

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

OPTRONIC SCIENCES LLC,

Plaintiff,

v.

BOE TECHNOLOGY GROUP CO., LTD.,

Defendant.

Case No. 2:23-cv-00549-JRG

**PLAINTIFF OPTRONIC SCIENCES LLC'S RESPONSE TO DEFENDANT'S MOTION
FOR SUMMARY JUDGMENT AND MOTION TO DISMISS FOR LACK OF
STANDING**

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I. INTRODUCTION

Optronic Sciences LLC (“Optronic”) had standing to file this action solely in its own name. Standing has two components: constitutional standing and statutory standing. Optronic meets both requirements on its own.

Optronic is the owner of the Asserted Patents pursuant to a Patent Purchase Agreement with AUO Corporation (the “Agreement,” attached as Ex. 1 to the Motion). AUO retained only minimal, run-of-the-mill rights, such as [REDACTED]

[REDACTED] As the owner of the Asserted Patents, Optronic has all of the rights that have not been expressly assigned to another party, including more-than-sufficient exclusionary rights in the Asserted Patents such that BOE’s infringement legally injures Optronic. Optronic therefore has constitutional standing. Similarly, because Optronic has all rights except for the minimal rights given to AUO, Optronic possesses “all substantial rights” necessary to meet the statutory standing requirements.

As both the party challenging the standing of a recorded owner of the Asserted Patents and the movant in summary judgment, it is BOE’s burden to come forward with sufficient evidence supporting its argument that Optronic lacks constitutional and statutory standing. BOE does not do so, instead basing its argument primarily on speculation and hypotheticals used to fill gaps in discovery it declined to seek prior to filing its Motion, and interpretations of the Agreement that are inconsistent with its terms and related facts. According to BOE, it need not have gathered facts to support its arguments because it was Optronic’s burden to prove standing. BOE’s position is inconsistent with the presumption that, as a recorded owner, Optronic has sufficient standing. It is also inconsistent with BOE’s summary judgment burden to come forward with much more than mere speculation to support its arguments.

II. RESPONSE TO BOE’S “STATEMENT OF THE ISSUES TO BE DECIDED BY THE COURT”

While meritless, Optronic agrees that the Motion attempts to raise issues with respect to constitutional standing and statutory standing.

III. RESPONSE TO BOE’S “STATEMENT OF UNDISPUTED MATERIAL FACTS”

Optronic responds to BOE’s statement of undisputed material facts by reference to the corresponding numbered paragraphs in the Motion as follows:

1. Undisputed.
2. Disputed as to BOE’s characterization of a “purported” transfer of only “certain rights.”

Other than the insubstantial rights retained by AUO, AUO [REDACTED] [REDACTED]. *See* Ex. 1 (particularly Section 2 and Exhibit B); Ex. A (assignment recorded with Patent Office).¹

3. Undisputed.
4. Undisputed.
5. Undisputed.
6. Undisputed.
7. Undisputed.
8. Undisputed.
9. Undisputed. Optronic, however, notes that the terms of preexisting licenses and agreements are not typically listed in a patent acquisition agreement such as the Agreement. Optronic further notes that BOE has engaged in no efforts to seek discovery from AUO or other entities about the terms of these agreements.

¹ Numbered exhibits are attached to Motion. Lettered exhibits are attached to this brief.

10. Denied. *See* Yoon Decl. at ¶¶ 2-7 (describing information learned from AUO).²
11. Undisputed.
12. Undisputed.
13. Undisputed as to Samsung. Disputed as to “LG,” which BOE defines as referring to LG Display Co., Ltd. The referenced product, the LG 75” Class NanoCell 90, is made and sold by LG Electronics Inc. Ex. B at Cover Page. LG Display has been a “public corporation listed in the Korea Exchange since 2004,” and its main business is to compete with BOE in the supply of display panels and display modules. *See* Ex. C at 36. LG Electronics is not a “Subsidiary” of LG Display. *See* Ex. 1 at § 1.2 (a Subsidiary is defined as [REDACTED] [REDACTED]); *see also* Ex. D at 43 (not only is LG Electronics not a Subsidiary but, to the contrary, as of June 30, 2024, LG Electronics owned a 36.7% ownership share of LG Display).
14. Undisputed.
15. Undisputed.
16. Undisputed.
17. Undisputed that BOE correctly quoted Section 8.2 of the Agreement. BOE’s interpretation of the language is, however, disputed.

IV. OPTRONIC’S STATEMENT OF ADDITIONAL MATERIAL FACTS

18. Optronic is the owner-by-assignment of the Asserted Patents, and the assignment is recorded in the Patent Office. Ex. A.

² Mr. Yoon’s declaration sets out information he learned from discussions with AUO. This information is not necessary for Optronic to defeat the Motion or to demonstrate standing. However, Optronic provides the information to provide further reason for the Court to doubt that BOE could meet its burden of showing a lack of standing even if BOE had taken discovery from AUO.

19. Optronic has exclusionary rights in the Assigned Patents (as that term is used in the Agreement), including the Asserted Patents. Optronic was assigned [REDACTED] [REDACTED] except for those insubstantial rights addressed in Sections 5.1 and 5.2 of the Agreement. Ex. 1 at § 2. The insubstantial rights addressed in Sections 5.1 and 5.2 apply only to [REDACTED]. Ex. 1 at Ex. C. BOE is not a specified entity.

20. BOE infringes the Asserted Patents in this case by, among things, encouraging a number of its customers to infringe. These customers include but are not limited to Dell, Hisense, and Apple. *See* Ex. 4 at 2-3. Dell, Hisense, and Apple are not covered by Sections 5.1 and 5.2 of the Agreement.

21. Optronic owns exclusive rights to assert or otherwise enforce the Assigned Patents. Ex. A (AUO assigning Optronic “the rights to initiate and maintain proceedings and to seek and recover damages and all other available remedies, against third parties for past, present, or future infringement of the Patents”).

22. There are no restrictions on Optronics’ ability to assign or otherwise alienate the Assigned Patents. Yoon Decl. at ¶¶ 3-4.

23. AUO has informed Optronic that the entities listed in Exhibit C of the Agreement have, at most, bare licenses. Yoon Decl. at ¶ 5. AUO further informed Optronic that [REDACTED] [REDACTED] [REDACTED]. *Id.*

24. AUO has informed Optronic that neither [REDACTED] [REDACTED] have a license or any other rights granted by AUO to the Assigned Patents. *Id.*

25. LG Electronics is not a Subsidiary of LG Display. *See* D at 43. AUO does not [REDACTED]

[REDACTED] See Ex. 1.

V. ARGUMENT

A. **Optronic Is The Owner-By-Assignment Of The Asserted Patents, Including All Substantial Rights**

On its face, the Agreement assigns Optronic “[REDACTED] [REDACTED] Ex. 1 at § 2. The assignment recorded at the Patent Office further details that Optronic’s rights “include[], without limitation, ... *all rights to proceeds* of the Patents, including income, royalties, damages, profits, and payments now or hereafter payable, *and all rights of action of [AUO]*, including the *rights to initiate and maintain proceedings and to seek and recover damages* and all other available remedies, against third parties for past, present, or future infringement of the Patents.” Ex. A (recording in Patent Office; emphasis added). Optronic has exclusive rights as to enforcement, indulging infringement, deciding whether to pay maintenance fees or not, and deciding whether to dedicate a claim to the public or not. Optronic also has unfettered rights to alienate the Asserted Patents, including the right to freely assign any rights it obtained to the Asserted Patents to a third party. *See generally* Ex. 1 (containing no limitation on Optronic’s alienation rights); Yoon Decl. at ¶¶ 3-4.

Only three limited, insubstantial rights in the Asserted Patents have been assigned to a third party: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]. AUO retained no other rights with respect to the Asserted Patents. From AUO’s perspective, [REDACTED]. Yoon Decl. at ¶ 3.

BOE misrepresents the Agreement to argue that AUO has additional rights it does not actually have. *See* Mot. at 7. For example, AUO argues that Section 8.2 of the Agreement requires AUO's consent to assign the Asserted Patents. This is not true. *See also* Yoon Decl. at ¶¶ 3-4 (AUO has confirmed to Optronic that it retains no such rights). Section 8.2 only applies to [REDACTED]

[REDACTED]. As another example, BOE argues that AUO retained the right to sue, citing Section 5.2(b). Mot. at 7. Again, this is BOE ascribing rights to AUO not actually provided by the Agreement. Instead, Section 5.2(b)(i) [REDACTED]

Nowhere does the Agreement give AUO the right to bring a lawsuit, a right expressly assigned solely to Optronic. *E.g.*, Ex. A.³

Accordingly, as will be described in more detail below, Optronic is the owner of "all substantial rights" in the Asserted Patents. Optronic has complete rights to enforce and alienate the Asserted Patents, the two most "salient rights" regarding standing. *E.g.*, *Lone Star Silicon Innovations LLC v. Nanya Tech. Corp.*, 925 F.3d 1225, 1231 (Fed. Cir. 2019) (particularly as to statutory standing, the extent of an assignee's "ability to enforce and alienate the asserted patents is" "instructive"). BOE cannot prove that Optronic lacks any substantial rights, let alone identify sufficient substantial rights that deprive Optronic of either constitutional or statutory standing.

B. BOE Misstates And Misapplies The Applicable Burdens Because Optronic Is Presumed To Be The Owner Of The Asserted Patents And Have Standing To Sue In Its Own Name

The majority of the arguments raised by BOE are pure speculation about "unknown"

³ That Section 5.2(b)(ii) [REDACTED]

information. For example, BOE's constitutional standing argument is primarily based on a hypothetical set of facts without basis. Mot. at 6 (arguing "For all we know..."). Indeed, section V.C.1 of the Motion is entirely dedicated to describing information BOE purports not to know, and the Motion refers to purported "unknown" rights no less than 8 times. According to BOE, because standing is Optronic's burden, Optronic must disprove BOE's speculation. Not so.

While Optronic bears the ultimate burden of demonstrating standing by a preponderance of the evidence, it is presumed to have standing following the recording of the AUO-Optronic assignment with the Patent Office on August 21, 2023. Ex. A (the Complaint was filed well after recordation, on November 22, 2023). Because Optronic can make a *prima facie* showing of recorded ownership, the burden shifts to BOE to demonstrate that Optronic lacks standing. *E.g.*, *SiRF Tech., Inc. v. Int'l Trade Comm'n*, 601 F.3d 1319, 1327 (Fed. Cir. 2010) (finding that once a patent owner establishes it is assignee of the patent, "the burden of establishing that an interest in the patent had not been previously assigned" rests with the challenger); *Lone Star Tech. Innovations, LLC v. ASUS-TEK Computer Inc.*, No. 6:19-CV-00059-RWS, 2022 WL 1498784, at *4 (E.D. Tex. Mar. 18, 2022) ("A patent assignment recorded by the USPTO has the presumption that it is owned by the assignee; the party challenging standing must rebut this presumption"), *aff'd sub nom. Lone Star Tech. Innovations, LLC v. Asus Computer Int'l*, No. 2022-1769, 2024 WL 5182885 (Fed. Cir. Dec. 20, 2024).

In *SiRF Tech.*, the accused infringer asserted that the inventor had automatically assigned his invention to his previous employer (Magellan) by virtue of an employment agreement. *SiRF Tech.*, 601 F.3d at 1326. The patent owner (Global Locate) argued it could satisfy its burden of showing standing by demonstrating evidence of a recorded assignment of the patent to Global Locate. *Id.* at 1327-28. The accused infringer argued that Global Locate's burden extended to

disproving any theories it raised, including disproving its theory of automatic assignment to Magellan. *Id.* The Federal Circuit disagreed with the accused infringer’s argument, holding that a recorded assignment “creates a presumption of validity as to the assignment and places the burden to rebut such a showing on one challenging the assignment.” *Id.* at 1328 (also citing 35 U.S.C. § 261). The accused infringer in *SiRF Tech.* notably relied on more evidence (the Magellan employment agreement) than BOE relies on here.

Judge Schroeder recently rejected arguments very similar to BOE’s in *Lone Star v. ASUSTEK*. Accused infringer ASUS argued that patent owner Lone Star did not come forward with sufficient evidence at trial to prove standing. 2022 WL 1498784 at *3. Relying on *SiRF*, Judge Schroeder rejected ASUS’s argument. The record demonstrated a complete chain of recorded assignments ending in Lone Star’s ownership, which shifted the burden to ASUS to demonstrate lack of standing. *Id.* at *4. ASUS could not meet this burden because it “provided only conjecture ... which does not meet its burden to rebut Lone Star’s ownership.” *Id.* BOE cannot meet its burden here for the same reason.

BOE’s styling of the Motion as a summary judgment motion further demonstrates the problems with BOE’s arguments. Because Optronix is presumed to have standing by virtue of the recorded assignment, BOE has the burden to come forward with ***competent evidence*** defeating that presumption and demonstrating it is entitled to summary judgment. *See* Mot. at 4 (citing *Matsushita Elec. Indus. Co. v. Zenith Radio*, 475 U.S. 574, 586-87 (1986)). In the Fifth Circuit, “[c]onclusory allegations, unsubstantiated assertions, improbable inferences, and speculation are not competent evidence.” Mot. at 4 (citing *Eason v. Thaler*, 73 F.3d 1322, 1325 (5th Cir. 1996)); *see also Betts v. New Castle Youth Dev. Ctr.*, 621 F.3d 249, 252 (3d Cir. 2010) (“Unsupported assertions, conclusory allegations, or mere suspicions are insufficient to overcome a motion for

summary judgment.”). BOE’s hypotheticals and speculation are not competent evidence under *Eason*. And, even where BOE cites evidence, such as the provisions of the Agreement, BOE improperly draws all inferences in its favor, such as speculating that [REDACTED] or that [REDACTED] Section 8.2 of the Agreement applies to patent assignment even though it says nothing of the sort. The Motion fails to properly apply summary judgment law.

Just as in *SiRF* and *Lone Star v. ASUS*, the Court should find that Optronix has met its *prima facie* obligation of showing standing, and that BOE’s speculation is not sufficient to meet its burden of demonstrating the lack of standing. Because BOE has come forward with virtually no evidence to support its speculation, the Motion should be denied for this reason alone.

C. Optronix Has Constitutional Standing Because It Has Exclusionary Rights With Respect To BOE

Constitutional standing in a patent infringement case examines whether the plaintiff has “exclusionary rights” (the right to exclude or forgive infringement) such that it will suffer a legal injury if the unauthorized infringement is not addressed. *E.g.*, *Lone Star v. Nanya*, 925 F.3d at 1234; *Morrow v. Microsoft Corp.*, 499 F.3d 1332, 1339 (Fed. Cir. 2007) (“[t]he party holding the exclusionary rights to the patent suffers legal injury in fact under the statute”). “[T]he key question ... is *not*, as the Defendants would have it, whether [plaintiff] has established that it has the right to exclude *all others* from practicing the patent. *The question is* whether [plaintiff] has shown that it has *the right under the patents to exclude the Defendants* from engaging in the alleged infringing activity and therefore is injured by the Defendants’ conduct.” *WiAV Sols. LLC v. Motorola, Inc.*, 631 F.3d 1257, 1266-67 (Fed. Cir. 2010) (emphasis added); *see also, e.g.*, *Lone Star v. Nanya*, 925 F.3d at 1234 (rejecting argument that constitutional standing only vests in “exclusive licensee”; exclusionary rights “involve the ability to exclude others from practicing an

invention or to ‘forgive activities that would normally be prohibited under the patent statutes’”). Just recently, the Federal Circuit emphasized there is a “critical” distinction in constitutional standing law for a patent owner like Optronic, who possesses “exclusionary rights as a baseline matter,” and a licensee because the licensee only obtains an exclusionary right if one is expressly assigned by the owner. *See Intell. Tech LLC v. Zebra Techs. Corp.*, 101 F.4th 807, 816 (Fed. Cir. 2024).

There is no legitimate dispute that Optronic, the owner of the Asserted Patents, possesses exclusionary rights with respect to BOE. Other than its hypotheticals, BOE does not argue that AUO retained any exclusionary rights as to BOE, and the Agreement provides no such rights. *See* Ex. A; Ex. 1 at § 2. BOE legally injures Optronic’s exclusionary right in the Accused Patents as a result of its alleged infringement including its sale of accused products to companies such as Dell, Hisense, and Apple. *See* Ex. 4 at 2-3.

In an attempt to circumvent the facts, BOE argues that “[f]or all we know, AUO may have granted one of those third-parties an exclusive right to sue for infringement of the asserted patents.” Mot. at 6 (emphasis added). BOE’s speculation is not sufficient to defeat Optronic’s *prima facie* showing of standing based on its recorded assignment. *E.g., SiRF Tech.*, 601 F.3d at 1327. Moreover, BOE could not come forward with supporting facts even if it had engaged in relevant discovery because no third party possesses rights like those speculated by BOE. *See* Yoon Decl. at ¶¶ 5-7.

BOE also argues that AUO’s ability [REDACTED] somehow deprives Optronic of constitutional standing because [REDACTED]. Mot. at 6-7. BOE’s argument fails for a number of reasons, including the fact that it ignores the legal injury suffered by Optronic due to its sales of infringing displays to other customers such as Dell,

Hisense, and Apple. *See* Ex. 4 at 2-3. BOE also ignores that it has no evidence that [REDACTED] [REDACTED] are in fact licensed, because they are not. Yoon Decl. at ¶ 5. And finally, BOE fails to appreciate that [REDACTED] [REDACTED], as discussed above.

As an alternative, BOE argues that Optronix does not have constitutional standing because it allegedly lacks a number of “exclusive rights.” Mot. at 7-8. Assuming that BOE’s reference to “exclusive rights” is intended to refer to “exclusive” exclusionary rights, the need for “exclusive” exclusionary rights for constitutional standing has repeatedly been rejected by the Federal Circuit. *E.g., Lone Star v. Nanya*, 925 F.3d at 1234-35; *WiAV*, 631 F.3d at 1266-67. BOE appears to claim *Morrow* supports its argument (Mot. at 7⁴) and further argues that Optronix is “similarly situated” to the *Morrow* plaintiff. BOE is wrong on both counts. In *Morrow*, as the result of a bankruptcy proceeding, title to the patents was assigned to AHLT, including the right to license and receive revenue from the enforcement or licensing of the patents. 499 F.3d at 1335-36. GUCLT, the plaintiff, was solely assigned the right to bring suit. *Id.* at 1335-36, 1338 (AHLT, not GUCLT, also held the “exclusive right to make, use and sell the patented technology”). The Federal Circuit found that GUCLT’s bare enforcement rights did not afford it constitutional standing because “the exclusionary rights [the right to make, use and sell, and the right to license] have been separated from the right to sue for infringement.” *Id.* at 1341-42. As a result, in “any suit that GUCLT brings, its grievance is that the exclusionary interests held by AHLT are being violated.” *Id.* at 1342. None of these facts apply here. Other than the well-defined, insubstantial rights granted back to AUO (

⁴ BOE actually cites to “*Id.*,” which BOE says quotes *Morrow*. The reference to “*Id.*” appears to be a mistake because the antecedent cite, *Wendt v. 24 Hour Fitness USA, Inc.*, 821 F.3d 547 (5th Cir. 2016), does not contain the quote cited by BOE. Regardless of the correct cite, BOE’s argument is inconsistent with Federal Circuit precedent.

[REDACTED]),
Optronic possesses extensive exclusionary rights as to BOE, including the right to make, use and sell practicing products, and the right to license BOE. This lawsuit seeks to address a grievance on Optronic's rights, not that of a third party like in *Morrow*.

BOE also improperly argues that Optronic is "similarly situated" to plaintiffs in two other cited cases. In *Propat Int'l Corp. v. Rpost, Inc.*, the Federal Circuit found that the plaintiff licensee did not have constitutional standing because (1) a lawsuit could only be filed with the patent owner's consent; (2) a license could only be granted with the patent owner's consent; (3) the patent owner required licensing or enforcement efforts to be "consistent with prudent business practices," suggesting further control over plaintiff licensee's actions; and (4) the plaintiff licensee could not transfer its licensing rights to another party without consent from the patent owner. 473 F.3d 1187, 1194 (Fed. Cir. 2007). None of these facts apply here; Optronic is not a licensee, Optronic is free to license and sue without AUO's consent or control, and Optronic may freely transfer its ownership interests. BOE's attempted comparison ignores the "critical" distinction between an owner (like Optronic), who has exclusionary rights, and a licensee (like the plaintiff in *Propat*) that only has the specific rights assigned by the owner. *See Intell. Tech*, 101 F.4th at 816. *Luraco Health & Beauty, LLC v. Tran*, like *Morrow*, involved a fact pattern where the right to sue was severed from the exclusive rights to practice and license. No. 4:19-CV-51-SDJ, 2020 WL 2747233, at *9 (E.D. Tex. May 27, 2020). These facts do not apply here for the same reasons as discussed above with respect to *Morrow*.

Accordingly, because Optronic has exclusionary rights that are legally injured by BOE's infringement, Optronic has constitutional standing.

D. Optronic Has Statutory Standing And May Sue In Its Own Name Because It Is The Owner Of The Asserted Patents And Has Not Assigned Any Substantial Rights To Another Party

BOE also fails to show that Optronic lacks sufficient statutory standing to sue in its own name, let alone does BOE prove that Optronic lacks statutory standing entirely. In determining whether a plaintiff has sufficient statutory standing so that it can sue in its own name, the critical question is whether the plaintiff is the patent owner or effectively the owner (the exclusive licensee). In either case, the test is whether the plaintiff has “all substantial rights” to the patents-in-suit. *Lone Star v. Nanya*, 925 F.3d at 1229. The “all substantial rights” analysis examines the totality of the circumstances, including “how an agreement affected who could use, assert, license, or transfer the covered patents,” and “whether the transferor retained reversionary rights in or ongoing control over the patents.” *Id.* (citing *Alfred E. Mann. Found For Sci. Research v. Cochlear Corp.*, 604 F.3d 1354, 1360-61 (Fed. Cir. 2010)). “[A] patent may not have multiple separate owners for purposes of determining standing to sue. Either the licensor did not transfer ‘all substantial rights’ ... and retains the right to sue for infringement, or the licensor did transfer ‘all substantial rights’ ..., in which case the licensee becomes the owner of the patent for standing purposes and gains the right to sue on its own.” *Alfred E. Mann*, 604 F.3d at 1359-60. Here, Optronic possesses “all substantial rights” and properly sued in its own name.

1. BOE Has Failed To Show That AUO Has Any “Substantial Rights” Because Optronic Has Full Alienation Rights And AUO Has Only Insubstantial Rights

Optronic holds all of the important rights, and more, that courts have repeatedly held establish statutory standing. As described above, the Agreement assigned [REDACTED] [REDACTED] to Optronic. Ex. 1 at § 2, Ex. A. This type of language is “well known to mean a full assignment of the patent—i.e., a transfer of title.” *Mars, Inc. v. Coin Acceptors, Inc.*, 527 F.3d 1359, 1370 (Fed. Cir. 2008). Moreover, as recognized in

Keranos LLC v. Silicon Storage Tech., Inc., “the right to sue accused infringers ... ‘is the **most important factor** in determining whether” “all substantial rights” have been transferred. 797 F.3d 1025, 1032 (Fed. Cir. 2015) (emphasis added). *See also Azure Networks, LLC v. CSR PLC*, 771 F.3d 1336, 1343 (Fed. Cir. 2014) (“**critical** to our inquiry is that the Agreement granted ... the exclusive right to enforce and defend the ... patent” (emphasis added)); *Sol IP, LLC v AT&T Mobility LLC*, Case No. 2:18-cv-00526, 2020 WL 9938285, *2-*3 (E.D. Tex. Jan. 20, 2020) (“**critical rights, including, most importantly**, the right to enforce the patents-in-suit” (emphasis added)). BOE does not dispute that Optronic is the owner of the Asserted Patents, and it has no competent evidence that any entity other than Optronic has the right to sue BOE.

It is not clear whether BOE argues that AUO or another third party has a “substantial right” that might deprive Optronic of statutory standing to sue in solely its name. Regardless, Optronic’s recorded assignment is sufficient to shift the burden to BOE to prove that a third party has retained “substantial rights” relevant to statutory standing despite the title transfer. *See SiRF Tech.*, 601 F.3d at 1328. In order to fully prevail on the relief it seeks in the Motion (dismissal), BOE must prove that Optronic does not have any “substantial rights” at all and is therefore simply a bare licensee of the Asserted Patents.⁵ BOE cannot meet its burden.

BOE first argues that AUO has “Unlimited Restriction on Alienation” because “Section 8 of the Agreement expressly prohibits Plaintiff from assigning the Agreement or any of its rights under the Agreement,” which BOE concludes gives AUO unrestricted veto rights on patent

⁵ As addressed below, if the “substantial rights” have been split among Optronic and AUO (or other third parties), the joinder rules of FED. R. CIV. P. 19 (“Rule 19”) will be implicated. Rule 19 should, however, not be needed here because Optronic has “all substantial rights” in the Asserted Patents.

assignments. Mot. at 9 (citing Ex. 1 at § 8).⁶ BOE provides no explanation for its conclusion, and nowhere in Section 8 of the Agreement (or any other section of the Agreement) does AUO expressly retain any veto rights with respect to Optronic's ability to assign the Asserted Patents to a third party. BOE appears to base its argument on a distortion of the reference to [REDACTED]

[REDACTED] in Section 8.2 of the Agreement. Contrary to BOE's argument, [REDACTED]

[REDACTED] AUO has no further reserved rights regarding alienation, which means that Optronic has been assigned full alienation rights. Both Optronic and AUO agree that AUO did not retain any rights with respect to Optronic's ability to assign the Asserted Patents to a third party. Yoon Decl. at ¶¶ 3-4. Indeed, BOE's interpretation of Section 8 would run afoul of [REDACTED]

[REDACTED]. Yoon Decl. at ¶ 3. BOE's strained interpretation of Section 8 is inconsistent with the face of the Agreement, and the understanding of the parties. It should be rejected.

BOE also points to "additional substantial rights" purportedly retained by AUO. The first category of retained rights identified by BOE includes AUO's non-exclusive license, its right to

⁶ Section 8 is [REDACTED]. All but one section (Section 8.2) appear to be irrelevant to BOE's argument.

license two specific entities ([REDACTED]), and the preexisting encumbrances [REDACTED]. Courts routinely find such rights to be insubstantial such that they do not deprive a plaintiff of “all substantial rights” sufficient to support statutory standing. *E.g.*, *Luminara Worldwide, LLC v. Liown Elecs. Co.*, 814 F.3d 1343, 1351 (Fed. Cir. 2016) (exclusive licensee had “all substantial rights” even where patent owner retains rights for it and its affiliates to practice the patents, the obligation to pay maintenance fees, a financial interest in both litigation- and licensing-related revenue, and a right to notice of litigation and licensing activities); *Sol IP*, 2020 WL 9938285 at *3 (finding that exclusive licensee retained “all substantial rights” even where (1) owner retained right to license Samsung; (2) owner retained some veto rights over assignment of exclusive licensee rights; (3) owner received 79.3% of net proceeds; and (4) owner retained a reversionary interest); *Wireless All., LLC v. AT&T Mobility LLC*, No. 2:23-CV-00095-RWS-RSP, 2024 WL 5037561, at *1-3 (E.D. Tex. Oct. 21, 2024), report and recommendation adopted, No. 2:23-CV-95-RWS-RSP, 2024 WL 4648154 (E.D. Tex. Nov. 1, 2024) (finding exclusive licensee had “all substantial rights” even where patent owner retained limited sublicensing rights to unspecified Korean entities and a right to 90% of litigation proceeds); *Advanced Tech. Incubator, Inc. v. Sharp Corp.*, Case No. 2:07-cv-468, 2009 WL 2448156, *10 n.8 (E.D. Tex. July 6, 2009) (pre-existing sublicenses insufficient). The rights possessed by AUO and preexisting encumbrances are significantly less substantial than those found to be insubstantial in *Luminara*, *Sol IP*, *Wireless All.*, and *Advanced Tech.*

BOE also argues that Optronics lacks “exclusive enforcement rights,” suggesting that AUO has retained enforcement rights against [REDACTED]. Mot. at 16-17. AUO has no such rights. All enforcement rights were assigned to Optronics. Ex. 1 at § 2; Ex. A. AUO cannot file suit against [REDACTED]. AUO only retains the right to sublicense [REDACTED]

[REDACTED], and the right to [REDACTED]. Ex. 1 at § 5.2(b). BOE argues that AUO's retained right to sublicense [REDACTED] is "particularly troubling" because BOE sells infringing displays to [REDACTED] Mot. at 16-17. As discussed above, neither entity is currently licensed, and the [REDACTED] entity referenced in the Agreement is different than the LG Electronics entity to which BOE sells infringing products. And BOE cites no case law establishing why AUO's insubstantial right to license [REDACTED] (which is one of many customers that purchase BOE's infringing products) is relevant. By the terms of Agreement, no license given by AUO after the Effective Date of the Agreement could provide BOE with any rights. At most, a hypothetical future [REDACTED] license would create an exhaustion affirmative defense that BOE would have to prove by coming forward with evidence of the license, which accused products it applies to, and whether BOE's past infringement was released or its future infringement was licensed.⁷ The vague possibility of a future exhaustion defense, however, is not relevant to Optronics's statutory standing.

The other category of “substantial rights” BOE argues has been retained by AUO is BOE’s speculation about “unknown” rights that could have been assigned by AUO prior to the Agreement. Optronic is unaware of any such rights. Yoon Decl. at ¶ 5. And BOE’s hypotheticals are insufficient to meet its burden under *SiRF* and other standing law, or *Eason* and other summary judgment law requiring that BOE come forward with competent evidence, not mere speculation.

Accordingly, the evidence shows that Optronic has “all substantive rights” and can assert the Asserted Patents in its own name.

⁷ The license in the *Wireless All.* similarly reserved the right to license a supplier used by defendants. The issue was addressed by a license or exhaustion defense, and was not relevant to standing.

2. BOE's Cited Case Law Demonstrates Why The Motion Should Be Denied

BOE argues that “Courts consistently” find a lack of “all substantial rights” in view of “rights similar in scope to the rights that AUO retained.” Mot. at 11-13. Like BOE’s similar argument with respect to constitutional standing, the retained rights addressed in BOE’s cited cases are very different from those held by Optronic and AUO.

BOE cites *Abbott Labs. v. Diamedix Corp.* to argue that preexisting encumbrances and a license back standing alone can defeat statutory standing. But that is not *Abbott*’s holding. *Abbott* turned on the fact that the licensee did not have unfettered rights to enforce the patents because the licensor retained the right to sue, and could participate in suits brought by the licensee, and the licensee was required to protect the licensor’s interests over its own. *See* 47 F.3d 1128, 1132 (Fed. Cir. 1995). BOE tries to harmonize these differences by equating AUO’s limited sublicensing rights to the right to bring suit (they are different rights as *Morrow* establishes) and pointing again to speculative rights that AUO “may have” previously assigned to a third party. As addressed in previous sections, none of these arguments are factually supportable, and BOE’s speculation is insufficient to meet its burden.

BOE argues that *Propat* is “also instructive” because AUO “enjoys” a similar “financial interest in license and enforcement activities” to the one discussed in *Propat*. Mot. at 12-13. The *Propat* decision was based on a number of facts not present here, including a prohibition on alienation, that the licensee could not practice the patents themselves, that the license was not exclusive, and that the patent owner was responsible for paying the maintenance fees and could veto licensing or litigation decisions. *Propat*, 473 F.3d at 1190-91. Even the “financial interest” referenced by BOE is very different because the *Propat* patent owner was entitled to an “equity interest in the proceeds of license and litigation activities” of the licensee. *Id.* at 1191. AUO has

no right to Optronic's proceeds from any litigation or licensing, let alone an equity interest in such proceeds. Finally, even if the "financial interests" were similar, the Federal Circuit in *Propat* expressly noted that the "financial interest" retained by the owner was insubstantial because, standing by itself, the interest itself "does not necessarily defeat what would otherwise be a transfer of all substantial rights in the patent." *Id.* at 1191.

BOE cites to other cases with less analysis and less applicability. As BOE's own parentheticals acknowledge, the *AsymmetRX*, *Sicom*, and *A123* opinions addressed substantial rights different than the insubstantial rights retained by AUO, including the ability to control enforcement or licensing activities. *See* Mot. at 13 (parentheticals referring to rights AUO does not retain here). Similarly, *Lone Star v. Nanya* addressed an arrangement where the assignor retained substantial control over enforcement and licensing activities as well as substantial control over the assignee's ability to alienate the patents. 925 F.3d at 1231-33.

E. If Necessary, Optronic Should Be Given The Opportunity To Join Any Other Party With "Substantial Rights" To Cure Any Issue With Statutory Standing

Although Optronic believes the Motion is baseless, should the Court rule against Optronic and find that AUO (or another third party) has some substantial rights in the Asserted Patents, Optronic requests leave to add the necessary party under Rule 19. *See, e.g., Lone Star v. Nanya*, 925 F.3d at 1236 (finding it "legally erroneous" to not "consider[] whether [licensor] could have been or needed to be joined before dismissing this case"). Because Optronic has constitutional standing and substantial rights in the Asserted Patents, the potential joinder of the other substantial rights-holders will cure any deficiencies in statutory standing the Court may find.

VI. CONCLUSION

The Court should deny the Motion because BOE has failed to show a lack of standing. Optronic is the owner-by-assignment of the Asserted Patents with both constitutional and statutory

standing. AUO has at best retained insubstantial rights. And, even if the Court were to have concerns regarding statutory standing, the Motion should be denied and Optronic should be granted the opportunity to seek to join AUO as a necessary party.

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Respectfully submitted,

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CERTIFICATE OF AUTHORIZATION TO FILE UNDER SEAL

I hereby certify that the foregoing document is authorized to be filed under seal pursuant to the Protective Order entered in this case.

/s/ Benjamin T. Wang
Benjamin T. Wang

CERTIFICATE OF SERVICE

The undersigned certifies that on March 4, 2025, all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document through electronic mail.

/s/ Benjamin T. Wang
Benjamin T. Wang