

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN**

SIGNIFY NORTH AMERICA	)	
CORPORATION, et al.,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	Case No. 22-cv-00706-jdp
	)	
MENARD, INC.	)	JURY TRIAL DEMANDED
	)	
Defendant., Third-Party	)	
Plaintiff	)	
	)	
v.	)	
LUMINEX INTERNATIONAL COMPANY,	)	
LTD., et al.,	)	
	)	
Third-Party Defendants.	)	

**THIRD-PARTY DEFENDANT LUMINEX INTERNATIONAL COMPANY, LTD.’S
OPPOSITION TO SIGNIFY’S MOTION TO DISMISS LUMINEX’S AMENDED
CROSSCLAIMS AND AMENDED AFFIRMATIVE DEFENSES AGAINST SIGNIFY**

TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
II. FACTUAL BACKGROUND.....	3
III. DISCUSSION	5
A. Luminex’s Cross-Claims Satisfy the Twombly/Iqbal Pleading Standard	5
B. Luminex’s Non-Infringement and Invalidity Cross-Claims Against Signify Are Procedurally Proper	7
1. Luminex’s Crossclaims Arise Out of the Same Transaction or Occurrence as Signify’s Complaint Against Menard	8
2. Luminex’s Cross-Claims Are Commensurate with the Scope of Signify’s Complaint and Infringement Contentions	9
C. Luminex’s Cross-Claims Satisfy the Standing Requirements to Establish Subject-Matter Jurisdiction.....	11
1. Signify’s Infringement Allegations Create an Actual Controversy Between Luminex and Signify.....	12
2. Luminex’s Cross-Claims Establish Luminex’s Reasonable Apprehension of Suit and Damage from Signify.....	13
a. A Direct Lawsuit or Threat Is Not Required to Establish Standing	13
b. Luminex’s Counter-Claims Adequately Pled Facts Concerning Signify’s Aggressive Licensing Program.....	15
3. The Cases Cited by Signify Actually Support Luminex’s Cross- Claims	18
4. The Court Should Not Discretionarily Dismiss Luminex’s Cross- Claims	21
D. Luminex’s Cross-Claims Are Necessarily Proper If the Court Denies Signify’s Motion to Sever	22
E. Luminex’s Cross-Claims Have Standing and Subject-Matter Jurisdiction Even If Menard’s Third-Party Complaint Is Severed	22
F. Luminex’s Affirmative Defenses Asserted Against Signify Are Proper.....	23
IV. CONCLUSION.....	24

TABLE OF AUTHORITIES

	Page
CASES	
<i>ABB Inc. v. Cooper Indus., LLC</i> , 635 F.3d 1345 (Fed. Cir. 2011).....	12, 17
<i>Am. Soc’y of Anesthesiologists v. BevMD, LLC</i> , No. 15-cv-600-BAS(JLB), 2016 WL 4257448 (S.D. Cal. Mar. 31, 2016).....	6
<i>Arkema Inc. v. Honeywell Int’l., Inc.</i> , 706 F.3d 1351 (Fed. Cir. 2013).....	13, 14
<i>Arris Grp., Inc. v. British Telecommunications PLC</i> , 639 F.3d 1368 (Fed. Cir. 2011).....	15, 17
<i>Ashcroft v. Iqbal</i> , 556 U.S. 662 (2009).....	5
<i>Bell Atlantic Corp. v. Twombly</i> , 550 U.S. 544 (2007).....	5
<i>Cedars-Sinai Med. Ctr. v. Watkins</i> , 11 F.3d 1573 (Fed. Cir. 1993).....	12
<i>Danisco U.S. Inc. v. Novozymes A/S</i> , 744 F.3d 1325 (Fed. Cir. 2014).....	11, 14, 16
<i>Federman v. Empire Fire & Marine Ins. Co.</i> , 597 F.2d 798 (2d Cir. 1979).....	8
<i>Fina Oil & Chem. Co. v. Ewen</i> , 123 F.3d 1466 (Fed. Cir. 1997).....	12
<i>In re Rearden LLC</i> , 841 F.3d 1327 (Fed. Cir. 2016).....	8
<i>Jack Henry & Assocs., Inc. v. Plano Encryption Techs. LLC</i> , 910 F.3d 1199 (Fed. Cir. 2018).....	17, 23
<i>Janssen Pharmaceutica, N.V. v. Apotex, Inc.</i> , 540 F.3d 1353 (Fed. Cir. 2008).....	11

TABLE OF AUTHORITIES

(continued)

	Page
<i>Johnson v. City of Shelby</i> , 574 U.S. 10 (2014).....	5
<i>Md. Cas. Co. v. Pac. Coal & Oil Co.</i> , 312 U.S. 270 (1941).....	11
<i>MedImmune Inc. v. Genentech, Inc.</i> , 549 U.S. 118 (2007).....	14
<i>Microsoft Corp. v. DataTern, Inc.</i> , 755 F.3d 899 (Fed. Cir. 2014).....	18, 19, 23
<i>Microsoft Corp. v. GeoTag, Inc.</i> , No. CV 11-175-RGA, 2014 WL 4312167 (D. Del. Aug. 29, 2014), <i>aff'd on</i> <i>other grounds</i> , 817 F.3d 1305 (Fed. Cir. 2016).....	15
<i>Mitek Sys., Inc. v. United Servs. Auto. Ass'n</i> , 34 F.4th 1334 (Fed. Cir. 2022)	18, 19, 20
<i>Mitek Sys., Inc. v. United Servs. Auto. Ass'n</i> , No. 2:20-CV-00115-JRG, 2023 WL 2734372 (E.D. Tex. Feb. 23, 2023)	20, 21
<i>Nasalok Coating Corp. v. Nylok Corp.</i> , 522 F.3d 1320 (Fed. Cir. 2008).....	8
<i>Nouis Techs., Inc. v. Polaris Indus.</i> , No. 14-cv-233-jdp, 2015 WL 3407862 (W.D. Wis. May 27, 2015)	6
<i>Robert Bosch, LLC v. Westport Fuel Sys. Can., Inc.</i> , No. 1:22-cv-370, 2023 WL 1422308 (E.D. Va. Jan. 31, 2023).....	passim
<i>Sinclair v. PGA Inc.</i> , No. 17-cv-224-WMC, 2018 WL 1318917 (W.D. Wis. Mar. 14, 2018)	5
<i>Soos & Assocs., Inc. v. Five Guys Enters., LLC</i> , 425 F. Supp. 3d 1004 (N.D. Ill. 2019)	21
<i>Streck, Inc. v. Rsch. & Diagnostic Sys., Inc.</i> , 665 F.3d 1269 (Fed. Cir. 2012).....	14

TABLE OF AUTHORITIES
(continued)

	Page
<i>UCP Int’l Co. v. Balsam Brands Inc.</i> , 787 F. App’x 691 (Fed. Cir. 2019)	13, 14
<i>Vanguard Rsch., Inc. v. PEAT, Inc.</i> , 304 F.3d 1249 (Fed. Cir. 2002).....	16
<i>WS Packaging Grp., Inc. v. Glob. Com. Grp., L.L.C.</i> , No. 06-C-674, 2006 WL 8440873 (E.D. Wis. Sept. 6, 2006).....	16
 OTHER AUTHORITIES	
Fed. R. Civ. P. 8.....	5, 7
Fed. R. Civ. P. 13.....	passim
Fed. R. Civ. P. 14.....	passim
Fed. R. Civ. P. 24.....	3, 23
https://www.licensing.lighting.philips.com/licensee/176/ zumtobel	16
https://www.signify.com/global/our-company/intellectual-property/licensing	16, 17, 18

I. INTRODUCTION

Plaintiffs Signify North America Corporation and Signify Holding B.V. (collectively, “Signify”) have accused certain lighting products sold by Menard Inc. (“Menard”) of infringing one or more of U.S. Patent Nos. 7,038,399 (“the ’399 Patent”), 7,256,554 (“the ’554 Patent”), 7,737,643 (“the ’643 Patent”), 7,348,604 (“the ’604 Patent”), 7,658,506 (“the ’506 Patent”), and 10,299,336 (“the ’336 Patent”) (collectively, the “Patents-in-Suit”). The accused products are manufactured by various third-party manufacturers, including Third-Party Defendant-Cross Claimant Luminex International Company, Ltd. (“Luminex”), sold to Menard, and then sold by Menard to individual customers. Signify’s strategy in this case is to exclusively pursue Menard in an attempt to create a one-versus-one battle in litigation. Signify’s strategy ignores reality.

This is *not* a simple dispute, with one patentee and one alleged infringer. Instead, the products that Signify has accused of infringing the Patents-in-Suit are manufactured by at least thirteen different entities. Signify asserts that it brought this case to enforce its patent rights against Menard-branded products, and that Menard is the only entity that Signify has accused of infringement in this case. But Signify’s claims against Menard are necessarily claims against Luminex because Luminex manufactures *thirty-three* of the products that Signify accused of infringing one or more of the Patents-in-Suit. Moreover, Menard has alleged that Luminex is obligated to defend Menard against Signify’s claims of infringement.

Signify’s motion to dismiss and motion to strike should be denied in its entirety for at least the following reasons.

First, Luminex’s amended Cross-Claims¹ more than satisfy the pleading standard under *Iqbal* and *Twombly*. Luminex’s Cross-Claims are far from a bare-bones claim for a declaratory judgment of invalidity and non-infringement. Rather, Luminex plausibly alleges numerous factual bases for invalidity and non-infringement for each of the Patents-in-Suit. To accept Signify’s argument and dismiss Luminex’s Cross-Claims would be to ignore the substance of Luminex’s pleading and the precedent in this District and the Federal Circuit.

Second, Luminex’s Cross-Claims are procedurally proper under Rules 13 and 14 of the Federal Rules of Civil Procedure because they are based on the same nucleus of facts, evidence, claims, and defenses as Signify’s claims in its original Complaint (Dkt. 1). Luminex’s Cross-Claims contain detailed, factual allegations that its Cross-Claims arise out of the same “transaction or occurrence” as Signify’s claims against the Luminex Accused Products in its original Complaint, and Luminex’s Cross-Claims are commensurate with the scope of Signify’s infringement allegations against the Luminex Accused Products.

Third, Luminex has standing to pursue its Cross-Claims for invalidity and non-infringement against Signify. Luminex’s Cross-Claims contain sufficient facts that clear any hurdles related to standing and subject-matter jurisdiction, especially accepting the allegations in the pleading as true, as is required. Signify has accused ***thirty-three*** Luminex manufactured products sold by Menard of infringing one or more of the Patents-in-Suit, and Menard has alleged that Luminex is obligated to indemnify Menard for such claims. Luminex has plausibly alleged that, under the circumstances, Luminex reasonably fears litigation and damage from Signify.

¹ Unless otherwise specified, any reference to Luminex’s Cross-Claims refers to Luminex’s amended Cross-Claims filed on April 10, 2023. *See* Dkt. 159.

Fourth, if the Court *denies* Signify's motion to sever Menard's Third-Party Complaint, then Signify's motion to dismiss Luminex's Cross-Claims should also be denied because Luminex's Cross-Claims are properly pled, procedurally proper, and satisfy the standing and subject-matter jurisdiction requirements. In fact, Signify's own statements suggest that there would be no dispute that a Rule 13 and 14 basis exists for Luminex's claims if Signify's motion to sever is denied.

Fifth, even if the Court grants Signify's motion to sever Menard's Third-Party Complaint against Luminex, Luminex has pled facts and declaratory judgment claims that satisfy the standing and subject-matter jurisdiction requirements. Thus, even if the Court grants Signify's motion to sever, Luminex has standing to bring its declaratory judgment claims against Signify as an intervenor pursuant to Rule 24 of the Federal Rules of Civil Procedure.

Finally, the Affirmative Defenses that Luminex asserted against Signify are procedurally proper under Rule 14(a)(2)(C) because they are defenses available to the Third-Party Plaintiff (Menard) in response to Signify's claims.

For these reasons, as set forth herein, Luminex respectfully submits that Signify's motion to dismiss and motion to strike should be denied in its entirety.

II. FACTUAL BACKGROUND

Signify filed this lawsuit against Menard in the Northern District of Ohio on August 12, 2022. *See* Dkt. 1. On October 27, 2022, Menard filed a Third-Party Complaint in which it asserted claims against various purported manufacturers of the underlying accused products (including Luminex), which Menard sells under its own brands. Dkt. 20. Menard's Third-Party Complaint alleges that Luminex supplies Menard with lighting devices, which Menard in turn sells to consumers under Menard-owned brands. *Id.* at ¶ 32. Signify identified twenty additional Luminex SKU#s in its infringement contentions. Dkt. 105-2. In particular, through its

Complaint and infringement contentions, Signify has asserted one or more claims of the Patents-in-Suit against product SKU#s 348-2182, 349-0502, 349-0503, 349-0514, 349-0517, 349-0519, 349-0526, 349-1199, 349-1202, 349-1342, 349-1343, 349-1348, 349-1349, 349-1352, 349-1362, 349-2134, 349-2135, 351-0008, 351-4739, 351-8792, 352-5810, 352-5811, 352-5812, 352-5813, 352-5814, 352-5815, 352-5838, 352-5839, 352-5840, 352-5841, 356-9422, 356-9423, and 356-9450, which are all manufactured by Luminex (collectively, the “Luminex Accused Products”).

On February 27, 2023, Luminex filed its Answer and Affirmative Defenses to the Third-Party Complaint filed by Menard, together with Luminex’s Cross-Claims and defenses against Signify’s original Complaint, pursuant to Rules 13 and 14. *See* Dkt. 120. Specifically, Luminex filed its initial Cross-Claims against Signify for a declaratory judgment of invalidity of each of the Patents-in-Suit (Cross-Claims One, Three, Five, Seven, Nine, and Eleven) and for a declaratory judgment of non-infringement of each of the Patents-in-Suit (Cross-Claims Two, Four, Six, Eight, Ten, and Twelve). Dkt. 120 at 95-102.

On March 20, 2023, Signify moved to dismiss Luminex’s initial Cross-Claims and to strike Luminex’s Affirmative Defenses as set forth in Luminex’s initial Answer. Dkt. 138. On April 10, 2023, after additional motion practice and while Luminex maintained that its initial pleadings were proper as submitted, Luminex filed an amended pleading, which replicated its prior Answer and Affirmative Defenses to Menard’s Third-Party Complaint, but which amended its Cross-Claims against Signify to add significantly more detail, including identification of specific non-infringement allegations and invalidity allegations. Dkt. 159. Signify has now moved to dismiss Luminex’s amended Cross-Claims, and moved to strike Luminex’s Affirmative Defenses against Signify. Dkt. 163.

III. DISCUSSION

A. Luminex’s Cross-Claims Satisfy the *Twombly/Iqbal* Pleading Standard

As an initial matter, the Luminex’s Cross-Claims satisfy the pleading standard of Rule 8 of the Federal Rules of Civil Procedure that is more fully set forth in *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007) (“*Twombly*”) and *Ashcroft v. Iqbal*, 556 U.S. 662 (2009) (“*Iqbal*”). Signify’s argument to the contrary is entirely misplaced.

Rule 8(a)(2) provides that a plaintiff’s complaint (including a cross-claim) need only make “a short and plain statement of the claim showing that the pleader is entitled to relief.” This statement is intended to “give the defendant fair notice of what the ... claim is and the grounds upon which it rests.” *Twombly*, 550 U.S. at 555 (citation omitted). “In resolving a motion to dismiss under Rule 12(b)(6), the court accepts all of the factual allegations in the complaint as true and draws all inferences in the pleader’s favor.” *Sinclair v. PGA Inc.*, No. 17-cv-224-WMC, 2018 WL 1318917, at *1 n.1 (W.D. Wis. Mar. 14, 2018) (citing *Killingsworth v. HSBC Bank Nev., N.A.*, 507 F.3d 614, 618 (7th Cir. 2007)). The factual allegations must, when accepted as true, be sufficient to “state a claim to relief that is plausible on its face.” *Iqbal*, 556 U.S. at 678 (quoting *Twombly*, 550 U.S. at 570); *Johnson v. City of Shelby*, 574 U.S. 10, 12 (2014) (Under *Twombly* and *Iqbal*, “[a] plaintiff ... must plead facts sufficient to show that her claim has substantive plausibility”—reversing dismissal of a complaint for failing to plead the applicable federal statute allegedly violated, the court ruling that Rule 8(a) requires a pleading of the facts that support the claim, but does not require a specific identification of the legal theory that justifies relief.).

With respect to its non-infringement Cross-Claims, Luminex specifically pled that it does not infringe “any valid claim of [each of the Patents-in-Suit] either literally or under the doctrine of equivalents.” Dkt. 159 at 103, 107, 112, 117, 120, 125. A third-party defendant is not required to give every detail of its cross-claim. *See Iqbal*, 556 U.S. at 678. “That is, [Luminex] need not

set forth every permutation of its non-infringement theories on an element-by-element basis.” *Evolve Techs., LLC v. Coil Winding Specialist, Inc.*, No. 3:18-cv-00671 BEN-BGS, 2019 WL 1383272, at *2 (S.D. Cal. Mar. 27, 2019).

Nonetheless, Luminex’s non-infringement Cross-Claims identify at least one factual basis for non-infringement for each of the Patents-in-Suit. *See* Dkt. 159 at 103-26. These allegations on their face, which detail the reasons for non-infringement, including identification of missing claim elements, are more than sufficient under *Iqbal* and *Twombly*. *See Nouis Techs., Inc. v. Polaris Indus.*, No. 14-cv-233-jdp, 2015 WL 3407862, at *3 (W.D. Wis. May 27, 2015) (“[G]enerally, denying the allegation of infringement more or less inherently sets up a plausible counterclaim for non-infringement.”).

Luminex’s invalidity Cross-Claims similarly satisfy the *Iqbal* and *Twombly* standards as well. Each of Luminex’s invalidity Cross-Claims explain the specific statutory basis for invalidity of each of the Patents-in-Suit. *See* Dkt. 159 at 101-25. Courts have upheld the sufficiency of “pleadings for patent invalidity that only identify the statutory basis for each claim are sufficient even in light of *Twombly* and *Iqbal*.” *Am. Soc’y of Anesthesiologists v. BevMD, LLC*, No. 15-cv-600-BAS(JLB), 2016 WL 4257448, at *4 (S.D. Cal. Mar. 31, 2016) (citing *ASUSTeK Computer Inc. v. AFTG-TG LLC*, No. 5:CV 11-00192-EJD, 2011 WL 6845791, at *13 (N.D. Cal. Dec. 29, 2011)). But Luminex’s Cross-Claims go further. Indeed, Luminex’s invalidity Cross-Claims identify at least one prior art reference that either anticipates or renders obvious each and every element of at least one claim of each of the Patents-in-Suit. Thus, Signify has sufficient notice of the grounds underlying Luminex’s invalidity Cross-Claims. *See* Dkt. 159 at 101-25.

In the unlikely event that the Court concludes that Luminex's Cross-Claims against Signify have a pleading defect and fail to comply with Rule 8, Luminex should be afforded an opportunity to amend its Cross-Claims to correct the defect.

B. Luminex's Non-Infringement and Invalidity Cross-Claims Against Signify Are Procedurally Proper

Luminex's Cross-Claims are procedurally proper under Rules 13 and 14. Luminex asserted Cross-Claims and Affirmative Defenses against Signify after being named as a Third-Party Defendant in Menard's Third-Party Complaint. As a Third-Party Defendant, Luminex "may also assert against the plaintiff any claim arising out of the transaction or occurrence that is the subject-matter of the plaintiff's claim against the third-party plaintiff." Fed. R. Civ. P. 14(a)(2)(D).

Signify alleges that the thirty-three Luminex Accused Products infringe the Patents-in-Suit; that such allegations were made initially only against Menard, does not change the fact that such allegations are made against Luminex's products and thus form a case or controversy of sufficient immediacy and reality to warrant a declaratory judgment. *Robert Bosch, LLC v. Westport Fuel Sys. Can., Inc.*, No. 1:22-cv-370 (RDA/JFA), 2023 WL 1422308, at *7 (E.D. Va. Jan. 31, 2023) ("if a patentee accuses an entity of infringement *only* because it uses a component purchased from a manufacturer supplier, that gives the supplier declaratory standing because the patentee has impliedly asserted that the supplier infringed its patent.... Put simply, if a declaratory defendant implies in another suit that the declaratory plaintiff could be liable for infringement, the declaratory plaintiff has standing.") (citing *UCP Int'l Co. v. Balsam Brands Inc.*, 787 F. App'x 691, 699 (Fed. Cir. 2019)). Consistent with Rule 14, Luminex raised various Affirmative Defenses against Menard's Third-Party Complaint *and* against Signify's claims. Further, as expressly contemplated by Rule 14, Luminex alleged twelve Cross-Claims directly against Signify, claiming that Signify's Patents-in-Suit are invalid (Cross-Claims One, Three, Five, Seven, Nine, and Eleven), and

claiming that the Luminex Accused Products do not infringe any of the Patents-in-Suit (Cross-Claims Two, Four, Six, Eight, Ten, and Twelve).

And, as discussed more fully below, because Luminex’s Cross-Claims arise out of the same “transaction or occurrence” as the allegations in the original Complaint, and are commensurate with the scope of Signify’s infringement allegations, Luminex’s Cross-Claims (and Affirmative Defenses) are procedurally proper under Rules 13 and 14.

1. Luminex’s Crossclaims Arise Out of the Same Transaction or Occurrence as Signify’s Complaint Against Menard

Luminex’s invalidity and non-infringement Cross-Claims arise out of the same transaction or occurrence as Signify’s original Complaint. The “transaction or occurrence” test for cross-claims under Rule 13(g) is the same as the Rule 13(a) test for compulsory counterclaims. *Federman v. Empire Fire & Marine Ins. Co.*, 597 F.2d 798, 813 (2d Cir. 1979). “Courts interpreting the scope of Rule 13(a)’s ‘transaction or occurrence’ test ‘generally have agreed that these words should be interpreted liberally.’” *In re Rearden LLC*, 841 F.3d 1327, 1332 (Fed. Cir. 2016) (citation omitted). To determine if a cross-claim arose out of the same transaction or occurrence as the complaint, a court should inquire: “(1) whether the legal and factual issues raised by the claim and [cross-claim] are largely the same; (2) whether substantially the same evidence supports or refutes both the claim and the [cross-claim]; and (3) whether there is a logical relationship between the claim and the [cross-claim].” *Nasalok Coating Corp. v. Nylok Corp.*, 522 F.3d 1320, 1325 (Fed. Cir. 2008).

Here, Luminex’s invalidity and non-infringement Cross-Claims arise out of the same transaction or occurrence as Signify’s original Complaint because: (1) the issues of fact and law in Signify’s original Complaint and Luminex’s Cross-Claims are largely the same;

(2) substantially the same evidence will support or refuse the competing claims; and (3) there is a logical relationship between the dueling claims.

Luminex's Cross-Claims specifically allege facts demonstrating that Luminex's Cross-Claims arise out of the same transaction or occurrence as Signify's claim of infringement against Menard for Menard's sale of the thirty-three Luminex Accused Products. In particular, Luminex's Cross-Claims describe Signify's allegations against Menard that stem from Menard's sale of the Luminex Accused Products, and Luminex explicitly asserts that "Luminex's Cross-Claims against Signify satisfy the 'same transaction or occurrence' test under Fed. R. Civ. P. 14(a)(2)(D), 13(g), and 13(a)." Dkt. 159 at 95-96. These allegations, which must be taken as true for the purposes of reviewing a motion to dismiss, squarely meet the requirements for a proper cross-claim against Signify. Because Luminex's Cross-Claims relate to the same products and patents identified by Signify in its original Complaint and infringement contentions, substantially the same evidence will support or refuse both Signify's and Luminex's respective claims.

Moreover, because these claims involve the same products and patents, there is a clear logical relationship between the dueling claims. Indeed, the very nature of Signify's claims and allegations against Menard with respect to the thirty-three Luminex Accused Products contain an implied assertion of infringement against Luminex, and Luminex's Cross-Claims are in direct response to those assertions. *See Robert Bosch*, 2023 WL 1422308, at *7.

2. Luminex's Cross-Claims Are Commensurate with the Scope of Signify's Complaint and Infringement Contentions

Throughout its brief, Signify asserts that Luminex's Cross-Claims are overbroad and seek a blanket ruling that every product ever manufactured by Luminex does not infringe any of the Patents-in-Suit. Dkt. 163 at 2-3, 8, 19-31. This is simply not accurate. To be clear, as noted throughout each of Luminex's Cross-Claims for non-infringement, Luminex's Cross-Claims are

limited to the thirty-three Luminex products that Signify has accused of infringement, regardless of the brand name used to market and sell this products. Dkt. 159 at 97-98. In fact, each of Luminex’s non-infringement cross-claims explicitly identifies *each* Luminex product that Signify accused of infringement by SKU# and concludes with the following request: “Luminex requests a declaration by the Court that the *Luminex Accused Products* have not infringed and do not infringe any valid and enforceable asserted claim of the [asserted] Patent under any theory.” *Id.* at 104, 108, 113, 117, 120, 126 (emphasis added).

Moreover any ambiguity regarding the scope of the thirty-three Luminex Accused Products is of Signify’s own making. Signify’s own Complaint asserts that the Menard products identified in its Complaint are merely “[n]on-limiting examples of the Accused Menards Products.” Dkt. 1 at 11; *see also, e.g., id.* at 24 (“For clarity, the ’399 Patent Accused Products are not limited to the above referenced Exemplary ’399 Patent Accused Products, but rather include *all* Menards Branded Products which infringe one or more claims of the ’399 Patent.”).

Finally, any issues concerning the breadth of claims asserted in Luminex’s invalidity Cross-Claims are likewise Signify’s own making. It was Signify, not Luminex, who involved every claim of the Patents-in-Suit in this case. Signify’s Complaint only identifies “exemplary” asserted claims. For example, with respect to the ’399 Patent, Signify stated in its Complaint that “the *Exemplary* ’399 Patent Accused Products infringe at least Claim 7 of the ’399 Patent.” *Id.* at 24 (emphasis added). Further, in its infringement contentions, Signify allegedly reserved the right to add additional asserted claims. *See* Dkt. 105-2 at 1-2 (“Signify thus expressly reserves the right to modify, amend, retract, and/or supplement these Contentions (including any further articulation of theories of infringement, including under the doctrine of equivalents, and adding, removing, or otherwise modifying the asserted claims and/or accused products)...”). Thus, per Signify’s own

Complaint and contentions, Signify has threatened Luminex with infringement of *any* claim of the Patents-in-Suit. Signify cannot “reserve the right” to assert any additional claim of Patents-in-Suit, and then cry foul when Luminex asserts that the same claims are invalid and not infringed.

C. Luminex’s Cross-Claims Satisfy the Standing Requirements to Establish Subject-Matter Jurisdiction

The allegations in Luminex’s Cross-Claims for a declaratory judgment of invalidity and non-infringement of the Patents-in-Suit satisfy the applicable standing and subject-matter jurisdiction requirements. A district court can exercise subject-matter jurisdiction over a declaratory judgment claim only when the claim for relief presents an “actual controversy.” *Md. Cas. Co. v. Pac. Coal & Oil Co.*, 312 U.S. 270, 272 (1941) (reversing judgment dismissing declaratory judgment claim). The Supreme Court in *Maryland Casualty* stated that:

The difference between an abstract question and a “controversy” contemplated by the Declaratory Judgment Act is necessarily one of degree, and it would be difficult, if it would be possible, to fashion a precise test for determining in every case whether there is such a controversy. Basically, the question in each case is whether the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.

312 U.S. at 273. The determination of whether an actual controversy exists is a question of law. *Janssen Pharmaceutica, N.V. v. Apotex, Inc.*, 540 F.3d 1353, 1359 (Fed. Cir. 2008). The Federal Circuit has recognized that rigid rules should not apply in analyzing questions regarding subject-matter jurisdiction of a declaratory judgment action. *See, e.g., Danisco U.S. Inc. v. Novozymes A/S*, 744 F.3d 1325, 1330-33 (Fed. Cir. 2014) (reversing dismissal of a declaratory judgment action where the district court erroneously concluded that there was no controversy because the patentee had not made any threats to enforce the challenged patent after it issued). “Article III does not mandate that the declaratory judgment defendant have threatened litigation or otherwise taken action to enforce its rights before a justiciable controversy can arise....” *Id.* at 1330.

To “determine whether there is [subject-matter] jurisdiction in a declaratory judgment action [the court applies] the well-pleaded complaint rule.” *Fina Oil & Chem. Co. v. Ewen*, 123 F.3d 1466, 1470 (Fed. Cir. 1997) (citing *Skelly Oil Co. v. Phillips Petroleum Co.*, 339 U.S. 667, 672 (1950)). The rule is applied “to the hypothetical action the declaratory defendant would have brought,” not to the declaratory judgment complaint itself. *Fina Oil*, 123 F.3d at 1470; *see also ABB Inc. v. Cooper Indus., LLC*, 635 F.3d 1345, 1348-52 (Fed. Cir. 2011) (reversing the dismissal of a declaratory judgment action for lack of subject-matter jurisdiction); *Cedars-Sinai Med. Ctr. v. Watkins*, 11 F.3d 1573, 1578 (Fed. Cir. 1993) (“[a]fter constructing a hypothetical complaint that otherwise would have been filed by the declaratory judgment defendant, this court’s jurisdiction onus is then to determine both under which federal statute(s) the hypothetical cause of action would have ‘arisen,’ and whether those federal statute(s) ‘relate to’ patents, while staying ever loyal to the Supreme Court’s guidance in *Christianson* [*v. Colt Industries Operating Corp.*], 486 U.S. [800], 808 [(1988)].”).

As set forth above in Section III.A, Luminex’s Cross-Claims include a detailed factual basis for each claim. For those same reasons, and the reasons discussed below, Luminex’s Cross-Claims satisfy the standing and subject-matter jurisdiction requirements.

1. Signify’s Infringement Allegations Create an Actual Controversy Between Luminex and Signify

Signify’s accusation of infringement in this case against the Luminex Accused Products alone creates an actual controversy between Luminex and Signify. The nature of Signify’s lawsuit against Menard contains an implied assertion of infringement against Luminex with respect to the thirty-three Luminex Accused Products. As such Signify’s infringement claims against Luminex’s products give Luminex “declaratory standing because [Signify] has impliedly asserted that

[Luminex] infringed” the Patents-in-Suit. *Robert Bosch*, 2023 WL 1422308, at *7; *see also UCP*, 787 F. App’x at 699.

2. **Luminex’s Cross-Claims Establish Luminex’s Reasonable Apprehension of Suit and Damage from Signify**

Luminex’s Cross-Claims establish its fear of suit and injury from Signify based on Signify’s affirmative acts against Luminex—*i.e.*, Signify’s infringement allegations against the thirty-three Luminex Accused Products in this case—and Signify’s aggressive global licensing campaign. “While a declaratory judgment plaintiff is no longer required to demonstrate a reasonable apprehension of suit, such a showing remains sufficient to establish jurisdiction.” *Arkema Inc. v. Honeywell Int’l., Inc.*, 706 F.3d 1351, 1358 n.5 (Fed. Cir. 2013) (citations omitted). In addition to details regarding Signify’s direct accusation of infringement regarding the Luminex Accused Products, Luminex’s Cross-Claims include details regarding Signify’s aggressive, world-wide licensing campaign. Indeed, as set forth in detail in Luminex’s Cross-Claims and below, Signify is waging an aggressive licensing campaign against the entire global lighting industry. Dkt. 159 at 96-97.

a. **A Direct Lawsuit or Threat Is Not Required to Establish Standing**

Signify’s argument that Luminex’s Cross-Claims are improper because Signify never directly threatened to sue Luminex is factually and legally flawed. Dkt. 163 at 14 (stating, among other things, that “Luminex’s crossclaims do not allege any facts suggesting that Signify has engaged in any affirmative act directed *toward Luminex*, much less any actual or threatened assertion of the Crossclaim Patents toward Luminex.”). Signify’s “assertion that declaratory judgment jurisdiction cannot lie here because [it] never sued, threatened to sue, or intended to sue [Luminex] runs clearly counter to [Federal Circuit and Supreme Court] precedent.” *UCP*, 787 F. App’x at 700 (citing *Arris Grp., Inc. v. British Telecommunications PLC*, 639 F.3d 1368, 1379

(Fed. Cir. 2011)); *see also Danisco*, 744 F.3d at 1330 (“Article III does not mandate that the declaratory judgment defendant have threatened litigation or otherwise taken action to enforce its rights before a justiciable controversy can arise.”).

In *MedImmune Inc. v. Genentech, Inc.*, the Supreme Court clarified the issue of standing and subject-matter jurisdiction with respect to declaratory judgment actions brought against a patent owner. 549 U.S. 118 (2007). In view of *MedImmune*, the Federal Circuit no longer requires a “reasonable apprehension” of an infringement suit. *Arkema*, 706 F.3d at 1358 n.5. While not required, to the extent a declaratory judgment plaintiff shows that a “reasonable apprehension” of an infringement suit exists, that will suffice to show a controversy under the “all circumstances” standard. *Id*; *see also Streck, Inc. v. Rsch. & Diagnostic Sys., Inc.*, 665 F.3d 1269, 1281-84 (Fed. Cir. 2012) (“[A]lthough the Supreme Court rejected the reasonable apprehension of suit test as the *sole* test for jurisdiction, ‘it did not completely do away with the relevance of a reasonable apprehension of suit.’ Instead, in the wake of *MedImmune*, ‘proving a reasonable apprehension of suit is one of multiple ways that a declaratory judgment plaintiff can satisfy the more general all-the-circumstances test’ to establish jurisdiction.”) (citations omitted); *Danisco*, 744 F.3d at 1330 (“[T]he Supreme Court has repeatedly found the existence of an actual case or controversy even in situations in which there was no indication that the declaratory judgment defendant was preparing to enforce its legal rights.”).

Luminex’s Cross-Claims pled facts demonstrating Luminex’s reasonable apprehension of suit and damage from Signify that are sufficient in view of Signify’s affirmative acts against the Luminex Accused Products to pass the post-*MedImmune* watermark. “Generally, an affirmative act by the patentee is ‘conduct that can be reasonably inferred as demonstrating intent to enforce a patent.’” *UCP*, 787 F. App’x at 698 (citing *Hewlett-Packard Co. v. Acceleron LLC*, 587 F.3d

1358, 1363 (Fed. Cir. 2009)). Here, Signify demonstrated its intent to enforce the Patents-in-Suit against Luminex when it accused the thirty-three Luminex Accused Products of infringement. *See Microsoft Corp. v. GeoTag, Inc.*, No. CV 11-175-RGA, 2014 WL 4312167, at *2 (D. Del. Aug. 29, 2014), *aff'd on other grounds*, 817 F.3d 1305 (Fed. Cir. 2016) (“[Patentee] could just as easily have asserted a claim of direct infringement against [suppliers], based on the same underlying circumstances in the customer suits. An express accusation by [patentee] was unnecessary. *Arris Grp., Inc. v. British Telecommunications PLC*, 639 F.3d 1368, 1379 (Fed.Cir.2011). There was a ‘reasonable potential’ of such a suit, and therefore [] there is subject matter jurisdiction.”) Moreover, notwithstanding that there was no *direct*, one-to-one threat of litigation from Signify to Luminex, Luminex’s Cross-Claims demonstrate a reasonable apprehension of a lawsuit from Signify based on Signify’s aggressive licensing campaign and Signify’s assertion in this case that the thirty-three Luminex Accused Products infringe one or more of the Patents-in-Suit.

b. Luminex’s Counter-Claims Adequately Pled Facts Concerning Signify’s Aggressive Licensing Program

As noted above and in Luminex’s Cross-Claims, Signify has engaged in an aggressive licensing program related to the Patents-in-Suit and other patents, including by using its marketplace power and its lighting patent portfolio to leverage the licensing of these patents. Signify argues that Luminex cannot fear injury (or *should not* have feared suit) based on Signify’s licensing campaign because Signify’s standard “policy” is to, “license[] private label brand owners (such as Menard) directly, not to engage with private label suppliers,” such as Luminex. Dkt. 163 at 4. These arguments are factually and legally inaccurate, and oddly ignore the simple fact that Signify undeniably asserts that the Luminex Accused Products infringe the Patents-in Suit.

First, Signify’s website does not evidence any intent to license or take enforcement action solely against large brand-owners like Menard. To the contrary, Signify’s website refers to

“Qualified Suppliers,” demonstrating that Signify has licensed its patents to at least some non-branded lighting suppliers. See <https://www.signify.com/global/our-company/intellectual-property/licensing> (identifying Lumileds, Osram GmbH, and Zumtobel Group as “Qualified Suppliers”). In fact, Signify’s licensing website identifies these “Qualified Suppliers” as licensees in its licensing program. See, e.g., <https://www.licensing.lighting.philips.com/licensee/176/zumtobel>. Regardless, Signify’s purported statement on its website regarding branded manufacturers is, at best, an irrelevant, non-binding implied promise that is subject to change at any time. See, e.g., *Vanguard Rsch., Inc. v. PEAT, Inc.*, 304 F.3d 1249, 1255-56 (Fed. Cir. 2002) (A patentee’s “repeated statement that it does not intend to sue [the potential infringer] for patent infringement and its ongoing failure to bring such a suit” does not defeat standing because “a patentee’s present intentions do not control whether a case or controversy exists.”); *WS Packaging Grp., Inc. v. Glob. Com. Grp., L.L.C.*, No. 06-C-674, 2006 WL 8440873, at *4 (E.D. Wis. Sept. 6, 2006) (“The reasonableness of [declaratory plaintiff’s] apprehension of litigation does not turn on its knowledge of [patentee’s] *modus operandi* when bringing suit against alleged infringers, and [declaratory plaintiff] clearly has no duty to investigate the matter. [Patentee] also argues that it lacked a present intention to bring suit, but this, too, is irrelevant.”).

The mere fact that Signify has not *directly* sued or threatened to sue Luminex itself (like the patentees in *WS Packaging Grp.* or *Vanguard*) for infringing a certain patent does not eliminate the substantial risk of an infringement action or distinguish the applicability of these holdings. See *Danisco*, 744 F.3d at 1330 (“Article III does not mandate that the declaratory judgment defendant have threatened litigation or otherwise taken action to enforce its rights before a justiciable controversy can arise.”). Indeed, as explained in detail above, Signify has asserted that **thirty-three** Luminex Accused Products infringe one or more of the Patents-in-Suit in this case.

Second, Signify's assertion that nothing in Signify's website evidences any threat to Luminex is inaccurate. Signify's webpage boasts, among other things, that Signify: has the "[n]umber one [p]atent licensing program in the global lighting industry"; has 5000 granted patents "accessible to [l]icensees"; has "1500+ licensees"; and has been exploiting its patent licensing program for "14+ [y]ears." See <https://www.signify.com/global/our-company/intellectual-property/licensing>. As alleged in Luminex's Cross-Claims, Signify's threat to the global lighting industry is clear: either join Signify's aggressive licensing program (whether or not the products to be licensed are within the scope of the claims of the Patents-in-Suit), or face litigation.

Finally, Signify's argument that Luminex (a supplier) lacks standing because Signify's "practice" is to only pursue brand owners such as Menard is contrary to Federal Circuit precedent. Dkt. 163 at 15. Luminex, "as supplier of the accused [products] and as [alleged] indemnitor of [Menard], has standing to participate in this action." *Jack Henry & Assocs., Inc. v. Plano Encryption Techs. LLC*, 910 F.3d 1199, 1207 (Fed. Cir. 2018) (holding that a supplier had declaratory judgment standing even though the patentee never directly threatened or previously sued the supplier) (citing *Microsoft Corp. v. DataTern, Inc.*, 755 F.3d 899, 904 (Fed. Cir. 2014); *Arris*, 639 F.3d at 1375; *ABB*, 635 F.3d at 1349. In its Answer to Menard's Third Party Complaint, "Luminex admits that Paragraph 6 of the Menards Customer Returns, Defective Goods Policy and Conditions of Order Agreement states that Luminex 'shall defend, indemnify, and hold Menard harmless from and against all claims, damages, and/or expense(s) on account of ... (b) any actual or alleged violation or infringement of any intellectual property right, foreign or domestic, including but not limited to any patent, trade secret, copyright, trademark, or trade dress violation or infringement arising from Menard's use, sale or offering for sale of any goods covered by the purchase order and/or services provided by' Luminex." See Dkt. 159 at 6. Luminex's

acknowledgment of the indemnity provision is sufficient because the Federal Circuit has “never held that the validity of an indemnity demand, *i.e.*, the applicability of an indemnity agreement to the demander’s circumstances, needs to be conceded to establish subject-matter jurisdiction” in a declaratory judgment action. *Mitek Sys., Inc. v. United Servs. Auto. Ass’n*, 34 F.4th 1334, 1346 (Fed. Cir. 2022).

Thus, to the extent Luminex is required to indemnify Menard for Menard’s sale of the Luminex Accused Products, as Menard has alleged, Luminex has standing to commence a declaratory judgment action. This is exactly the case here, Signify even asserts that Luminex can defend the Luminex Accused Products in “Menard’s name, pursuant to [Luminex’s] alleged indemnification obligation.” Dkt. 163 at 3.

3. The Cases Cited by Signify Actually Support Luminex’s Cross-Claims

Federal Circuit precedent supports Luminex’s Cross-Claims as discussed above. Moreover, the cases that Signify relies upon to support its motion actually support Luminex and further undermine Signify’s position. *See id.* at 15-16, 19.

First, *Microsoft* supports Luminex’s position more than Signify’s because the Federal Circuit held that if a manufacturer “had an obligation to indemnify their customers, [the manufacturer] would then have standing to bring suit.” *Microsoft Corp. v. DataTern, Inc.*, 755 F.3d 899, 904 (Fed. Cir. 2014). In *Microsoft*, the patentee (DataTern) sued customers of Microsoft for infringement of two patents based on their use of Microsoft’s ADO.NET software. *Id.* at 906-07. It was undisputed that Microsoft (the supplier) “had no obligation to defend or indemnify its customers.” *Id.* at 902. However, the court noted that, if Microsoft “had an obligation to indemnify their customers, [Microsoft] would then have standing to bring suit. In that instance, [Microsoft] would stand in the shoes of the customers and would be representing the interests of their customers because of their legal obligation to indemnify.” *Id.* at 904 (citations omitted).

Here, unlike *Microsoft*, the customer (Menard) has alleged that the supplier (Luminex) is obligated to indemnify Menard. Indeed, Luminex’s Answer to Menard’s Third Party Complaint acknowledges the indemnity provision—not request—in the agreement between Luminex and Menard. *See* Dkt. 159 at 6 (“Luminex admits that Paragraph 6 of the Menards Customer Returns, Defective Goods Policy and Conditions of Order Agreement states that Luminex ‘shall defend, indemnify, and hold Menard harmless from and against all claims, damages, and/or expense(s) on account of ... (b) any actual or alleged violation or infringement of any intellectual property right, foreign or domestic, including but not limited to any patent, trade secret, copyright, trademark, or trade dress violation or infringement arising from Menard’s use, sale or offering for sale of any goods covered by the purchase order and/or services provided by’ Luminex.”). Luminex’s acknowledgment of the indemnity provision is sufficient, Luminex need not concede the applicability of the indemnification agreement to establish declaratory judgment standing. *Mitek*, 34 F.4th at 1346 (Fed. Cir. 2022). Thus, under the *Microsoft* holding, Signify’s and Menard’s allegations against Luminex and the Luminex Accused Products create a justiciable controversy.

Moreover, in addressing the merits of the declaratory judgment claims in *Microsoft*, the court discussed “circumstances that may ... support[] jurisdiction over Microsoft’s declaratory judgment challenge of the [asserted] patent.” *Microsoft*, 755 F.3d at 906-07. These included, among other things, a patentee’s aggressive enforcement strategy, even in the absence of direct threats against the declaratory plaintiff. *Id.* This is on all fours with Luminex’s allegation that Signify’s widespread and aggressive licensing program and enforcement strategy supports a finding of jurisdiction over Luminex’s Cross-Claims against Signify. For this additional reason, the *Microsoft* decision supports Luminex’s position—not Signify’s.

Second, Signify’s reliance on *Mitek Systems, Inc. v. United Services Automobile Ass’n* is also misplaced. No. 2:20-CV-00115-JRG, 2023 WL 2734372 (E.D. Tex. Feb. 23, 2023) (on remand from *Mitek*, 34 F.4th 1334 (Fed. Cir. 2022) discussed above, appeal to Fed. Cir. filed Mar. 31, 2023). In *Mitek*, the plaintiff, Mitek—a technology supplier for banks—brought a declaratory judgment action against USAA, which had launched an aggressive patent licensing and enforcement campaign targeting banks. 2023 WL 2734372 at *1 (E.D. Tex. Feb. 23, 2023). USAA had previously sued Wells Fargo—a user of Mitek’s technology—for patent infringement, and USAA specifically referenced Mitek’s technology in that case. *Id.* However, Mitek had no indemnification agreement with Wells Fargo and Mitek did not intervene in that case. *Id.*, at *2-3. The district court held that USAA’s licensing demand letters and its decision to pursue the litigation against Wells Fargo did not sufficiently pose an “immediate injury or threat of injury” to Mitek, and thus, there was not a justiciable controversy for Mitek’s declaratory judgment claims. *Id.*

The facts of the *Mitek* remand opinion have multiple outcome-determinative differences from the facts of the present case. For one, unlike here, it was undisputed that the supplier (Mitek) had no obligations to indemnify its customers for the accused software. As stated above, the agreement between Luminex and Menard includes an indemnification provision; and as set forth by the Federal Circuit, this alone is sufficient to establish Luminex’s reliance. *See* Dkt. 159 at 6; *Mitek*, 34 F.4th at 1346 (Fed. Cir. 2022). Second, in *Mitek*, the patentee (USAA) never alleged that Mitek’s technology met every element of every asserted claim, and the documentation cited in the claim charts came only from third parties and not from Mitek. 2023 WL 2734372, at *21. In other words, USAA’s claim against Wells Fargo for direct infringement could not support an implied induced infringement claim against Mitek, and in turn, a justiciable controversy for

Mitek's claims. *Id.* Here, Luminex's manufactures end products that Signify has directly accused of infringing one or more of the Patents-in-Suit.

Finally, in *Mitek*, the supplier (Mitek) had already failed to intervene and defend its software in the Wells Fargo litigation, and the patentee (USAA) did not have a pending litigation against one of Mitek's customers for the accused software. Rather, Mitek filed for declaratory judgment *before* USAA filed another infringement lawsuit. Here, Signify *does* have pending litigation against Luminex's customer (Menard) where Signify accuses thirty-three Luminex Accused Products of infringement and Luminex is actively participating in this case. Thus, unlike the facts in *Mitek*, there is a direct controversy between Signify and Luminex currently before this Court—created by Signify's infringement claims against the thirty-three Luminex Accused Products.

4. The Court Should Not Discretionarily Dismiss Luminex's Cross-Claims

The Court should not discretionarily dismiss Luminex's Cross-Claims. "The purposes of declaratory judgments are to 'clarify and settle the legal relations at issue' and to 'terminate and afford relief from the uncertainty, insecurity, and controversy giving rise to the proceeding.'" *Soos & Assocs., Inc. v. Five Guys Enters., LLC*, 425 F. Supp. 3d 1004, 1013 (N.D. Ill. 2019) (quoting *Tempco Elec. Heater Corp. v. Omega Eng'g, Inc.*, 819 F.2d 746, 749 (7th Cir. 1987)). Signify's argument that it would *prefer* to deal solely with Menard, rather than the manufacturers of the products that Signify has accused of infringement, is not only an insufficient basis for dismissing the manufacturers' cross-claims, including those filed by Luminex, but also ignores reality. In particular, Signify's assertion ignores the fact that Luminex and the other manufacturers are one the ones who will need to address the technical non-infringement arguments for each of the accused products. Dismissing Luminex from this case could result in additional, duplicative

litigation between Signify and Luminex, and would unnecessarily complicate the Court’s analysis of the technical issues in this case.

D. Luminex’s Cross-Claims Are Necessarily Proper If the Court Denies Signify’s Motion to Sever

For the reasons set forth above, Luminex’s Cross-Claims are properly pled, procedurally proper, and satisfy the standing and subject-matter jurisdiction requirements. Accordingly, if the Court denies Menard’s pending motion to sever, then Signify’s motion to dismiss Luminex’s Cross-Claims and motion to strike Luminex’s Affirmative Defenses should be denied as well.

Moreover, Signify’s own statements suggest that there is a Rule 13 and 14 basis for Luminex’s Cross-Claims if the Court denies Signify’s motion to sever. Signify states that “[s]hould the Court grant Signify’s motion and sever the third-party claims from this lawsuit, it would divest any possible jurisdiction over Luminex’s crossclaims, as *there would no longer be* a Rule 13 or 14 basis for bringing such crossclaims in this lawsuit.” Dkt. 163 at 12 (emphasis added). In other words, Signify concedes that there is a Rule 13 and 14 basis for Luminex to bring its Cross-Claims if the Court *denies* Signify’s motion to sever.

E. Luminex’s Cross-Claims Have Standing and Subject-Matter Jurisdiction Even If Menard’s Third-Party Complaint Is Severed

Signify created this controversy with Luminex by accusing the Luminex Accused Products of infringing one or more of the Patents-in-Suit. As such, the nature of Signify’s lawsuit against Menard contains an implied assertion of infringement against Luminex with respect to the thirty-three Luminex Accused Products. *See Robert Bosch*, 2023 WL 1422308, at *7.

As discussed extensively above in Section III.C, Luminex’s invalidity and non-infringement Cross-Claims satisfy the standing and subject-matter jurisdiction requirements. Luminex’s non-infringement and invalidity declaratory judgement claims satisfy these requirements regardless of the whether Luminex asserts them as a third-party defendant or a third-

party intervenor. *See Jack Henry & Assocs.*, 910 F.3d at 1207; *Microsoft*, 755 F.3d at 904. Accordingly, Luminex's Cross-Claims are proper and should not be dismissed.

If, however, the Court grants Signify's motion to sever and motion to dismiss Luminex's Cross-Claims, Luminex respectfully requests leave to file a motion to intervene and file its noninfringement and invalidity declaratory judgment claims as a third-party intervenor pursuant to Rule 24.

F. Luminex's Affirmative Defenses Asserted Against Signify Are Proper

Finally, Luminex's Affirmative Defenses against Signify are proper and should not be stricken. Again, Signify ignores that its claim of infringement against Menard regarding the thirty-three Luminex Accused Products is necessarily an implied claim against Luminex with respect to the thirty-three Luminex Accused Products. *Robert Bosch*, 2023 WL 1422308, at *7.

Luminex's Affirmative Defenses against Signify include the following Affirmative Defenses: (a) non-infringement of the Luminex Accused Products; (b) invalidity of the Patents-in-Suit; (c) no willful infringement; (d) prosecution history estoppel; and (e) limitation of damages based on insufficient notice. Signify correctly points out that Luminex's Affirmative Defenses against Signify are brought under Rule 14(a)(2)(C), and that such Affirmative Defenses are defenses, "that the third-party plaintiff [Menard] has to the plaintiff's claim." Luminex's Affirmative Defenses fall under this category. That is, each of the Affirmative Defenses that Luminex has raised constitute defenses that are available to Menard, as the third-party plaintiff. Moreover, Luminex's Affirmative Defenses against Signify's claims are directly tied to Luminex's non-infringement and invalidity Cross-Claims. Thus, Luminex's pleading contains sufficient detail regarding its Affirmative Defenses against Signify for the reasons set forth above with respect to the sufficiency and detail of Luminex's Cross-Claims.

To the extent that the Court strikes one or more of Luminex's Affirmative Defenses against Signify, any such defenses should be stricken *without prejudice*, allowing Luminex to re-plead any defenses, if appropriate. This case is still in its early stages, and Luminex has not had the benefit of any discovery from any of the parties. Further, even if the court strikes one or more of Luminex's Affirmative Defenses with or without prejudice, this does not impact the validity and sufficiency of Luminex's Cross-Claims against Signify. Thus, Luminex's Cross-Claims should be permitted to proceed.

IV. CONCLUSION

For the reasons set forth herein, Luminex respectfully requests that the Court deny Signify's motion to dismiss and motion to strike.

Dated: May 15, 2023

Respectfully submitted,

/s/ William E. Devitt

William E. Devitt
Jeffrey S. Messing
JONES DAY
110 North Wacker Drive, Suite 4800
Chicago, IL 60606
Phone: 312.782.3939
wdevitt@jonesday.com
jmessing@jonesday.com

Vishal V. Khatri
JONES DAY
51 Louisiana Avenue, N.W.
Washington, DC 20001
Phone: 213.879.3939
vkhatri@jonesday.com

Shane A. Brunner
MICHAEL BEST
One South Pinckley Street, Suite 700
Madison, WI 53703
Phone: 608.257.3501
sabrunner@michaelbest.com

*Counsel for Third-Party Defendant
Luminex International Company, Ltd.*