference voltages, which refer to a gamma function that describes how smoothly black transitions to white on a digital display and serve to improve color and contrast.

21. The gamma reference voltages are fed to column drivers connected to LCD panels. The term column driver is a name used in the industry to refer to a specialized integrated circuit with two sets of inputs. This first input is for the digital picture data to be converted into analog voltages applied on the display column containing red, green, and blue pixels. The second input is for the gamma reference voltages coming from the gamma circuit that is used to correct or adjust the conversion occurring on the first input, resulting in the desired display condition.

22. The gamma reference voltages produce changes to the example display below using different gamma correction values:



23. Prior to the invention, gamma correction values were generated using a gamma voltage circuit that used resistor ladders. Replacing the gamma voltage circuit that existed in 2002 with an integrated circuit was a significant improvement that streamlined and saved manufacturing costs while also improving picture quality. The '305 patent addressed the problem of providing a gamma correction solution to LCD panels by doing away with manually adjusted select-on-test resistors or other discrete components, such as, for example, microcontroller-based solutions, and replacing these components with an integrated circuit. The incorporation of the Pgamma chip also required LCD panel makers to redesign their products to accommodate the new technology and, in addition, allowed panel makers to automate the testing of their LCD products on the production line, as described in the '788 Patent, a continuation of the '305 patent. As discussed below, Mr. Orlando made numerous trips to Asia to speak directly to Asian panel makers to promote this new LCD panel architecture.

24. Alta's innovations in panel architecture design and manufacturing processes were adopted in Japan by Sharp Corporation, also known as Sharp Kabushiki Kaisha ("Sharp Japan").

Between 2010 and 2011, Alta sold over 200,000 units of one type of Pgamma integrated circuit to Sharp Japan for inclusion in panels for LCD television sets sold in Japan.

25. Disruption to the Japanese consumer market for television sets following the March 11, 2011, earthquake, tsunami, and nuclear disaster negatively impacted the sales of Sharp Japan and led to Alta's bankruptcy in 2014. Alta's patents, including the '305 Patent and '788 Patent, were subsequently assigned to Phenix, where co-inventor Mr. Orlando serves as the Director and President. The panel design promoted by Mr. Orlando and used by Sharp Japan was eventually adopted by the television industry.

#### **DEFENDANT'S KNOWLEDGE OF THE ASSERTED PATENTS**

26. Defendant's infringement of the '305 Patent and the '788 Patent is willful because Defendant has had knowledge of the Asserted Patents for over ten years.

27. The provisional patent application that became the '305 Patent was filed in June 2003, before Phenix's predecessor-in-interest Alta began to engage Defendant in talks regarding the use of panel architecture using Pgamma devices.

28. Alta engaged with Defendant regarding the use of panel architecture using Pgamma devices since at least as early as 2007 until about 2010.

29. Defendant had knowledge of, or was willfully blind to the knowledge of, the '305 Patent and the '788 Patent, and its infringement is willful.

30. On information and belief, despite having knowledge of the Asserted Patents and knowledge that it is directly and/or indirectly infringing one or more claims of the Asserted Patents, Defendant has nevertheless continued its infringing conduct and disregarded an objectively high likelihood of infringement. Defendant's infringing activities relative to the Asserted Patents have been, and continue to be, willful, wanton, malicious, in bad-faith, deliberate, consciously wrongful,

flagrant, 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.

### **RELATED PROCEEDINGS**

31. The '305 Patent was confirmed valid over an obviousness challenge brought before the Patent Trial and Appeal Board (PTAB) at the United States Patent & Trademark Office (USPTO). The challenger contended certain claims of the '305 Patent were obvious in view of four prior art references, either alone or in combination. The Board denied institution of the *Inter Partes* Review in its entirety. *Wistron Corporation v. Phenix Longhorn, LLC*, IPR2018-01255, Paper 14 (PTAB Jan. 24, 2019).

### **THE ACCUSED PRODUCTS**

32. Defendant makes, uses, sells, and/or offers to sell in, and/or imports into, the United States LCD panels that infringe one or more claims of the Asserted Patents.

33. On information and belief, Defendant manufactures and sells LCD panels, including but not limited to at least the following: CY-GH050CSNV1H, CY-GH050BGNV2H, and V650-HK1-CS6 (collectively, the "Infringing Panels").

34. On information and belief, Defendant sells the panel V650-HK1-CS6 to currently unknown manufacturers selling their own brand or to unknown OEMs that manufacture for other brands, and incorporates this panel into certain finished television models, including but not limited to the following: Haier 65E3550; JVC EM65FTR; RCA LED65G55R120Q; RCA SLD65A55RQ; Sanyo DP65E34; Toshiba 65L5400U; Vizio F650i-C3; Vizio E65-C3; and Quasar SQ6500.

35. On information and belief, Defendant manufactures and sells LCD panels CY-GH050CSNV1H and CY-GH050BGNV2H to Samsung Mexicana S.A. de C.V. ("SAMEX"),



located in Tijuana, Mexico, who incorporates the panels into certain finished Samsung television models, including but not limited to the following: UN50H6201AFXZA, UN50H6203AFXZA, UN50H6350AFXZA, UN50H6400AFXZA, UN50H5500AFXZA, HG58AC570JJXXZ, HG58AD570TJXXZ, HG58AE570PJXXZ, UA58H5200AKXKE, UA58H5200AKXLY, UA58H5200AKXXS, A58H5200AKXXV, UA58H5200ARXRQ, UA58H5200ARXSJ, UA58H5200ARXSK, A58H5200ARXTW, UA58H5200ARXUM, UA58H5200ARXWT, UA58H5200ARXXM, A58H5200ARXXP, UA58H5200ARXZN, UA58H5200AWPXD, UA58H5200AWXBM, UA58H5200AWXJG, UA58H5200AWXRD, UA58H5200AWXXY, UA58H5200AWXZW, UA58H5203AKXKE, UA58H5203AKXLY, UA58H5203AKXXS, UA58H5203AKXXV, UA58H5203ARXSJ, UA58H5203ARXUM, UA58H5203ARXXP, UA58H5203ARXZN, UA58H5288AJXXZ, UA58H5288AJXZK, UA58J5000AKXKE, UA58J5000ARXEG, UA58J5000ARXTW, UA58J5000AWXMV, UA58J50SWAJXXZ, UA58J5200ARXEG, UA58J5200ARXMM, UA58J5200ARXTW, UA58J5200ARXUM, UA58J5200AWXMV, UA58KF20EAJXXZ, UE58H5200AKXXU, UE58H5200AWXXC, UE58H5200AWXXH, UE58H5200AWXXN, UE58H5200AWXZF, UE58H5203AKXZT, UE58H5203AWXTK, UE58H5203AWXXC, UE58H5203AWXXH, UE58H5203AWXXN, UE58H5203AWXZF, UE58H5204AKXXE, UE58H5205AKXXE, UE58H5270ASXTK, UE58H5270ASXZG, UE58H5273SSXZG, UE58J5000AWXXH, UE58J5000AWXZF, UE58J5002AKXXH, UE58J5005AKXXE, UE58J5200AKXRU, UE58J5200AKXUZ, UE58J5200AKXXU, UE58J5200AWXXC, UE58J5200AWXXH, UE58J5200AWXXN, UE58J5200AWXZF, UE58J5202AKXXH, UE58J5205AKXXE, UE58J5250SSXZG, UE58J5270ASXTK, UE58J5270SSXZG, UN58H5005AFXZA, UN58H5005AFXZC, UN58H5200AFXZP, UN58H5200AFXZX, UN58H5200AGXPE, UN58H5200AGXZD,

UN58H5200AGXZS, UN58H5200AHXPA, UN58H5200AKXZL, UN58H5202AFXZ,  
 UN58H5202AFXZC, UN58H5203AFXZP, UN58H5203AFXZX, UN58H5203AGXPE,  
 UN58H5203AGXZD, UN58H5203AGXZS, UN58H5203AHXPA, UN58H5203AKXZL,  
 UN58H5253AFXZX, UN58J5190AFXZA, UN58J5190BFXZA, UN50H6201AFXZA,  
 UN50H6203AFXZA, UN50H6350AFXZA, UN50H6400AFXZA, UN50H5500AFXZA,  
 HG58AC570JJXXZ, HG58AD570TJXXZ, HG58AE570PJXXZ, UA58H5200AKXKE,  
 UA58H5200AKXLY, UA58H5200AKXXS, A58H5200AKXXV, UA58H5200ARXRQ,  
 UA58H5200ARXSJ, UA58H5200ARXSK, A58H5200ARXTW, UA58H5200ARXUM,  
 UA58H5200ARXWT, UA58H5200ARXXM, A58H5200ARXXP, UA58H5200ARXZN,  
 UA58H5200AWPXD, UA58H5200AWXBM, UA58H5200AWXJG, UA58H5200AWXRD,  
 UA58H5200AWXXY, UA58H5200AWXZW, UA58H5203AKXKE, UA58H5203AKXLY,  
 UA58H5203AKXXS, UA58H5203AKXXV, UA58H5203ARXSJ, UA58H5203ARXUM,  
 UA58H5203ARXXP, UA58H5203ARXZN, UA58H5288AJXXZ, UA58H5288AJXZK,  
 UA58J5000AKXKE, UA58J5000ARXEG, UA58J5000ARXTW, UA58J5000AWXMV,  
 UA58J50SWAJXXZ, UA58J5200ARXEG, UA58J5200ARXMM, UA58J5200ARXTW,  
 UA58J5200ARXUM, UA58J5200AWXMV, UA58KF20EAJXXZ, UE58H5200AKXXU,  
 UE58H5200AWXXC, UE58H5200AWXXH, UE58H5200AWXXN, UE58H5200AWXZF,  
 UE58H5203AKXZT, UE58H5203AWXTK, UE58H5203AWXXC, UE58H5203AWXXH,  
 UE58H5203AWXXN, UE58H5203AWXZF, UE58H5204AKXXE, UE58H5205AKXXE,  
 UE58H5270ASXTK, UE58H5270ASXZG, UE58H5273SSXZG, UE58J5000AWXXH,  
 UE58J5000AWXZF, UE58J5002AKXXH, UE58J5005AKXXE, UE58J5200AKXRU,  
 UE58J5200AKXUZ, UE58J5200AKXXU, UE58J5200AWXXC, UE58J5200AWXXH,  
 UE58J5200AWXXN, UE58J5200AWXZF, UE58J5202AKXXH, UE58J5205AKXXE,

UE58J5250SSXZG, UE58J5270ASXTK, UE58J5270SSXZG, UN58H5005AFXZA,  
 UN58H5005AFXZC, UN58H5200AFXZP, UN58H5200AFXZX, UN58H5200AGXPE,  
 UN58H5200AGXZD, UN58H5200AGXZS, UN58H5200AHXPA, UN58H5200AKXZL,  
 UN58H5202AFXZ, UN58H5202AFXZC, UN58H5203AFXZP, UN58H5203AFXZX,  
 UN58H5203AGXPE, UN58H5203AGXZD, UN58H5203AGXZS, UN58H5203AHXPA,  
 UN58H5203AKXZL, UN58H5253AFXZX, UN58J5190AFXZA, UN58J5190BFXZA (the  
 television products identified in Para. 34 and 35 are collectively, the “Infringing Products”).

36. On information and belief, Defendant sells, offers for sale, and imports the Infringing Panels to at least SAMEX for incorporation into Infringing Products that are sold and intended for sale throughout the United States, including the State of Texas and this District.

37. SAMEX’s finished television sets are designed to incorporate and incorporate receivers (or tuners) that conform with FCC requirements and are sold and/or intended to be sold in the United States.<sup>1</sup>

38. The Infringing Products are designed to incorporate and incorporate Infringing Panels that Defendant knowingly makes, uses, offers for sell, and sells infringing panels to SAMEX and other unknown manufacturers that incorporate the panels into assembled televisions sold by brick-and-mortar and online retailers throughout the United States.

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<sup>1</sup> The Advanced Television Systems Committee (ATSC) developed technical standards for digital television in the U.S. To comply, an LCD panel manufacturer supplies components designed to interface with an ATSC receiver (or tuner) required for the U.S. market. The Federal Communications Commission (FCC) mandated that after March 1, 2007, all televisions regardless of screen size, and all interfaces that include a tuner (e.g., VCR, DVD player/recorder, DVR) must include a built-in ATSC DTV tuner.

**COUNT I: INDUCEMENT OF INFRINGEMENT OF THE '305 PATENT**

39. Phenix realleges and incorporates herein the preceding allegation of this Complaint as if fully set forth herein.

40. Defendant directly and/or through subsidiaries or intermediaries, has induced and continues to induce infringement (literally and/or under the doctrine of equivalents) of one or more claims of the '305 Patent. With knowledge of the Asserted Patents, Defendant's deliberate and/or willfully blind actions include, but are not limited to, actively marketing to, supplying, causing the supply to, encouraging, and instructing others such as businesses, distributors, agents, channel partners, resellers, sales representatives, and manufacturers to incorporate the Infringing Panels into consumer products. These actions, individually and collectively, have induced and continue to induce the direct infringement of the '305 Patent by others, such as television set manufacturers and assemblers, who import into the United States consumer products containing the Infringing Panels, including the Infringing Products. Defendant knew and/or was willfully blind to the fact that the induced parties' use, testing, making available for another's use, promotion, marketing, distributing, importing, selling, and/or offering to sell the Infringing Products would infringe one or more claims of the '305 Patent.

41. Phenix is the owner of the '305 Patent, with all substantive rights in and to that patent, including the sole and exclusive right to prosecute this action and enforce the '305 Patent against infringers, and to collect damages for all relevant times.

42. The '305 Patent generally describes an integrated circuit used to calibrate LCDs to compensate for panel-to-panel manufacturing variations. The claims of the '305 Patent, including Claim 1, recite a novel and inventive apparatus for producing voltage signals on a plurality of outputs comprising non-volatile storage cells, programming circuits coupled to a multiplexer that address the many inputs, drivers connected to the storage cells and outputs, and inputs connected

to the multiplexer to address the storage cells, where the gamma reference voltage signals determine the driving voltages of columns of a display, the non-volatile storage cells are organized into banks with a predetermined gamma reference voltage signal display condition, and the banks are able to be switched by external signals on the integrated circuit.

43. For example, Claim 1 of the '305 Patent recites:

An integrated circuit for producing voltage signals on a plurality of outputs comprising:

a plurality of non-volatile storage cells;

circuits for programming coupled to a multiplexer for addressing and programming said storage cells, wherein the addressing is based on a plurality of inputs;

drivers connected to said storage cells and to the plurality of outputs; and

the plurality of inputs connected to said multiplexer for addressing said storage cells,

wherein said voltage signals are gamma reference voltage signals for determining actual driving voltages of columns of a display, wherein said non-volatile storage cells are organized into two or more banks of cells wherein each bank contains a predetermined gamma reference voltage signal display condition; and means to switch between the banks based on one or more external signals is provided on said integrated circuit.

44. On information and belief, Defendant's Infringing Panels, including the CY-GH050CSNV1H and CY-GH050CSNV2H, contain at least one integrated circuit for producing voltage signals on a plurality of outputs with a plurality of non-volatile storage cells and circuits for programming coupled to a multiplexer for addressing and programming said storage cells, where the addressing is based on a plurality of inputs, the drivers connect to the storage cells and the outputs, the inputs connect to the multiplexer for addressing the storage cells, the voltage signals are gamma reference voltage signals for determining actual driving voltages of columns of display, the non-volatile storage cells are organized into banks of cells, each bank contains a

predetermined gamma reference voltage signal display condition, and the banks are able to be switched by external signals on the integrated circuit.

45. In violation of 35 U.S.C. § 271(b), Defendant has induced and continues to induce infringement of one or more claims of the '305 Patent by one or more direct infringers, either literally or by the doctrine of equivalents. Defendant supplies, distributes, offers for sale, or sells the Infringing Panels, including the CY-GH050CSNV1H and CY-GH050CSNV2H, to SAMEX and others who without authority use, offer to sell, or sell Infringing Panels, within the United States, or import into the United States, in violation of 35 U.S.C. § 271(a).

46. On information and belief, Defendant has made, and continues to make, unlawful gains and profits from infringing the '305 Patent.

47. As a consequence of Defendant's past dealings with Alta that pre-dated the filing and service of this Complaint as described above, Defendant had knowledge of, or was willfully blind to knowledge of, the '305 Patent and its infringement of the '305 Patent before the filing of this lawsuit.

48. On information and belief, Defendant has had knowledge of the '305 Patent since at least as early as 2007. Accordingly, Defendant has been willfully infringing the '305 Patent since it began designing, manufacturing, and selling its Infringing Panels.

49. On information and belief, Chimei Innolux Corporation was formed in 2010 as a merger of Innolux Display Corporation, Chi Mei Optoelectronics ("CMO") and TPO Displays Corporation. On information and belief, in 2012 Chimei Innolux Corporation changed its name to Innolux Corporation.

50. At least since being served with this Complaint, Defendant has actively, knowingly, and intentionally continued to induce infringement of the '305 Patent, literally or by the doctrine

of equivalents, by selling the Infringing Panels to manufacturers, suppliers and/or distributors for use in the Infringing Products and, upon information and belief, distributing literature and materials inducing manufacturers, suppliers and/or distributors to use their Infringing Panels in a manner that infringes one or more claims of the '305 Patent.

**COUNT II: INDUCEMENT OF INFRINGEMENT OF THE '788 PATENT**

51. Phenix realleges and incorporates herein the preceding allegation of this Complaint as if fully set forth herein.

52. Defendant directly and/or through subsidiaries or intermediaries, has induced and continues to induce infringement (literally and/or under the doctrine of equivalents) by others who make, use, sell, and/or offer to sell in, and/or import into, the United States LCD panels that infringe one or more claims of the '788 Patent. With knowledge of the '788 Patent, Defendant's deliberate and/or willfully blind actions include, but are not limited to, actively marketing to, supplying, causing the supply to, encouraging, and instructing others such as businesses, distributors, agents, channel partners, resellers, sales representatives, and manufacturers to incorporate the Infringing Panels into consumer products. These actions, individually and collectively, have induced and continue to induce the direct infringement of the '788 Patent by others, such as television set manufacturers and assemblers, who import to the United States consumer products containing the Infringing Panels, including the Infringing Products. Defendant knew and/or was willfully blind to the fact that the induced parties' use, testing, making available for another's use, promotion, marketing, distributing, importing, selling, and/or offering to sell the Infringing Products would infringe one or more claims of the '788 Patent.

53. Phenix is the owner of the '788 Patent, with all substantive rights in and to that patent, including the sole and exclusive right to prosecute this action and enforce the '788 Patent against infringers, and to collect damages for all relevant times.

54. The '788 Patent generally describes a method for calibrating an LCD to a desired gamma curve to compensate for panel-to-panel manufacturing variations. The claims of the '788 Patent, including Claim 1, recite a novel and inventive method for calibrating LCD to a desired gamma curve to compensate for manufacturing variations by providing a display with electrically reprogrammable and non-volatile gamma reference control capability, testing the display with a sensor, varying the gamma reference voltage levels on columns of the display with a control circuit, optimizing the gamma reference voltage levels with predetermined algorithms, criteria, and data to achieve the desired gamma curve, and storing the gamma reference voltage levels.

55. For example, Claim 1 of the '788 Patent recites:

A method of calibrating a liquid crystal display to a desired gamma curve to compensate for panel to panel manufacturing variations comprising the steps:

providing said display with gamma reference control capability which is electrically reprogrammable and non-volatile;

testing said display with at least one sensor with optical input, wherein said sensor is separate from said display;

varying gamma reference voltage levels on columns of said display by a control circuit, where said control circuit is separate from said display;

optimizing said gamma reference voltage levels using means for executing a predetermined algorithm according to a predetermined criteria and data sensed by said at least one sensor, wherein said means for executing said predetermined algorithm is separate from said display to achieve the desired gamma curve; and

storing said gamma reference voltage levels in said gamma reference control capability.

56. The Infringing Panels are made using a method for calibrating LCD to a desired gamma curve to compensate for manufacturing variations by providing a display with electrically reprogrammable and non-volatile gamma reference control capability, testing the display with a



sensor, varying the gamma reference voltage levels on columns of the display with a control circuit, optimizing the gamma reference voltage levels with predetermined algorithms, criteria, and data to achieve the desired gamma curve, and storing the gamma reference voltage levels.

57. In violation of 35 U.S.C. § 271(b), Defendant has induced and continues to induce infringement of one or more claims of the '788 Patent by one or more direct infringers, either literally or by the doctrine of equivalents. By way of Defendant's making the Infringing Panels using a process claimed by the '788 Patent, Defendant has induced SAMEX and others to without authority import into the United States or offer to sell, sell or use within the United States the Infringing Panels, making SAMEX and others liable as infringers for importing, offering to sell, selling, or using the Infringing Panels during the term of the '788 Patent, in violation of 35 U.S.C. § 271(g).

58. Defendant has made, and continues to make, unlawful gains and profits from infringing the '788 Patent.

59. As a consequence of Defendant's past dealings with Alta that pre-dated the filing and service of this Complaint as described above, Defendant had knowledge of, or was willfully blind to knowledge of, the '788 Patent and its infringement of the '788 Patent before the filing of this lawsuit. On information and belief, Defendant has had knowledge of the '788 Patent since at least as early as 2009.

60. Defendant has had knowledge of the '788 Patent and its infringement activities at least as early as 2009. Accordingly, Defendant has been willfully infringing the '788 Patent since at least as early as 2009.

61. Since at least as early as 2009, Defendant has actively, knowingly, and intentionally continued to induce infringement of the '788 Patent, literally or by the doctrine of equivalents, by

selling the Infringing Panels to manufacturers, suppliers and/or distributors for use in the Infringing Products and, upon information and belief, distributing literature and materials inducing manufacturers, suppliers and/or distributors to use their Infringing Panels in a manner that infringes one or more claims of the '788 Patent.

**ATTORNEYS' FEES**

62. According to 35 U.S.C. § 285, Plaintiff is entitled to, and respectfully requests, its reasonable attorneys' fees in this case.

**DEMAND FOR JURY TRIAL**

63. According to Fed. R. Civ. P. 38(b), Plaintiff respectfully requests a trial by jury on all issues triable by a jury.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for the following relief:

- a. that this Court declare that Defendant Innolux has induced the infringement and continues to induce the infringement of one or more claims of the Asserted Patents under 35 U.S.C. § 271(b);
- b. that this Court award Plaintiff all damages adequate to compensate Plaintiff for Defendant's above-mentioned infringements; and that interest and costs be assessed against Defendant according to 35 U.S.C. §§ 154(d) and 284;
- c. that this Court declare Defendant's infringement was and is willful, and award treble damages for the period of the willful infringement of the Asserted Patents;
- d. that this Court declare this an exceptional case and order that Defendant pays Plaintiff its reasonable attorneys' fees and costs according to 35 U.S.C. § 285;

e. that Defendant, its officers, directors, agents, servants, employees, attorneys, affiliates, divisions, branches, parents, and those persons in active concert or participation with any of them, be permanently restrained and enjoined from infringing the Asserted Patents; and

f. that this Court award any additional relief to Plaintiff that this Court deems just and proper.

October 10, 2023

Respectfully submitted,

By: /s/ Eric H. Findlay

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