

THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

CRYSTAL LEAP ZRT

Plaintiff,

v.

HKC CORP. LTD.; CHONGQING HKC
OPTOELECTRONICS TECHNOLOGY CO.,
LTD.; HKC OVERSEAS LTD.

Defendants.

CIVIL ACTION NO. 2:22-cv-00382

**COMPLAINT FOR PATENT
INFRINGEMENT**

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Crystal Leap Zrt (“Crystal Leap” or “Plaintiff”) brings this action against Defendants HKC Corp. Ltd. (“HKC Corp.”), Chongqing HKC Optoelectronics Technology Co., Ltd. (“Chongqing HKC”), and HKC Overseas Ltd. (“HKC Overseas”) (collectively, “HKC” or “Defendants”) and alleges as follows:

THE PARTIES

1. Plaintiff Crystal Leap is a Hungarian corporation with a place of business at 2724 Ujlengyel, Ady Endre utca 15, Hungary. Crystal Leap has the exclusive right to license United States Patent Nos. 7,116,390 (“the ’390 patent”) and 7,335,913 (“the ’913 patent”) (collectively, the “Asserted Patents”) to Defendants, to enforce them against Defendants, and to recover all past, present, and future damages for Defendants’ infringement.

2. On information and belief, Defendant HKC Corp. is a Chinese limited liability company formed under the laws of the People’s Republic of China (PRC). HKC Corp. has its principal place of business at 5th and 7th Floor of Factory Building 1, Jiuzhou

Yangguang, Factory Buildings 1, 2, 3 of HKC Industrial Park, Privately Operated Industrial Park, Shuitian Village, Shiyan Sub-district, Baoan District, Shenzhen City, 518000, PRC.

3. On information and belief, Defendant Chongqing HKC is a Chinese limited liability company formed under the laws of the PRC. Chongqing HKC has its principal place of business at No. 1 Shijing Rd., Jieshi, Banan District, Chongqing, 401320, PRC.

4. On information and belief, Defendant HKC Overseas is a Chinese company formed under the laws of the PRC. HKC Overseas has its principal place of business at Unit 8, 28/F., W50, No. 50 Wong Chuk Hang Road, Hong Kong. HKC Overseas also has the following addresses: (1) Flat/Rm 1003 North Point Asia-Pac Centre, 10 North Point Road, North Point, Hong Kong, PRC, and (2) 5th. F, Building 1, Huike Industrial Park, Minying Industrial Park, Shuitian Country, Shiyan, Baoan District, Shenzhen, Guangdong, 518108, PRC.

5. On information and belief, Defendants HKC Corp., Chongqing HKC, and HKC Overseas (collectively, “HKC”) research, develop, manufacture, import, distribute, sell, and provide technical support for liquid-crystal display (LCD) products and components, including, but not limited to, LCD panels. On information and belief, these LCD panels are incorporated into electronic devices such as TVs and computer monitors and are imported into the United States, distributed to retailers, and sold to end-users via the internet and in brick-and-mortar stores in the Eastern District of Texas.

JURISDICTION AND VENUE

6. This action arises under the patent laws of the United States, Title 35 United States Code. The jurisdiction of this Court is proper under Title 35 U.S.C. § 271, *et seq.* and 28 U.S.C. §§ 1331 and 1338.

7. This Court has personal jurisdiction over HKC, as HKC has committed acts of patent infringement in the United States, the State of Texas, and the Eastern District of Texas. HKC has sufficient minimum contacts with the forum as a result of its business within Texas and this District. On information and belief, HKC—directly or through

subsidiaries or intermediaries including distributors, retailers, and others—sells, offers for sale, distributes, advertises, and markets products, including LCD panels for TVs and monitors that infringe the Asserted Patents, throughout Texas and this District. HKC acts in concert with others to purposefully and voluntarily place the infringing products in a distribution chain that foreseeably leads to the infringing products being offered for sale, sold, and used in Texas and this District as part of the ordinary stream of commerce. HKC has done so with the expectation that these infringing products have been, and will continue to be, purchased in Texas and this District and that such purchases be part of the ordinary stream of commerce.

8. In addition, on information and belief, HKC's subsidiaries and contractual business partners have operated as agents of HKC as part of a business group. Within that business group, executives of HKC make important operational decisions regarding the manufacture, importation, offer for sale, sale, and intended use of the infringing products, including TVs and computer monitors. Through these agents, HKC has conducted business and committed acts of infringement in the United States, Texas, and this District.

9. Alternatively, to the extent that HKC is not subject to jurisdiction in any state court of general jurisdiction, this Court may exercise jurisdiction over HKC pursuant to Rule 4(k)(2) of Federal Rules of Civil Procedure. Crystal Leap's claims arise under federal law, and HKC has sufficient contacts with the United States as a whole, including by selling, offering for sale, distributing, importing, and marketing infringing products in the United States, such that this Court's exercise of jurisdiction over HKC satisfies due process.

10. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(c). HKC is a foreign corporation and may be sued in any judicial district, including this District.

COUNT I: INFRINGEMENT OF U.S. PATENT NO. 7,116,390

11. Plaintiff incorporates by reference and repeats each and every preceding paragraph with the same force and effect as if set forth in full here.

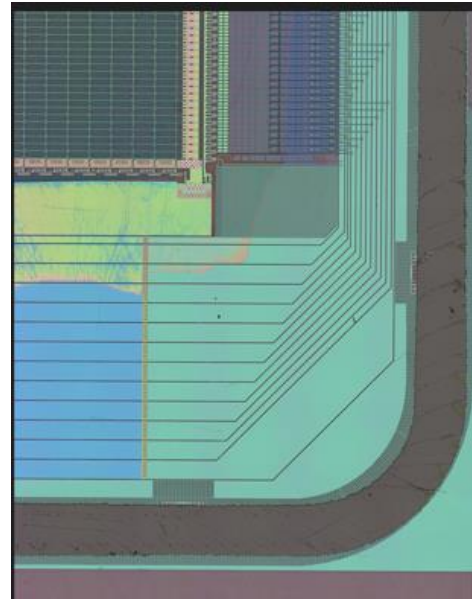
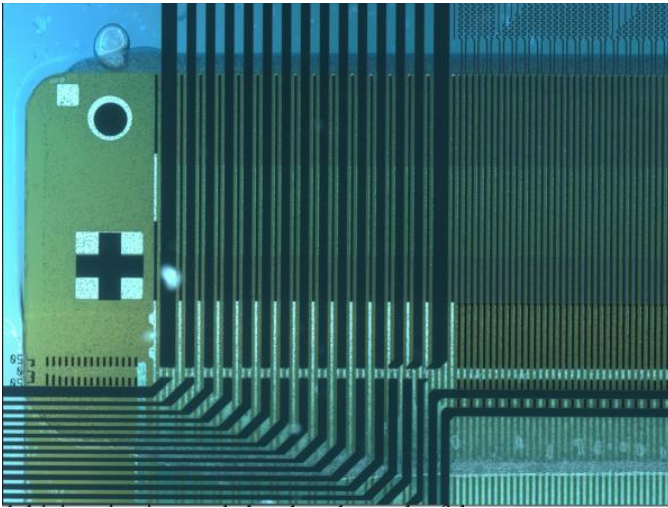
12. The '390 patent, entitled "Electro-Optical Device and Electronic Apparatus Comprising the Same," was duly and legally issued on October 3, 2006.

13. In violation of 35 U.S.C § 271(a), HKC has directly infringed and continues to directly infringe one or more claims of the '390 patent, literally or under the doctrine of equivalents, including but not limited to claim 1, by making, using, selling, offering for sale, and/or importing its infringing LCD panels (the "Accused Panels") in the United States. The Accused Panels include, one or more of, but are not limited to, HKC model numbers PT320CT01-2-XC-1, PT320CT01-1-XC-2, PT320AT02-5-XR-1, PT500GT02-9-XL-1, PT650GT01-2-XM-1, and PT850GT01-1-XR-3.

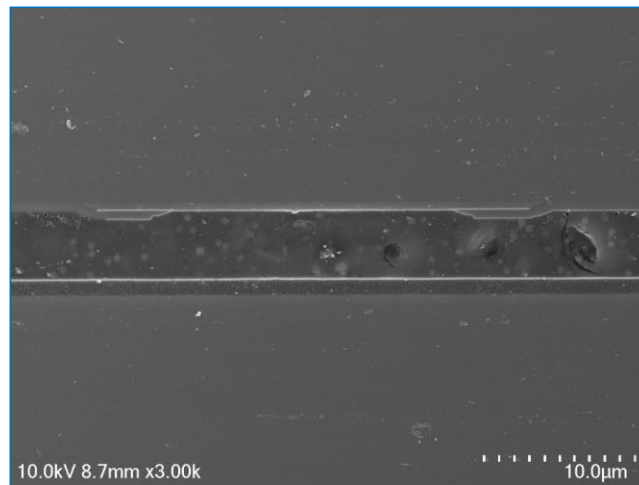
14. On information and belief, the Accused Panels have been incorporated into TVs distributed or sold in the United States. For example, on information and belief, TCL-branded TVs (*e.g.*, model numbers 32S21, 32S327, 32S331, 32S335, 43S334, 43S431, 43S45, 43S455, 55S431, 55S433, 55S451, 65S431, 65S453, 65S455, 85R655, 85S451, 85S455, 85S455, and 85S456) and Hisense-branded TVs (*e.g.*, Roku TV 32A4H, Roku TV 43A4H, Android TV 32H4030F3, and Android TV 43H4030F3) incorporate the Accused Panels.

15. For example, Defendants infringe claim 1 of the '390 patent via the Accused Panels such as the 32-inch panel. The HKC 32-inch panel is an electro-optical device that has multiple pixel portions in an image display region on an element substrate.

16. The HKC 32-inch panel includes the following in a peripheral region of the image display region: (1) multiple external circuit connection terminals; (2) multiple main wiring lines each having one end coupled to each of the external circuit connection terminals; and (3) peripheral driving circuits coupled to the other ends of the main wiring lines. The peripheral driving circuits drive the pixel portions based on electric signals from the external circuit connection terminals through the main wiring lines.

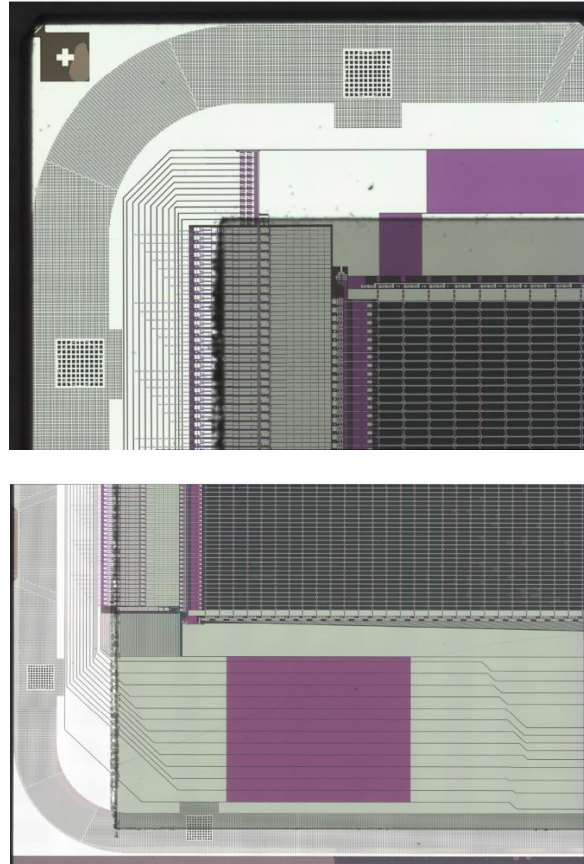


17. The HKC 32-inch panel further includes a counter electrode in the peripheral region on a counter substrate that faces the element substrate.



18. The HKC 32-inch panel includes a counter electrode potential line that supplies counter electrode potential to the counter electrode, which is at least one of the main wiring lines. The HKC 32-inch panel further includes upper and lower conduction terminals in the peripheral region, which are connected to the counter electrode potential line. The main wiring lines are made of the same conductive film and planarly laid out to

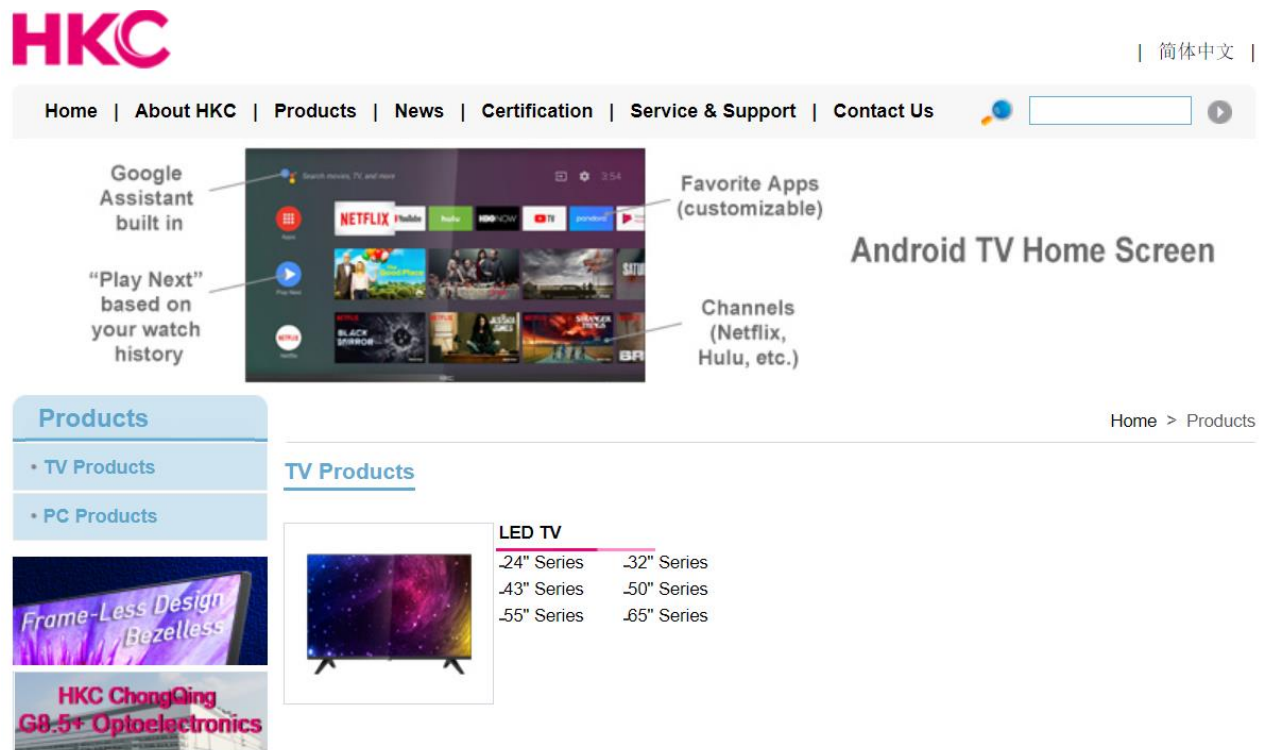
not intersect each other in the peripheral region. The counter electrode potential line is closest to edges of the element substrate, among the main wiring lines.



19. Defendants have indirectly infringed and continue to indirectly infringe at least claim 1 of the '390 patent in violation of 35 U.S.C. § 271(b), either literally and/or under the doctrine of equivalents. On information and belief, Defendants' distributors, retailers, and customers directly infringe at least claim 1 of the '390 patent by selling, offering for sale, using, and/or importing TVs and computer monitors that incorporate the Accused Panels. Defendants have known of the '390 patent and the infringing nature of the Accused Panels at least as of the filing date of this Complaint. On information and belief, Defendants have actively induced and continue to induce third parties, including distributors, retailers, and customers to sell, offer for sale, use, and/or import the Accused Panels into the United States without license or authority. Defendants do so with

knowledge, or with willful blindness of the fact, that the induced acts constitute infringement of the '390 patent. Defendants' induced acts include creating advertisements that promote sales of the Accused Panels, establishing distribution channels for the Accused Panels in the United States, 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 the Accused Panels in the United States.

20. For example, Defendants have actively marketed and continue to market their infringing products at least through their company website.



21. In addition, Defendants have actively promoted and continue to promote the infringing products by participating in trade shows in the United States, such as the Consumer Electronics Show (“CES”).

CES Jan.7-10,2020



CES Jan.8-11,2019



http://www.hkcelec.com/ex_detail.asp?id=1263

http://www.hkcelec.com/ex_detail.asp?id=1256

22. Defendants have indirectly infringed and continue to indirectly infringe at least claim 1 of the '390 patent in violation of 35 U.S.C. § 271(c), either literally and/or under the doctrine of equivalents. On information and belief, Defendants' distributors, retailers, and customers directly infringe at least claim 1 of the '390 patent by selling, offering for sale, using, and/or importing TVs and computer monitors that incorporate the Accused Panels. Defendants have known of the '390 patent and the infringing nature of the Accused Panels at least as of the filing date of this Complaint. On information and belief, Defendants sell, offer for sale, import, and/or advertise the Accused Panels in this District and elsewhere in the United States, including through at least its distributors, retailers, and customers. On information and belief, the Accused Panels constitute a material component of, or are material in practicing, at least claim 1 of the '390 patent. On information and belief, Defendants have had knowledge, and continue to have knowledge, that the Accused Panels are especially made or adapted for use in an infringement of at least claim 1 of the '390 patent, and are not a staple article or commodity of commerce suitable for substantial non-infringing use.

23. Plaintiff has been harmed as a result of Defendants' infringing conduct and thus are entitled to damages, attorneys' fees, costs, and other remedies available under the law, based on HKC's infringement.

COUNT II: INFRINGEMENT OF U.S. PATENT NO. 7,335,913

24. Plaintiff incorporates by reference and repeats each and every preceding paragraph with the same force and effect as if set forth in full here.

25. The '913 patent, entitled "Electro-Optical Device and Electronic Apparatus," was duly and legally issued on February 26, 2008.

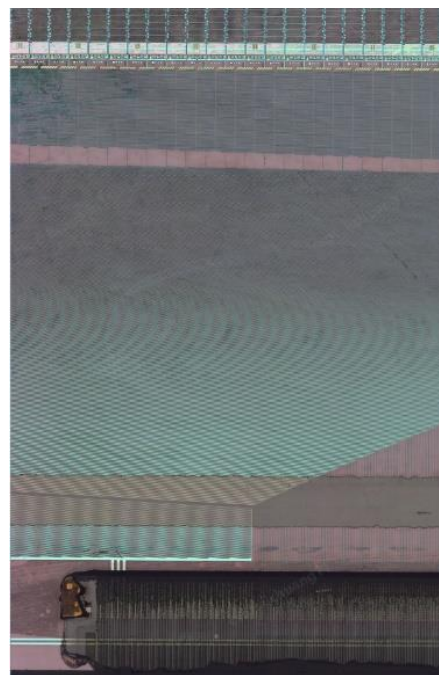
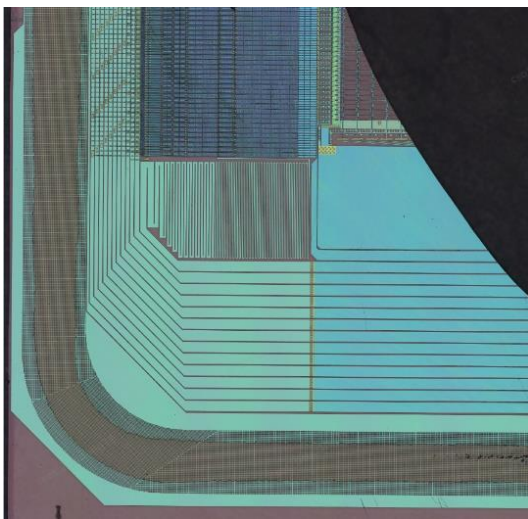
26. In violation of 35 U.S.C § 271(a), HKC has directly infringed and continues to directly infringe one or more claims of the '913 patent, literally or under the doctrine of equivalents, including but not limited to claim 1, by making, using, selling, offering for sale, and/or importing the Accused Panels in the United States. The Accused Panels include, one or more of, but not limited to, model numbers PT320CT01-2-XC-1, PT320CT01-1-XC-2, PT320AT02-5-XR-1, PT430CT03-14-XR-V1, PT500GT02-9-XL-1, PT550GS01-3-XL-2, PT650GT01-2-XM-1, and PT850GT01-1-XR-3.

27. On information and belief, the Accused Panels have been incorporated into TVs distributed or sold in the United States. For example, on information and belief, TCL TVs (*e.g.*, model numbers 32S21, 32S327, 32S331, 32S335, 43S334, 43S431, 43S45, 43S455, 55S431, 55S433, 55S451, 65S431, 65S453, 65S455, 85R655, 85S451, 85S455, 85S455, and 85S456) and Hisense-branded TVs (*e.g.*, Roku TV 32A4H, Roku TV 43A4H, Android TV 32H4030F3, and Android TV 43H4030F3) incorporate the Accused Panels.

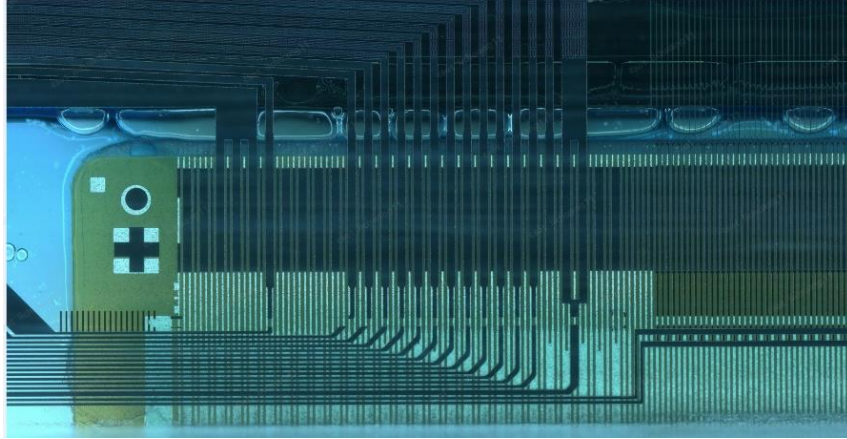
28. For example, Defendants infringe claim 1 of the '913 patent via the Accused Panels such as the 32-inch panel. The HKC 32-inch panel is an electro-optical device that includes a pair of substrates that are disposed to face each other with a predetermined gap therebetween. One substrate of the pair of substrates in the HKC 32-inch panel has an extending portion that extends from the other substrate on one side in plan view.



29. The HKC 32-inch panel includes display electrodes on the one substrate and a circuit unit on the one substrate to drive the display electrodes. The HKC 32-inch panel includes wiring lines for driving the circuit unit and the display electrodes. The HKC 32-inch panel further includes multiple lead wiring lines on the extending portion that are led from one of the sides of the wiring lines to the extending portion.



30. The HKC 32-inch panel also includes multiple external connecting terminals on the extending portion. Each of the external connecting terminals overlaps with the lead wiring lines in plan view.



31. Defendants have indirectly infringed and continues to indirectly infringe at least claim 1 of the '913 patent in violation of 35 U.S.C. § 271(b), either literally and/or under the doctrine of equivalents. On information and belief, Defendants' distributors, retailers, and customers directly infringe at least claim 1 of the '913 patent by selling, offering for sale, using, and/or importing TVs and computer monitors that incorporate the Accused Panels. Defendants have known of the '913 patent and the infringing nature of the Accused Panels at least as of the filing date of this Complaint. On information and belief, Defendants have actively induced and continue to induce third parties, including distributors, retailers, and customers, to sell, offer for sale, use, and/or import into the United States the Accused Products without license or authority. Defendants do so with knowledge, or with willful blindness of the fact, that the induced acts constitute infringement of the '913 patent. Defendants' induced acts include creating advertisements that promote sales of the Accused Panels, establishing distribution channels for the Accused Panels in the United States, 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 the Accused Panels in the United States. For example, Defendants have promoted and continue to promote their infringing products at least through their website and by participating in trade shows in the United States.

32. Defendants have indirectly infringed and continue to indirectly infringe at least claim 1 of the '913 patent in violation of 35 U.S.C. § 271(c), either literally and/or under the doctrine of equivalents. On information and belief, Defendants' distributors, retailers, and customers directly infringe at least claim 1 of the '913 patent by selling, offering for sale, using, and/or importing TVs and computer monitors that incorporate the Accused Panels. Defendants have known of the '913 patent and the infringing nature of the Accused Panels at least as of the filing date of this Complaint. On information and belief, Defendants sell, offer for sale, import, and/or advertise the Accused Panels in this District and elsewhere in the United States, including through at least its distributors, retailers, and customers. On information and belief, the Accused Panels constitute a material component of, or are material in practicing, at least claim 1 of the '913 patent. On information and belief, Defendants have had knowledge, and continue to have knowledge, that the Accused Panels are especially made or adapted for use in an infringement of at least claim 1 of the '913 patent, and are not a staple article or commodity of commerce suitable for substantial non-infringing use.

33. Plaintiff has been harmed as a result of Defendants' infringing conduct and thus are entitled to damages, attorneys' fees, costs, and other remedies available under the law based on HKC's infringement.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays for a judgment against HKC as follows:

- a. A judgment that HKC infringes the '390 and '913 patents;
- b. An injunction preventing HKC and its respective officers, directors, agents, servants, employees, attorneys, licensees, successors, and assigns, and those in active concert or participation with any of them, from engaging in infringing activities with respect to the '390 and '913 patents;
- c. An award of damages to Plaintiff in an amount to be proven at trial, including lost profits but in no event less than a reasonable royalty, as well as pre-judgment and post-judgment

interest at the maximum rate permitted by law; and

d. All other equitable and legal relief as the Court may deem just and proper (*e.g.*, an award of attorneys' fees and enhancement of any damages by virtue of the exceptional nature of this case under 35 U.S.C. § 285 as appropriate).

DEMAND FOR JURY TRIAL

Plaintiff hereby demands trial by jury of all claims and issues so triable presented in this Complaint.

Dated: September 30, 2022

By: /s/ Melissa R. Smith

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