

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

PHENIX LONGHORN, LLC,

Plaintiff,

v.

AU OPTRONICS CORPORATION,
HISENSE ELECTRONICA MEXICO, S.A.
DE C.V., HISENSE USA CORPORATION,
HISENSE VISUAL TECHNOLOGY CO.,
LTD., and DOES 1–10,

Defendants.

CASE NO. 2:23-CV-00477-RWS-RSP

**DEFENDANTS HISENSE ELECTRONICA MEXICO, S.A. DE C.V.,
HISENSE USA CORPORATION AND HISENSE VISUAL TECHNOLOGY CO., LTD.’S
ANSWER TO PLAINTIFF PHENIX LONGHORN, LLC’S FIFTH AMENDED
COMPLAINT FOR PATENT INFRINGEMENT**

Defendants Hisense Electronica Mexico, S.A. DE C.V., Hisense USA Corporation and Hisense Visual Technology Co., Ltd. (“Hisense” or “Defendants”), by and through its undersigned counsel, files this Answer to Plaintiff Phenix Longhorn, LLC’s (“Plaintiff” or “Phenix”) Fifth Amended Complaint for Patent Infringement. In responding to the Fifth Amended Complaint, Hisense has kept Phenix’s headings for ease of reference, but in doing so, Hisense is not admitting to the accuracy of any statements made or agreeing with any characterization made in such headings. Hisense denies the allegations in Phenix’s Fifth Amended Complaint unless expressly admitted in the following numbered paragraphs:

**ANSWER TO PLAINTIFF'S FIFTH AMENDED COMPLAINT
FOR PATENT INFRINGEMENT**

NATURE OF ACTION

1. Hisense admits that Phenix purports to state a claim for patent infringement. Hisense denies that the Fifth Amended Complaint properly states such a claim, and specifically denies any wrongdoing or infringement of any valid or enforceable claim. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 1.

2. Hisense admits that Phenix purports to seek injunctive relief and monetary damages. Hisense denies that Phenix is entitled to any injunctive relief, monetary damages, or any other relief. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 2.

THE PARTIES

3. Hisense lacks sufficient information to admit or deny the allegations of paragraph 3 and on that basis denies these allegations.

4. Hisense lacks sufficient information to admit or deny the allegations of paragraph 4 and on that basis denies these allegations.

5. Hisense admits that Defendant AU Optronics Corporation ("AUO") sells liquid crystal display ("LCD") panel modules. Hisense lacks sufficient information to admit or deny the remaining allegations of paragraph 5 and on that basis denies these allegations.

6. Hisense admits that Defendant Hisense Mexico is a corporation organized and existing under the laws of the United Mexican States (Mexico) with a principal place of business at Boulevard Sharp 3510, Parque Industrial Rosarito, Playas de Rosarito, Baja California 22710 Mexico. Hisense otherwise lacks sufficient information to admit or deny the allegations of paragraph 6 and on that basis denies these allegations.

7. Hisense admits that Hisense Mexico is a television manufacturer and that it incorporates LCD panels into the products under at least the Hisense brand. Hisense lacks sufficient information to admit or deny the allegations of paragraph 7 and on that basis denies these allegations.

8. Hisense admits that Hisense USA is responsible for U.S.-based activities related to the alleged infringing Hisense television products, including importing, pricing, and selling those products in the United States. Hisense otherwise denies the allegations in this paragraph.

9. Hisense admits that Hisense USA is a corporation organized and existing under the laws of Georgia. Hisense lacks sufficient information to admit or deny the allegations of paragraph 9 and on that basis denies these allegations.

10. Hisense admits that Hisense Visual is a foreign corporation organized and existing under the laws of the People's Republic of China, with a principal place of business at No. 218, Qianwangang Road, Economic and Technological Development Zone, Qingdao, Shandong Province, 266555, P.R. China. Hisense admits that Hisense Visual is involved in the distribution chain of Hisense televisions. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 10.

11. Hisense admits that Hisense Visual contracts with AUO for the accused LCD panels and purchases, either directly or indirectly through one or more affiliate intermediaries, the accused LCD panels from AUO. Hisense admits that Hisense Visual is involved in the distribution chain of the accused Hisense televisions, which incorporate the accused LCD panels and/or their components. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 11.

12. Hisense admits that Hisense Visual contracts with AUO for the accused LCD panels and purchases, either directly or indirectly through one or more affiliate intermediaries, the accused LCD panels from AUO. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 12.

13. Hisense lacks sufficient information to admit or deny the allegations of paragraph 13 and on that basis denies these allegations.

14. Hisense denies the allegations and/or legal conclusions contained in paragraph 14.

15. Hisense denies the allegations and/or legal conclusions contained in paragraph 15.

16. Hisense denies the allegations and/or legal conclusions contained in paragraph 16.

JURISDICTION AND VENUE

17. Hisense admits that Phenix purports to state a claim under the patent laws of the United States, Title 35, United States Code. Hisense denies that the Fifth Amended Complaint properly states such a claim, and specifically denies any wrongdoing or infringement of any valid or enforceable claim. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 17.

18. Hisense admits that Phenix purports to base federal jurisdiction under 28 U.S.C. §§ 1331 and 1338(a). Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 18.

19. Hisense does not contest venue for purposes of this action alone. Hisense otherwise denies the allegations and/or legal conclusions contained in paragraph 19.

20. Hisense does not contest jurisdiction for purposes of this action alone. Hisense otherwise denies the allegations and/or legal conclusions contained in paragraph 20.

21. Hisense does not contest jurisdiction for purposes of this action alone. Hisense otherwise denies the allegations and/or legal conclusions contained in paragraph 21.

22. Hisense lacks sufficient information to admit or deny the allegations of paragraph 22 and on that basis denies these allegations.

23. Hisense denies the allegations and/or legal conclusions contained in paragraph 23.

24. Hisense does not contest jurisdiction for purposes of this action alone. Hisense otherwise denies the allegations and/or legal conclusions contained in paragraph 24.

25. Hisense denies that it did not contest personal jurisdiction in *Lone Star Tech. Innovations, LLC v. Qingdao Hisense Elecs. Co. Ltd.*, No. 6:19-cv-00294-JDK. Hisense avers that it challenged personal jurisdiction in the *Lone Star Tech. Innovations, LLC v. Qingdao Hisense Elecs. Co. Ltd.* action through a motion to dismiss pursuant to Federal Rule of Civil Procedure 12(b)(2). *See* No. 6:19-cv-00294-JDK, ECF No. 63. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 25.

26. Hisense denies the allegations and/or legal conclusions contained in paragraph 26.

THE ASSERTED PATENTS

27. Hisense admits that Phenix purports to attach a copy of U.S. Patent No. 7,233,305 (“the ’305 Patent”) as Exhibit A to Phenix’s Fifth Amended Complaint. Hisense admits that, on its face, the ’305 Patent is titled “Gamma Reference Voltage Generator” and bears an issuance date of June 19, 2007 from Application No. 10/746,333. Hisense denies that Application No. 10/746,333 was filed on June 11, 2003 and avers that Application No. 10/746,333 was filed on December 23, 2003. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 27.

28. Hisense admits that Phenix purports to attach a copy of U.S. Patent No. 7,557,788 (“the ’788 Patent”) as Exhibit B to Phenix’s Fifth Amended Complaint. Hisense admits that, on its face, the ’788 Patent is titled “Gamma Reference Voltage Generator” and bears an issuance

date of July 7, 2009 from Application No. 11/743,014, filed May 1, 2007. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 28.

BACKGROUND FACTS

29. Hisense lacks sufficient information to admit or deny the allegations of paragraph 29 and on that basis denies these allegations.

30. Hisense lacks sufficient information to admit or deny the allegations of paragraph 30 and on that basis denies these allegations.

31. Hisense lacks sufficient information to admit or deny the allegations of paragraph 31 and on that basis denies these allegations.

32. Hisense lacks sufficient information to admit or deny the allegations of paragraph 32 and on that basis denies these allegations.

33. Hisense lacks sufficient information to admit or deny the allegations of paragraph 33 and on that basis denies these allegations.

34. Hisense lacks sufficient information to admit or deny the allegations of paragraph 34 and on that basis denies these allegations.

35. Hisense lacks sufficient information to admit or deny the allegations of paragraph 35 and on that basis denies these allegations.

36. Hisense lacks sufficient information to admit or deny the allegations of paragraph 36 and on that basis denies these allegations.

DEFENDANT AUO'S KNOWLEDGE OF THE ASSERTED PATENTS

37. Hisense admits that Hisense Visual purchases, either directly or indirectly through one or more affiliate intermediaries, LCD panel modules from AUO. Hisense lacks sufficient information to admit or deny the remaining allegations of paragraph 37 and on that basis denies these allegations.

38. Hisense lacks sufficient information to admit or deny the allegations of Paragraph 38 and on that basis denies these allegations.

39. Hisense lacks sufficient information to admit or deny the allegations of paragraph 39 and on that basis denies these allegations.

40. Hisense lacks sufficient information to admit or deny the allegations of paragraph 40 and on that basis denies these allegations.

41. Hisense lacks sufficient information to admit or deny the allegations of paragraph 41 and on that basis denies these allegations.

42. Hisense lacks sufficient information to admit or deny the allegations of paragraph 42 and on that basis denies these allegations.

43. Hisense lacks sufficient information to admit or deny the allegations of paragraph 43 and on that basis denies these allegations.

44. Hisense lacks sufficient information to admit or deny the allegations of paragraph 44 and on that basis denies these allegations.

**DEFENDANTS HISENSE MEXICO, HISENSE USA'S, AND HISENSE VISUAL'S
HISTORY AND ROLES**

45. Hisense admits that Hisense Visual contracts with AUO to purchase, either directly or indirectly through one or more affiliate intermediaries, the accused LCD Panels. Hisense lacks sufficient information to admit or deny the remaining allegations of paragraph 45 and on that basis denies these allegations.

46. Hisense admits that Hisense Mexico acquired its Rosarito facility from Sharp Mexico. Hisense otherwise denies the allegations in this paragraph.

47. Hisense denies the allegations in this paragraph.

48. Hisense admits that Hisense Mexico has a facility located at Boulevard Sharp 3510, Parque Industrial Rosarito. Hisense otherwise denies the allegations in this paragraph.

49. Hisense admits that Hisense Mexico manufactures and assembles televisions under the Hisense brand name, which include LCD screens. Hisense otherwise denies the allegations in this paragraph.

50. Hisense admits that **Exhibit F** provides in part “Chinese electronics manufacturer Hisense, Co. has announced that they will double investment and capacity at their Mexico production facility, underscoring the global draw to manufacture for export in Mexico.” Hisense admits that **Exhibit G** provides in part “Shipping a finished television from Mexico to the U.S. cuts up to a month of travel time compared with moving the same unit from a Chinese factory” Hisense lacks sufficient information to admit or deny the remaining allegations of paragraph 50 and on that basis denies these allegations.

51. Hisense admits that **Exhibit G** provides in part “The company plans to enhance automation and increase production capacity, with a goal of shipping as many as four million televisions throughout North America a year.” Hisense lacks sufficient information to admit or deny the remaining allegations of paragraph 51 and on that basis denies these allegations.

52. Hisense admits that **Exhibit H** provides in part “after Hisense completed the acquisition, the factory with an annual output of 600,000 color TVs was increased to an annual production capacity of 2.5 million units. By 2021, the plant’s annual production will further increase to 8.5 million units, about four times in five years.” Hisense lacks sufficient information to admit or deny the remaining allegations of paragraph 52 and on that basis denies these allegations.

RELATED PROCEEDINGS

53. Hisense admits that the Patent Trial and Appeal Board declined to institute the petition for *inter partes* review filed in *Wistron Corporation v. Phenix Longhorn, LLC*, IPR2018-01255, Paper 14 (PTAB Jan. 24, 2019). Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 53.

THE ACCUSED INSTRUMENTALITIES

54. Hisense denies the allegations and/or legal conclusions contained in paragraph 54.

55. Hisense lacks sufficient information to admit or deny the allegations of paragraph 55 and on that basis denies these allegations.

56. Hisense admits that Hisense Visual contracts with AUO for the accused LCD panels and purchases, either directly or indirectly through one or more affiliate intermediaries, the accused LCD panels from AUO. Hisense lacks sufficient information to admit or deny the remaining allegations of paragraph 56 and on that basis denies these allegations.

57. Hisense lacks sufficient information to admit or deny the allegations of paragraph 57 and on that basis denies these allegations.

58. Hisense lacks sufficient information to admit or deny the allegations of paragraph 58 and on that basis denies these allegations.

59. Hisense admits that AUO supplies the accused LCD panels to Hisense Visual. Hisense admits that Hisense Mexico incorporates the accused LCD panels into televisions. Hisense otherwise denies the allegations in this paragraph.

60. Hisense admits that Hisense-brand LCD televisions comply with certain U.S. Standards, including Part 15 of the FCC Rules. Hisense otherwise denies the allegations in this paragraph.

61. Hisense lacks sufficient knowledge or information to form a belief as to the truth of the allegations in this paragraph and on that basis denies them.

62. Hisense admits that Hisense Mexico incorporates the accused LCD panels into televisions. Hisense otherwise denies the allegations in this paragraph.

63. Hisense admits that Hisense USA is responsible for importing, pricing, and selling of Hisense television models within the United States. Hisense otherwise denies the allegation in this paragraph.

64. Hisense admits that Hisense Visual purchases, either directly or indirectly through one or more affiliate intermediaries, the accused LCD panels from AUO and is involved in the distribution chain for the accused Hisense televisions which incorporate the AUO LCD panels. Hisense lacks sufficient information to admit or deny the remaining allegations of paragraph 64 and on that basis denies these allegations.

65. Hisense lacks sufficient information to admit or deny the allegations of paragraph 65 and on that basis denies these allegations.

66. Hisense admits that **Exhibit J** appears to be an import record, which identifies “ALMACENES LADY, S.A. DE C.V.” AS THE “Importer” and “Notify Party” and “HISENSE MEXICO S DE RL DE CV” as the “Shipper.” Hisense admits that **Exhibit K** appears to be an import record which identifies “Unavailable” as the “Consignee” and “Sharp Electronica Mexico Sa De Cv” as the “Shipper.” Hisense otherwise lacks sufficient information to admit or deny the allegations of paragraph 66 and on that basis denies these allegations.

67. Hisense admits that **Exhibit L** purports to show Hisense 50R7E model available for purchase on Amazon.com. Hisense otherwise lacks sufficient information to admit or deny the allegations of paragraph 67 and on that basis denies these allegations.

68. Hisense admits that **Exhibit M** includes images that provide “Made in Mexico” on what appear to be boxes for Hisense 43” and 58” televisions. Hisense otherwise lacks sufficient information to admit or deny the allegations of paragraph 68 and on that basis denies these allegations.

69. Hisense admits that **Exhibit N** purports to show a Hisense 85A76H model available for purchase at BestBuy.com but not in stock in the identified Texas locations. Hisense otherwise lacks sufficient information to admit or deny the allegations of paragraph 69 and on that basis denies these allegations.

70. Hisense admits that **Exhibit O** purports to show Hisense 85A76H model available for purchase via BestBuy.com. Hisense otherwise lacks sufficient information to admit or deny the allegations of paragraph 70 and on that basis denies these allegations.

71. Hisense admits that **Exhibit P** purports to identify Hisense USA Corporation and Hisense Mexico S. de R.L. de C.V. as “Customer Care Center[s].” Hisense otherwise lacks sufficient information to admit or deny the allegations of paragraph 71 and on that basis denies these allegations.

72. Hisense admits that Hisense Visual purchases, either directly or indirectly through one or more affiliate intermediaries, the accused LCD panels from AUO. Hisense lacks sufficient information to admit or deny the remaining allegations of paragraph 72 and on that basis denies these allegations.

**COUNT I: INDUCEMENT OF INFRINGEMENT OF THE '305 PATENT BY
DEFENDANT AUO**

73. This paragraph does not contain any factual allegations that require a response from Hisense. To the extent that this paragraph is deemed to require a response from Hisense

incorporates the preceding responses to the allegations of Phenix's Fifth Amended Complaint as it fully set forth herein.

74. Hisense lacks sufficient information to admit or deny the allegations of paragraph 74 and on that basis denies these allegations.

75. Hisense lacks sufficient information to admit or deny the allegations of paragraph 75 and on that basis denies these allegations.

76. Hisense denies the allegations and/or legal conclusions contained in paragraph 76.

77. Hisense admits that Paragraph 77 recites claim 1 of the '305 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 77.

78. Hisense denies that the Hisense products listed in paragraph 78 infringe the '305 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 78.

79. Hisense denies the allegations and/or legal conclusions contained in paragraph 79.

80. Hisense lacks sufficient information to admit or deny the allegations of paragraph 80 and on that basis denies these allegations.

81. Hisense lacks sufficient information to admit or deny the allegations of paragraph 81 and on that basis denies these allegations.

82. Hisense lacks sufficient information to admit or deny the allegations of paragraph 82 and on that basis denies these allegations.

83. Hisense lacks sufficient information to admit or deny the allegations of paragraph 83 and on that basis denies these allegations.

COUNT II: INFRINGEMENT OF THE '305 PATENT
BY DEFENDANT HISENSE MEXICO

84. This paragraph does not contain any factual allegations that require a response from Hisense. To the extent that this paragraph is deemed to require a response from Hisense, Hisense incorporates the preceding responses to the allegations of Phenix's Fifth Amended Complaint as it fully set forth herein.

85. Hisense denies the allegations and/or legal conclusions contained in paragraph 85.

86. Hisense lacks sufficient information to admit or deny the allegations of paragraph 86 and on that basis denies these allegations.

87. Hisense denies the allegations and/or legal conclusions contained in paragraph 87.

88. Hisense admits that Paragraph 88 recites claim 1 of the '305 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 88.

89. Hisense denies that the products described in paragraph 89 infringe the '305 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 89.

90. Hisense lacks sufficient information to admit or deny the allegations of paragraph 90 and on that basis denies these allegations.

91. Hisense lacks sufficient information to admit or deny the allegations of paragraph 91 and on that basis denies these allegations.

92. Hisense lacks sufficient information to admit or deny the allegations of paragraph 92 and on that basis denies these allegations.

93. Hisense lacks sufficient information to admit or deny the allegations of paragraph 93 and on that basis denies these allegations.

COUNT III: INDUCEMENT OF INFRINGEMENT OF THE '788 PATENT
BY DEFENDANT AUO

94. This paragraph does not contain any factual allegations that require a response from Hisense. To the extent that this paragraph is deemed to require a response from Hisense, Hisense incorporates the preceding responses to the allegations of Phenix's Fifth Amended Complaint as it fully set forth herein.

95. Hisense lacks sufficient information to admit or deny the allegations of paragraph 95 and on that basis denies these allegations.

96. Hisense lacks sufficient information to admit or deny the allegations of paragraph 96 and on that basis denies these allegations.

97. Hisense denies the allegations and/or legal conclusions contained in paragraph 97.

98. Hisense admits that paragraph 98 recites claim 1 of the '788 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 98.

99. Hisense denies that the Hisense products described in paragraph 99 infringe the '788 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 99.

100. Hisense denies the allegations and/or legal conclusions contained in paragraph 100.

101. Hisense lacks sufficient information to admit or deny the allegations of paragraph 101 and on that basis denies these allegations.

102. Hisense lacks sufficient information to admit or deny the allegations of paragraph 102 and on that basis denies these allegations.

103. Hisense lacks sufficient information to admit or deny the allegations of paragraph 103 and on that basis denies these allegations.

104. Hisense lacks sufficient information to admit or deny the allegations of paragraph 104 and on that basis denies these allegations.

COUNT IV: INFRINGEMENT OF THE '788 PATENT
BY DEFENDANT HISENSE MEXICO

105. This paragraph does not contain any factual allegations that require a response from Hisense. To the extent that this paragraph is deemed to require a response from Hisense, Hisense incorporates the preceding responses to the allegations of Phenix's Fifth Amended Complaint as it fully set forth herein.

106. Hisense lacks sufficient information to admit or deny the allegations of paragraph 106 and on that basis denies these allegations.

107. Hisense lack sufficient information to admit or deny the allegations of paragraph 107 and on that basis denies these allegations.

108. Hisense denies the allegations and/or legal conclusions contained in paragraph 108.

109. Hisense admits that paragraph 109 recites claim 1 of the '788 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 109.

110. Hisense denies that the products described in paragraph 110 infringe the '788 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 110.

111. Hisense lacks sufficient information to admit or deny the allegations of paragraph 111 and on that basis denies these allegations.

112. Hisense lacks sufficient information to admit or deny the allegations of paragraph 112 and on that basis denies these allegations.

113. Hisense lacks sufficient information to admit or deny the allegations of paragraph 113 and on that basis denies these allegations.

114. Hisense lacks sufficient information to admit or deny the allegations of paragraph 114 and on that basis denies these allegations.

**COUNT V: DIRECT INFRINGEMENT OF THE '305 PATENT
BY DEFENDANTS DOES 1-10**

115. This paragraph does not contain any factual allegations that require a response from Hisense. To the extent that this paragraph is deemed to require a response from Hisense, Hisense incorporates the preceding responses to the allegations of Phenix's Fifth Amended Complaint as it fully set forth herein.

116. Hisense lacks sufficient information to admit or deny the allegations of paragraph 116 and on that basis denies these allegations.

117. Hisense lacks sufficient information to admit or deny the allegations of paragraph 117 and on that basis denies these allegations.

118. Hisense denies the allegations and/or legal conclusions contained in paragraph 118.

119. Hisense admits that paragraph 119 recites claim 1 of the '305 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 119.

120. Hisense lacks sufficient information to admit or deny the allegations of paragraph 120 and on that basis denies these allegations.

121. Hisense lacks sufficient information to admit or deny the allegations of paragraph 121 and on that basis denies these allegations.

122. Hisense lacks sufficient information to admit or deny the allegations of paragraph 122 and on that basis denies these allegations.

**COUNT VI: DIRECT INFRINGEMENT OF THE '788 PATENT
BY DEFENDANTS DOES 1-10**

123. This paragraph does not contain any factual allegations that require a response from Hisense. To the extent that this paragraph is deemed to require a response from Hisense, Hisense

incorporates the preceding responses to the allegations of Phenix's Fifth Amended Complaint as it fully set forth herein.

124. Hisense lacks sufficient information to admit or deny the allegations of paragraph 124 and on that basis denies these allegations.

125. Hisense lacks sufficient information to admit or deny the allegations of paragraph 125 and on that basis denies these allegations.

126. Hisense denies the allegations and/or legal conclusions contained in paragraph 126.

127. Hisense admits that paragraph 127 recites claim 1 of the '788 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 127.

128. Hisense lacks sufficient information to admit or deny the allegations of paragraph 128 and on that basis denies these allegations.

129. Hisense lacks sufficient information to admit or deny the allegations of paragraph 129 and on that basis denies these allegations.

130. Hisense lacks sufficient information to admit or deny the allegations of paragraph 130 and on that basis denies these allegations.

**COUNT VII: DIRECT INFRINGEMENT OF THE '305 PATENT
BY DEFENDANT HISENSE USA**

131. This paragraph does not contain any factual allegations that require a response from Hisense. To the extent that this paragraph is deemed to require a response from Hisense, Hisense incorporates the preceding responses to the allegations of Phenix's Fifth Amended Complaint as it fully set forth herein.

132. Hisense denies the allegations and/or legal conclusions contained in paragraph 132.

133. Hisense lacks sufficient information to admit or deny the allegations of paragraph 133 and on that basis denies these allegations.

134. Hisense denies the allegations and/or legal conclusions contained in paragraph 134.

135. Hisense admits that paragraph 135 recites claim 1 of the '305 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 135.

136. Hisense denies that the products described in paragraph 136 infringe the '305 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 136.

137. Hisense lacks sufficient information to admit or deny the allegations of paragraph 137 and on that basis denies these allegations.

138. Hisense lacks sufficient information to admit or deny the allegations of paragraph 138 and on that basis denies these allegations.

139. Hisense lacks sufficient information to admit or deny the allegations of paragraph 139 and on that basis denies these allegations.

140. Hisense lacks sufficient information to admit or deny the allegations of paragraph 140 and on that basis denies these allegations.

COUNT VIII: INFRINGEMENT OF THE '788 PATENT
BY DEFENDANT HISENSE USA

141. This paragraph does not contain any factual allegations that require a response from Hisense. To the extent that this paragraph is deemed to require a response from Hisense, Hisense incorporates the preceding responses to the allegations of Phenix's Fifth Amended Complaint as it fully set forth herein.

142. Hisense lacks sufficient information to admit or deny the allegations of paragraph 142 and on that basis denies these allegations.

143. Hisense lacks sufficient information to admit or deny the allegations of paragraph 143 and on that basis denies these allegations.

144. Hisense denies the allegations and/or legal conclusions contained in paragraph 144.

145. Hisense admits that paragraph 145 recites claim 1 of the '788 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 145.

146. Hisense denies that the products described in paragraph 146 infringe the '788 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 146.

147. Hisense lacks sufficient information to admit or deny the allegations of paragraph 147 and on that basis denies these allegations.

148. Hisense lacks sufficient information to admit or deny the allegations of paragraph 148 and on that basis denies these allegations.

149. Hisense lacks sufficient information to admit or deny the allegations of paragraph 149 and on that basis denies these allegations.

150. Hisense lacks sufficient information to admit or deny the allegations of paragraph 150 and on that basis denies these allegations.

COUNT IX: INDUCEMENT OF INFRINGEMENT OF THE '305 PATENT
BY DEFENDANT HISENSE VISUAL

151. This paragraph does not contain any factual allegations that require a response from Hisense. To the extent that this paragraph is deemed to require a response from Hisense, Hisense incorporates the preceding responses to the allegations of Phenix's Fifth Amended Complaint as it fully set forth herein.

152. Hisense denies the allegations and/or legal conclusions contained in paragraph 152.

153. Hisense lacks sufficient information to admit or deny the allegations of paragraph 153 and on that basis denies these allegations.

154. Hisense denies the allegations and/or legal conclusions contained in paragraph 154.

155. Hisense admits that paragraph 155 recites claim 1 of the '305 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 155.

156. Hisense denies that the products described in paragraph 156 infringe the '305 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 156.

157. Hisense denies the allegations and/or legal conclusions contained in paragraph 157.

158. Hisense denies the allegations and/or legal conclusions contained in paragraph 158.

159. Hisense denies the allegations and/or legal conclusions contained in paragraph 159.

COUNT X: INDUCEMENT OF INFRINGEMENT OF THE '788 PATENT
BY DEFENDANT HISENSE VISUAL

160. This paragraph does not contain any factual allegations that require a response from Hisense. To the extent that this paragraph is deemed to require a response from Hisense, Hisense incorporates the preceding responses to the allegations of Phenix's Fifth Amended Complaint as it fully set forth herein.

161. Hisense denies the allegations and/or legal conclusions contained in paragraph 161.

162. Hisense lacks sufficient information to admit or deny the allegations of paragraph 162 and on that basis denies these allegations.

163. Hisense denies the allegations and/or legal conclusions contained in paragraph 163.

164. Hisense admits that paragraph 164 recites claim 1 of the '788 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 164.

165. Hisense denies that the products described in paragraph 165 infringe the '788 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 165.

166. Hisense denies the allegations and/or legal conclusions contained in paragraph 166.

167. Hisense denies the allegations and/or legal conclusions contained in paragraph 167.

168. Hisense denies the allegations and/or legal conclusions contained in paragraph 168.

COUNT XI: DIRECT INFRINGEMENT OF THE ' PATENT BY DEFENDANT AUO

169. This paragraph does not contain any factual allegations that require a response from Hisense. To the extent that this paragraph is deemed to require a response from Hisense, Hisense incorporates the preceding responses to the allegations of Phenix's Fifth Amended Complaint as it fully set forth herein.

170. Hisense lacks sufficient information to admit or deny the allegations of paragraph 170 and on that basis denies these allegations.

171. Hisense lacks sufficient information to admit or deny the allegations of paragraph 171 and on that basis denies these allegations.

172. Hisense denies the allegations and/or legal conclusions contained in paragraph 172.

173. Hisense admits that paragraph 173 recites claim 1 of the '305 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 173.

174. Hisense lacks sufficient information to admit or deny the allegations of paragraph 174 and on that basis denies these allegations.

175. Hisense lacks sufficient information to admit or deny the allegations of paragraph 175 and on that basis denies these allegations.

176. Hisense lacks sufficient information to admit or deny the allegations of paragraph 176 and on that basis denies these allegations.

177. Hisense lacks sufficient information to admit or deny the allegations of paragraph 177 and on that basis denies these allegations.

178. Hisense lacks sufficient information to admit or deny the allegations of paragraph 178 and on that basis denies these allegations.

179. Hisense lacks sufficient information to admit or deny the allegations of paragraph 179 and on that basis denies these allegations.

COUNT XII: DIRECT INFRINGEMENT OF THE '788 PATENT
BY DEFENDANT AUO

180. This paragraph does not contain any factual allegations that require a response from Hisense. To the extent that this paragraph is deemed to require a response from Hisense, Hisense incorporates the preceding responses to the allegations of Phenix's Fifth Amended Complaint as it fully set forth herein.

181. Hisense lacks sufficient information to admit or deny the allegations of paragraph 181 and on that basis denies these allegations.

182. Hisense lacks sufficient information to admit or deny the allegations of paragraph 182 and on that basis denies these allegations.

183. Hisense lacks sufficient information to admit or deny the allegations of paragraph 183 and on that basis denies these allegations.

184. Hisense admits that paragraph 184 recites claim 1 of the '788 Patent. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 184.

185. Hisense lacks sufficient information to admit or deny the allegations of paragraph 185 and on that basis denies these allegations.

186. Hisense lacks sufficient information to admit or deny the allegations of paragraph 186 and on that basis denies these allegations.

187. Hisense lacks sufficient information to admit or deny the allegations of paragraph 187 and on that basis denies these allegations.

188. Hisense lacks sufficient information to admit or deny the allegations of paragraph 188 and on that basis denies these allegations.

189. Hisense lacks sufficient information to admit or deny the allegations of paragraph 189 and on that basis denies these allegations.

NOTICE

190. Hisense lacks sufficient information to admit or deny the allegations of paragraph 190 and on that basis denies these allegations.

191. Hisense lacks sufficient information to admit or deny the allegations of paragraph 191 and on that basis denies these allegations.

192. Hisense lacks sufficient information to admit or deny the allegations of paragraph 192 and on that basis denies these allegations.

ATTORNEYS FEES

193. Hisense denying that Plaintiff is entitled to reasonable attorneys' fees in this case. Hisense denies any and all remaining allegations and/or legal conclusions contained in paragraph 193.

DEMAND FOR JURY TRIAL

194. Plaintiff's jury demand does not require a response by Hisense, but Hisense admits that Plaintiff demands a jury trial on all issues. To the extent a response is required, Hisense also demands a trial by jury.

PHENIX'S PRAYER FOR RELIEF

Hisense denies that Phenix is entitled to any of the relief requested in its Prayer for Relief.

HISENSE'S AFFIRMATIVE AND/OR ADDITIONAL DEFENSES

Without assuming any burden not imposed by law, Hisense asserts the following defenses in response to Phenix's claims. Hisense reserves the right to assert different and additional legal or equitable defenses that may now exist or in the future become available based on discovery and further investigation in the case.

FIRST DEFENSE – NONINFRINGEMENT

1. Hisense does not infringe and has not infringed, any valid, enforceable claim of U.S. Patent Nos. 7,233,305 (“the ’305 Patent”) and/or 7,557,788 (“the ’788 Patent”) (“collectively, the “Asserted Patents”) under any theory of infringement (directly, contributorily, or by inducement) either literally or under the doctrine of equivalents, and is therefore not liable for infringement.

SECOND DEFENSE – INVALIDITY

2. The claims of the Asserted Patents are invalid for failure to meet the statutory requirements of Title 35 of the United States Code, including, but not limited to, failure to comply with the requirements of 35 U.S.C. §§ 101, 102, 103, and/or 112.

THIRD DEFENSE – PROSECUTION HISTORY ESTOPPEL

3. Phenix’s claims for relief are barred by the equitable doctrine of prosecution history estoppel from applying any asserted claim of the Asserted Patents to cover or include, literally or under the doctrine of equivalents, any of the accused products described in Phenix’s Fifth Amended Complaint which are alleged to infringe the Asserted Patents because of proceedings before the United States Patent and trademark Office with respect to the applications that resulted in the Asserted Patents, as shown by the prosecution histories thereof, and proceedings related to their foreign counterparts, and because of statements and representations by or on behalf of the applicant(s) during such proceedings.

FOURTH DEFENSE – PATENT EXHAUSTION

4. Phenix’s claims for relief are barred by the doctrine of patent exhaustion.

FIFTH DEFENSE – EXPRESS LICENSE

5. Phenix's claims for relief are barred in whole or in part by virtue of an express license which covered the accused products. Upon information and belief, Hisense cannot be held liable for infringement by virtue of an express license from a licensed third party and/or its privies.

SIXTH DEFENSE – IMPLIED LICENSE

6. Phenix's claims for relief are barred in whole or in part by virtue of an implied license which covered the accused products. Upon information and belief, Hisense cannot be held liable for infringement by virtue of an implied license from a licensed third party and/or its privies.

SEVENTH DEFENSE – EQUITABLE DEFENSES

7. Phenix's claims for relief are barred in whole or in part by one or more of the equitable doctrines of estoppel, prosecution laches, acquiescence, waiver, patent misuse, unclean hands, and/or other equitable doctrines.

EIGHTH DEFENSE – LIMITATION ON DAMAGES

8. Phenix is precluded from seeking recovery for any of Hisense's allegedly infringing acts occurring more than six years before the filing of the Complaint, or after the expiration of the asserted patents. Phenix's claims for damages are statutorily limited or barred by 35 U.S.C. § 286 and by 35 U.S.C. § 287.

NINTH DEFENSE - FAILURE TO MARK

9. Phenix's claims for relief are barred in whole or in part by its failure to meet the requirements of 35 U.S.C. § 287.

TENTH DEFENSE – INJUNCTIVE RELIEF UNAVAILABLE

10. On information and belief, Phenix is not entitled to injunctive relief because it does not make, use, or sell any product that practices any claim of the asserted patents. Any alleged injury to Phenix is neither immediate nor irreparable, and Plaintiff has an adequate remedy at law.

ELEVENTH DEFENSE – LACK OF STANDING

11. To the extent Phenix did not, or does not, hold all substantial rights, title, and interest in the Asserted Patents, Phenix lacks standing to bring or maintain this lawsuit, or recover as to each Asserted Patent.

TWELFTH DEFENSE – FAILURE TO STATE A CLAIM

12. Phenix's Fifth Amended Complaint fails to state a claim upon which relief may be granted.

THIRTEENTH DEFENSE – NO EXCEPTIONAL CASE

13. Hisense has engaged in good faith in all activities accused of infringement in Phenix's Fifth Amended Complaint, thereby precluding Phenix, even if it prevails, from recovering attorneys' fees and/or costs under 35 U.S.C. § 285.

FOURTEENTH DEFENSE – NO ENHANCED DAMAGES

14. Phenix's is not entitled to enhanced damages under 35 U.S.C. § 284, at least because Phenix has failed to show, and cannot show, that any infringement has been willful and/or egregious because Hisense has not engaged in any conduct that meets the applicable standard for willful infringement.

RESERVATION OF RIGHTS

15. Hisense specifically reserves the right to assert each and every other defense that may become evidence in the course of discovery.

HISENSE'S PRAYER FOR RELIEF

WHEREFORE, Hisense respectfully requests that the Court enter judgment in its favor against Plaintiff and that this Court:

- (a) Dismiss Plaintiff's claims with prejudice and that each request for relief therein be denied;
- (b) Enter Judgment that the Asserted Patents, and each and every asserted claim thereof, are not infringed;
- (c) Enter Judgment that the asserted claims of the Asserted Patents are invalid;
- (d) Enter Judgment that Phenix, its officers, agents, representatives, distributors, employees, affiliates, parent and subsidiary corporations, attorneys, and other person(s) in active concert or participation with them are enjoined from charging infringement or instituting any action for infringement of the Asserted Patents against Hisense or anyone in privity with Hisense, including its successors, assigns, agents, suppliers, customers, licensees, and sublicensees;
- (e) Find that this is an exceptional case under 35 U.S.C. § 285 and award Hisense fees, costs, and expenses to defend against Plaintiff's claims and;
- (f) Award Hisense such further and additional relief as this Court deems just and proper.

DATED: June 5, 2025

Respectfully submitted,

By: /s/ Matias Ferrario

Matias Ferrario (NC Bar No. 38723)

mferrario@ktslaw.com

KILPATRICK TOWNSEND & STOCKTON LLP

1001 West Fourth Street

Winston-Salem, NC 27101

Telephone: 336-607-7475

Facsimile: 336-734-2651

Kasey E. Koballa (NC Bar No. 53766)
kkoballa@ktslaw.com
KILPATRICK TOWNSEND & STOCKTON LLP
4208 Six Forks Road, Suite 1400
Raleigh, NC 27609
Telephone: 919-420-1712
Facsimile: 202-315-3024

Zoe Stendara (Texas Bar No. 24122986)
KILPATRICK TOWNSEND & STOCKTON LLP
zstendara@ktslaw.com
2001 Ross Avenue, Suite 4400
Dallas, TX 75201
Telephone: 214-922-7115
Facsimile: 214-279-1415

*Attorneys for Hisense Electronica Mexico, S.A. DE C.V.,
Hisense USA Corporation*

Matias Ferrario (NC Bar No. 38723)
mferrario@ktslaw.com
KILPATRICK TOWNSEND & STOCKTON LLP
1001 West Fourth Street
Winston-Salem, NC 27101
Telephone: 336-607-7475
Facsimile: 336-734-2651

Kasey E. Koballa (NC Bar No. 53766)
kkoballa@ktslaw.com
KILPATRICK TOWNSEND & STOCKTON LLP
4208 Six Forks Road, Suite 1400
Raleigh, NC 27609
Telephone: 919-420-1712
Facsimile: 202-315-3024

Zoe Stendara (Texas Bar No. 24122986)
KILPATRICK TOWNSEND & STOCKTON LLP
zstendara@ktslaw.com
2001 Ross Avenue, Suite 4400
Dallas, TX 75201
Telephone: 214-922-7115
Facsimile: 214-279-1415

M. Craig Tyler, Bar No. 794762
CTyler@perkinscoie.com
Martin Gilmore, Bar No. 24125080
MGilmore@perkinscoie.com
Rachel Dalafave, Bar No. 24138853
RDalafave@perkinscoie.com
PERKINS COIE LLP
405 Colorado Street, Suite 1700
Austin, Texas 78701
Phone: 737.256.6113
Facsimile: 737.256.6300

R. Tyler Kendrick, Bar No. 24097929
RKendrick@perkinscoie.com
PERKINS COIE LLP
1201 Third Avenue, Suite 4900
Seattle, WA 98101-3099
Phone: 206.359.8000
Facsimile: 206.359.9000

Jaymin Patel (*pro hac vice*)
JPatel@perkinscoie.com
PERKINS COIE LLP
2525 E. Camelback Road, Suite 500
Phoenix, AZ 85016-4227
Phone: 602.351.8000
Facsimile: 602.648.7000

Attorneys for Hisense Visual Technology Co., Ltd.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing document has been served via email on June 5, 2025, to all counsel of record who are deemed to have consented to electronic service via the Court's CM/ECF system.

Matias Ferrario
Matias Ferrario