

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

LONE STAR TECHNOLOGICAL
INNOVATIONS, LLC,

Plaintiff,

v.

ASUSTEK COMPUTER INC.,

Defendant.

§
§
§
§
§
§
§
§
§
§
§

CIVIL ACTION NO. 6:19-CV-00059-RWS

ORDER

Before the Court are Defendant ASUSTek Computer Inc.’s (“ASUS”) Combined Renewed Motions for Judgment as a Matter of Law (“JMOL”), Motions for Remittitur and Alternative Motions for New Trial (Docket No. 239) and Motion that Asserted Claims 1–3, 5, 6 and 13–15 of U.S. Patent No. 6,724,435 (the “ ’435 Patent”) are Invalid Under 35 U.S.C. § 101 (Docket No. 251). Also before the Court are Plaintiff Lone Star Technological Innovations, LLC’s (“Lone Star”) Motion to Strike Excess Pages of ASUS’s JMOL Motion (Docket No. 240) and ASUS’s Motion to Strike the Declaration of Jesse Rice (Docket No. 246). The Court heard oral argument on these motions on August 18, 2021. Docket No. 257. Having considered the arguments as well as written submissions—and having undertaken a bench trial on certain of these issues—for the reasons detailed below:

- ASUS’s Combined Renewed Motions for JMOL, Motions for Remittitur and Alternative Motions for New Trial (Docket No. 239) is **GRANTED-IN-PART** and **DENIED-IN-PART**;

- Lone Star’s Motion to Strike Excess Pages of ASUS’s JMOL Motion (Docket No. 240) is **DENIED**;
- ASUS’s Motion to Strike the Declaration of Jesse Rice (Docket No. 246) is **DENIED**; and
- ASUS’s Motion that the Asserted Claims of the ’435 Patent are Invalid Under 35 U.S.C. § 101 (Docket No. 251) is **DENIED**.

BACKGROUND

On February 20, 2019, Lone Star sued ASUS for infringing Asserted Claims 1–3, 5, 6 and 13–15 of the ’435 Patent. Docket No. 1. The ’435 Patent is entitled a “[m]ethod for independently controlling hue or saturation of individual colors in a real time digital video image” and is directed to adjusting the color on certain real time digital video image displays without affecting the hue or saturation of any other color. ’435 Patent at Abstract. Lone Star alleged ASUS “manufactures, provides, sells, offers for sale, and/or distributes infringing devices, including monitors, and/or projectors” such as the ASUS PA27AC 27-inch WQHD Monitor (the “Accused Product(s)” herein). Docket No. 1 ¶ 14.

Ultimately, Lone Star prevailed at trial. Docket No. 228. The jury found that ASUS infringed the asserted claims—which were deemed valid, both novel and non-obvious—and damages were awarded to Lone Star. *Id.* at 2–5.

ASUS now asks this Court to make several determinations: (1) Lone Star lacks standing to file suit against ASUS; (2) Lone Star’s damages award should be limited to include no more than one unit of each type of product; (3) Lone Star’s damages award should not encompass non-accused products; (4) Lone Star’s damages award should not include non-identified products; (5) ASUS is entitled to JMOL of no direct infringement; (6) ASUS is entitled to JMOL of no contributory infringement; (7) ASUS is entitled to JMOL of no induced infringement, or is entitled

to a new trial on infringement; (8) ASUS is entitled to JMOL that the asserted claims are invalid for obviousness-type double patenting, or is entitled to a new trial on validity; and (9) ASUS is entitled to JMOL that the asserted claims are invalid as anticipated and/or obvious, or is entitled to a new trial on validity. Docket No. 239.

Lone Star opposes ASUS's combined post-trial motion. Docket No. 243.

LEGAL STANDARD

A. Judgment as a Matter of Law

Judgment as a matter of law is only appropriate when “a reasonable jury would not have a legally sufficient evidentiary basis to find for the party on that issue.” FED. R. CIV. P. 50(a). “The grant or denial of a motion for judgment as a matter of law is a procedural issue not unique to patent law, reviewed under the law of the regional circuit in which the appeal from the district court would usually lie.” *Finisar Corp. v. DirecTV Grp., Inc.*, 523 F.3d 1323, 1332 (Fed. Cir. 2008).

Under Fifth Circuit law, a court is to be “especially deferential” to a jury’s verdict and must not reverse the jury’s findings unless they are not supported by substantial evidence. *Baisden v. I’m Ready Prods., Inc.*, 693 F.3d 491, 499 (5th Cir. 2012). “Substantial evidence is defined as evidence of such quality and weight that reasonable and fair-minded men in the exercise of impartial judgment might reach different conclusions.” *Threlkeld v. Total Petroleum, Inc.*, 211 F.3d 887, 891 (5th Cir. 2000). The Court will “uphold a jury verdict unless the facts and inferences point so strongly and so overwhelmingly in favor of one party that reasonable men could not arrive at any verdict to the contrary.” *Cousin v. Trans Union Corp.*, 246 F.3d 359, 366 (5th Cir. 2001); *see also Int’l Ins. Co. v. RSR Corp.*, 426 F.3d 281, 296 (5th Cir. 2005). However, “[t]here must be more than a mere scintilla of evidence in the record to prevent judgment as a matter of law in

favor of the movant.” *Arismendez v. Nightingale Home Health Care, Inc.*, 493 F.3d 602, 606 (5th Cir. 2007) (citing *Laxton v. Gap, Inc.*, 333 F.3d 572, 577 (5th Cir. 2003)).

In evaluating a motion for judgment as a matter of law, a court must “draw all reasonable inferences in the light most favorable to the verdict and cannot substitute other inferences that [the court] might regard as more reasonable.” *E.E.O.C. v. Boh Bros. Const. Co., L.L.C.*, 731 F.3d 444, 451 (5th Cir. 2013). Although the court must review the record as a whole, it must disregard all evidence favorable to the moving party that the jury is not required to believe. *Ellis v. Weasler Eng’g Inc.*, 258 F.3d 326, 337 (5th Cir. 2001). However, a court may not make credibility determinations or weigh the evidence, as those are solely functions of the jury. *See id.* (citing *Reeves v. Sanderson Plumbing Prods., Inc.*, 530 U.S. 133, 150–51 (2000)). The Court gives “credence to evidence supporting the moving party that is uncontradicted and unimpeached if that evidence comes from disinterested witnesses.” *Arismendez*, 493 F.3d at 606.

B. New Trial

Under Federal Rule of Civil Procedure 59(a), a new trial may be granted on any or all issues “for any reason for which a new trial has heretofore been granted in an action at law in federal court.” FED. R. CIV. P. 59(a)(1)(A). The Federal Circuit reviews the question of a new trial under the law of the regional circuit. *Z4 Techs., Inc. v. Microsoft Corp.*, 507 F.3d 1340, 1347 (Fed. Cir. 2007). The court can grant a new trial “based on its appraisal of the fairness of the trial and the reliability of the jury’s verdict.” *Smith v. Transworld Drilling Co.*, 773 F.2d 610, 612–13 (5th Cir. 1985). “Courts grant a new trial when it is reasonably clear that prejudicial error has crept into the record or that substantial justice has not been done, and the burden of showing harmful error rests on the party seeking the new trial.” *Sibley v. Lemaire*, 184 F.3d 481, 487 (5th

Cir. 1999) (quoting *Del Rio Distrib., Inc. v. Adolph Coors Co.*, 589 F.2d 176, 179 n. 3 (5th Cir. 1979)).

“A new trial may be granted, for example, if the district court finds the verdict is against the weight of the evidence, the damages awarded are excessive, the trial was unfair, or prejudicial error was committed in its course.” *Smith*, 773 F.2d at 612–13. The decision to grant or deny a new trial is committed to the sound discretion of the district court. *See Allied Chem. Corp. v. Daiflon, Inc.*, 449 U.S. 33, 36 (1980). “[N]ew trials should not be granted on evidentiary grounds unless, at a minimum, the verdict is against the great not merely the greater weight of the evidence.” *Conway v. Chem. Leaman Tank Lines, Inc.*, 610 F.2d 360, 363 (5th Cir. 1980).

I. ASUS’S COMBINED RENEWED MOTIONS FOR JMOL, MOTIONS FOR REMITTITUR AND ALTERNATIVE MOTIONS FOR NEW TRIAL (DOCKET NO. 239)

A. Standing

As an initial matter, ASUS argues that Lone Star does not have Article III standing to bring this suit for patent infringement. Docket No. 239 at 9. Specifically, ASUS contends that there is no written document in evidence that would show that Lone Star has any exclusionary right in the ’435 Patent. *Id.* As evidence of this argument, ASUS flags that Lone Star withdrew all assignment documents from its exhibit list prior to trial and never provided them to ASUS. *Id.* at 14 (citing Docket No. 199) (noting how exhibits PX-3 through PX-9 pertaining to Lone Star’s assignment agreements are withdrawn). By removing these assignment exhibits, ASUS contends that Lone Star did not offer any evidence it owns the ’435 Patent at trial. *Id.* at 15.

ASUS further argues that the Court should not take judicial notice of the United States Patent and Trademark Office’s (“USPTO”) assignment record of the ’435 Patent to Lone Star because the facts related to the assignment are subject to reasonable dispute. *Id.* ASUS points to

inconsistent testimony provided by Lone Star's owner and sole employee Jesse Rice about how Lone Star acquired the '435 Patent. *Id.* at 15–17.

Lastly, ASUS contends that it has not waived the standing argument—and could not have waived it—because Lone Star, not ASUS, had the burden of proving standing in the pre-trial order and at trial. *Id.* at 19. ASUS notes that in the pre-trial order it specifically identified Lone Star's entitlement to damages as a contested issue, which ASUS asserts directly pertains to Lone Star's standing. *Id.* at 20–21. Specifically, ASUS argues that Lone Star was on notice about patent ownership at the time of the hypothetical negotiation in calculating damages. *Id.*

ASUS further argues that it did not waive any right to specifically challenge prudential standing and the issue before the Court is one of constitutional standing. *Id.* at 22. ASUS notes its agreement with Lone Star that in some circumstances issues not raised in a pre-trial order are deemed waived, but that rule does not apply where a party bears the burden of proof—such as for patent ownership. *Id.*

Lone Star first responds that a JMOL motion is not the appropriate vehicle for ASUS's standing challenge. Docket No. 243 at 1–2. Rather, Lone Star argues that standing disputes fall under the purview of Rule 12. *Id.* at 2 (citing FED. R. CIV. P. 12(b)(1)). Lone Star contends that it bears the initial burden on establishing standing—here by proving patent ownership—and it discharged that duty. *Id.* Specifically, Lone Star notes that it proved patent ownership by providing its assignment record of the '435 Patent, on file with the USPTO. *Id.* at 2–3. Consequently, Lone Star argues that this shifts the burden of proof to ASUS to disprove Lone Star's standing, which it has not done. *Id.*

Lone Star further argues that because ASUS failed to include this standing challenge to the underlying facts of Lone Star's ownership in the agreed upon pre-trial order, ASUS is precluded

from making this challenge now due to waiver. *Id.* at 3. Lone Star argues that ASUS has effectively conceded the facts underlying the question of ownership and ASUS has not introduced any evidence to disprove Lone Star's recorded ownership. *Id.* at 4. Lone Star compares its situation to that of the patent owner in *WesternGeco LLC v. ION Geophysical Corp.*; there, the court noted the distinction between the ever present legal question of jurisdiction and how "the parties may admit the existence of facts which show jurisdiction, and the courts may act judicially upon such admission." *Id.* (citing 953 F. Supp. 2d 731, 741 (S.D. Tex. 2013)). Lone Star also prepared and submitted a declaration from Rice to further support its status as the owner of the '435 Patent. Docket No. 243-1.

The burden in the first instance to establish standing, by a preponderance of the evidence, is on the party bringing suit. *WesternGeco*, 953 F. Supp. 2d at 741. Pursuant to 35 U.S.C. § 281, a patentee has standing to sue for infringement of its patent. Further, 35 U.S.C. § 100(d) provides that a " 'patentee' includes not only the patentee to whom the patent was issued but also the successors in title to the patentee." When a plaintiff establishes ownership of a patent through assignment, it satisfies the requirements of Article III standing. *Pandrol USA, LP v. Airboss Ry. Prods., Inc.*, 320 F.3d 1354, 1368 (Fed. Cir. 2003). Ownership of a patent by someone other than the inventor is established by showing a chain of title from the inventor to the plaintiff. *Bd. of Trs. of Leland Stanford Jr. Un. v. Roche Molecular Sys., Inc.*, 563 U.S. 776, 785 (2011).

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. *SiRF Tech., Inc. v. Int'l Trade Comm'n*, 601 F.3d 1319, 1327–28 (Fed. Cir. 2010). Here, assignments recorded by the USPTO indicate that Lone Star is the presumptive owner of the '435 Patent. Docket No. 243-1 at 3–8. The record shows two assignment entries. First, the inventor Yosef Segman assigned the

'435 Patent to Oplus Technologies, Ltd. on August 2, 2001. *Id.* at 3–4. Second, Oplus assigned the '435 Patent to Lone Star Technological Innovations, LLC on October 16, 2013. *Id.* at 5–8.

Consequently, due to Lone Star's recordation of assignment with the USPTO, the burden shifted to ASUS to challenge Lone Star's presumptive ownership of the '435 Patent and standing in this case. *SiRF Tech.*, 601 F.3d at 1327; *WesternGeco*, 953 F. Supp. 2d at 741. ASUS provided only conjecture in its post-trial briefing materials, which does not meet its burden to rebut Lone Star's ownership of the '435 Patent as documented in the USPTO's record of assignment.

Additionally, Lone Star provided an affidavit from Rice regarding its ownership of the '435 Patent. Docket No. 243-1 at 1–2. Rice's company TGT Enterprises, LLC ("TGT") purchased Oplus from Intel Corporation in 2009. Docket No. 243-1 ¶ 2. At the time of its acquisition by TGT, Oplus owned all rights, title and interest to the '435 Patent. *Id.* ¶ 3. Rice became Oplus's managing director as part of this acquisition. *Id.* Rice then formed Lone Star on March 8, 2011, which is a wholly owned subsidiary of TGT. *Id.* ¶ 4. Lastly, Rice's declaration states that—acting as Oplus's managing director—he assigned the '435 Patent from Oplus to Lone Star on October 16, 2013. *Id.* ¶ 5. This comports with the assignment ownership on record with the USPTO.¹

Accordingly, this portion of ASUS's motion (Docket No. 239) as to Lone Star's standing to bring suit is **DENIED**.

¹ Recently, Lone Star filed Additional Attachments (Docket No. 264) to its Response in Opposition to ASUS's Motion for Leave to File Supplemental Information (Docket No. 262). These attachments are (1) an Intellectual Property Agreement between TGT Enterprises LLC, Intel Corporation and several Oplus corporate entities; and (2) a Stock and Asset Purchase Agreement by and among TGT Enterprises LLC, Intel Corporation and Middlefield Ventures, Inc. (collectively, the "Oplus Agreements"). Docket Nos. 264-1–2. The Oplus Agreements reflect the patent assignment record discussed herein.

B. Damages

ASUS challenges the jury's damages award on three separate grounds: (1) Lone Star may recover damages for no more than one unit of each type of product because Lone Star failed to provide evidence of direct infringement, underlying its induced infringement claim, as it relates to tabulating damages (Docket No. 239 at 23–38); (2) Lone Star may not recover damages for non-accused products (*id.* at 38); and (3) Lone Star may not recover damages for non-identified products (*Id.* at 39–40). The Court addresses each of these three grounds in turn.

1. *Remittitur: Damages Correlated to Infringing Method*

ASUS moves for remittitur from the jury's damages award of \$825,000 to \$81. *Id.* at 23–38. ASUS argues that Lone Star's damages recovery should be limited to no more than one unit of each type of product the method of which was demonstrated to infringe. *Id.*

First, ASUS argues that Lone Star did not offer evidence—as required by Jury Instruction 8.9—of the number of instances an end-user actually used the Accused Products in a manner that directly infringed the asserted claims of the '435 Patent underlying the induced infringement claims. *Id.* at 30–31. Instead, ASUS asserts that Lone Star merely put forth minimal circumstantial evidence of direct infringement of the number of users that used the sub-sub-menu to adjust a setting. *Id.* at 31 (citing Trial Tr. at 876:7–19). ASUS states that the only evidence Lone Star arguably put forth of direct infringement was its expert's demonstration at trial. *Id.* at 31–32.

But ASUS argues that evidence goes against the Federal Circuit's decision in *Lucent Techs. Inc. v. Gateway, Inc.*, that an expert's testimony that he performed all steps in a method claim is insufficient to sustain a finding of infringement. *Id.* (citing 580 F.3d 1301, 1318 (Fed. Cir. 2009)). ASUS maintains that because Lone Star failed to prove the number of acts of direct infringement necessary to sustain the damages award, ASUS contends that Federal Circuit's precedent requires

Lone Star’s damages to be limited to damages for one unit of each type of Accused Product. *Id.* at 27.

Second, ASUS argues that Lone Star failed to offer evidence that ASUS’s products necessarily infringe; rather, ASUS posits there is voluminous evidence that the Accused Products can operate without using the allegedly infringing features. *Id.* at 26–27, 32. Instead, ASUS asserts that Lone Star’s expert Dr. Alfred Ducharme simply testified that “it’s generally recommended that you—you perform this—these color adjustments every two to 300 hours.” *Id.* (citing Trial Tr. at 333:3–6). ASUS asserts that Dr. Ducharme’s testimony is not evidence that the Accused Products *necessarily* practice the claimed methods, but rather that color adjustment may be needed in *some* circumstances. *Id.* at 32.

ASUS moves for remittitur on these grounds. ASUS argues that the total amount the jury could have properly awarded Lone Star was the maximum royalty of seven cents per unit sought by ASUS multiplied by the maximum number of product types (135) Lone Star demonstrated were used and directly infringed. *Id.* at 38. Here, ASUS contends that would result in a damages award of \$9.45; alternatively, ASUS relies on Lone Star’s damages expert’s per-unit royalty rate of between 57 and 61 cents to come up with a maximum damages award of \$81. *Id.*

Lone Star responds that it is entitled to recover damages for more than a single unit of each Accused Product type. Docket No. 243 at 5. As an initial matter, Lone Star argues that ASUS’s understanding of the Federal Circuit’s holding in *Lucent Techs., Inc. v. Gateway, Inc.*, is incorrect. *Id.* (citing 580 F.3d 1301 (Fed. Cir. 2009)). Specifically, Lone Star asserts that the Federal Circuit rejected the damages position ASUS takes in its post-trial brief: “Microsoft’s second argument for reversing the damages award is that, for method claims *Dynacore Holdings Corp. v. U.S. Philips Corp.*, 363 F.3d 1263 (Fed. Cir. 2004), requires that damages be limited to the proven number of

instances of actual infringing use ... we reject both arguments.” *Id.* (quoting *Lucent Techs.*, 580 F.3d at 1323–24). Lone Star notes that the Federal Circuit continues to explain that there is no “rigid requirement that damages in all circumstances be limited to specific instances of infringement proven with direct evidence.” *Id.* at 6 (quoting *Lucent Techs.*, 580 F.3d at 1334). Lone Star contends that the Federal Circuit’s rationale underlying its determination in *Lucent Techs.* makes sense because many companies do not even reach a dollar amount for a licensing agreement based on the number of times a patented feature is used because this would be costly or impossible to ascertain. *Id.* Instead, Lone Star says *Lucent Techs.* stands for the proposition that the damages award only needs to be “correlated” to the extent the infringing method is used. *Id.* Consequently, Lone Star argues that *Lucent Techs.* does not support ASUS’s position.

Lone Star further argues that it has offered sufficient evidence to support its damages claim. For example, Lone Star notes that it provided evidence that a user would adjust the color settings on a display at least one time over the life of the product. *Id.* at 7 (citing Trial Tr. at 332:18–24). In addition, Lone Star notes that its expert Dr. Ducharme testified that it is recommended a user perform color adjustment “every [200] to 300 hours.” *Id.* at 8 (citing Trial Tr. at 333:3–6). Lone Star also posits that because the jury awarded Lone Star less than a third of what it requested, the jury likely discounted the number of infringing uses. *Id.*

Next, Lone Star asserts that ASUS’s argument that Lone Star failed to offer evidence that ASUS’s products necessarily infringe is irrelevant. *Id.* at 9. Specifically, Lone Star argues its position that every sale of an infringing product resulted in an infringing use. *Id.* And Lone Star notes it did not allege direct infringement by ASUS, but rather by its customers, to support its accusation that ASUS induced infringement specifically from its customers’ implementation of the infringing method. *Id.* Lone Star also notes that it may “prove the intent element of induced

infringement through circumstantial evidence, just as with direct infringement.” *Id.* (quoting *GlaxoSmithKline LLC v. Teva Pharms. USA, Inc.*, 976 F.3d 1347, 1352–53 (Fed. Cir. 2016)).

For these reasons, Lone Star contends that ASUS’s motion for remittitur of the damages award is unnecessary, as the jury’s damage award was well founded and supported by substantial evidence. *Id.* at 10.²

“A party challenging a jury damages verdict ‘must show that the award is, in view of all the evidence, either so outrageously high or so outrageously low as to be unsupportable as an estimation of a reasonable royalty.’ ” *Spectralytics, Inc. v. Cordis Corp.*, 649 F.3d 1336, 1345 (Fed. Cir. 2011) (quoting *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1554 (Fed. Cir. 1995) (en banc)). “[O]n post-trial JMOL motions, district court judges must scrutinize the evidence carefully to ensure that the ‘substantial evidence’ standard is satisfied, while keeping in mind that a reasonable royalty analysis ‘necessarily involves an element of approximation and uncertainty.’ ” *Lucent Techs.*, 580 F.3d at 1336 (quoting *Unisplay, S.A. v. Am. Elec. Sign Co.*, 69 F.3d 512, 517 (Fed. Cir. 1995)).

In *Lucent Techs.*, the Federal Circuit articulated that it has “never laid down any rigid requirement that damages in all circumstances be limited to specific instances of infringement proven with direct evidence.” *Id.* at 1334. The Federal Circuit then went on to note that the “damages award ought to be correlated, in some respect, to the extent the infringing method is used by consumers.” *Id.* The Federal Circuit in that matter determined that the “evidence of record is conspicuously devoid of any data about how often consumers use the patented [] invention.” *Id.* Consequently, the Federal Circuit ultimately held that:

² Lone Star argued in its responsive briefing that “post-trial is the first time ASUS raised the issue” that “Plaintiff may not recover damages for more than one unit of each type of product.” Docket No. 243 at 5. However, ASUS did raise this issue in its JMOL motion urged at trial and the parties provided their respective positions to the Court. *See* Trial Tr. at 949:14–951:22.

[S]ubstantial evidence supports the jury's verdict of indirect infringement by Microsoft. But all the circumstantial evidence supports is the jury's implicit finding that at least one person performed the patented method one time in the United States sometime during the relevant period. Beyond that finding, all the jury had was speculation. No evidence describes how many Microsoft Outlook users had ever performed the patented method or how many times. Lucent had the burden to prove that the extent to which the infringing method has been used supports the lump-sum damages award.

Id. at 1334–35.

Such is the case here. Lone Star provided substantial evidence at trial to support its claims of induced infringement (*infra* § I.C.3); however, Lone Star has not provided sufficient support for its damages award stemming from induced infringement of the '435 Patent.

Lone Star's expert Dr. Ducharme did not testify as to any knowledge of actual users of the Accused Products performing the infringing method such to support Lone Star's damages award. Rather, Dr. Ducharme provided the following speculation at trial—in response to counsel's questions on direct examination—as supportive evidence for Lone Star's damages model:

Q. As part of your analysis—I'm going to ask you about a little subtopic here. As part of your analysis on evaluating the claims in the accused devices, did you—do you have an opinion of how frequently a user will adjust the colors on a display?

A. In my experience, at least once when you bring the product home or you get the product and you're setting it up.

Trial Tr. at 332:17–24.

Q. What about—do you have an opinion on the frequency of color adjustment for any given display?

A. It's generally recommended that you—you perform this—these color adjustments every two to 300 hours.

Id. at 333:3–6.

Q. All right. We were talking earlier this afternoon about—you had said something to the effect of every 200 or 300 hours a device might need to be calibrated or have their colors—have its colors adjusted. Do you remember that?

A. Yes.

Q. And would that—does that involve the color-changing technology? Is that what you were referring to?

A. That's how you would actuate a change on the—on the color on the device, so, yeah.

Q. All right. I want to direct your attention to Page 3–16. And you see—we talked—I know that—that this was discussed earlier today, not necessarily with you with regard to this device, but third to the bottom there is this: Screen image has color defects. White does not look white. Do you see that?

A. Yes.

Q. Is that an example of how you might need to adjust a monitor after 200 or 300 hours of use?

A. Yes.

Id. at 361:12–362:7.

Q. Okay. Thank you. Yesterday, Dr. Ducharme, you said that calibration of a monitor is recommended every 200 to 300 hours. Do you recall saying that?

A. I don't know if I used the word 'calibration.' I believe I said—well, can you—can we read the transcript back? I can't remember my exact phrasing.

Q. Well, let me ask you another question. You didn't present any evidence today or yesterday that ASUS recommends its users to calibrate the monitor every 200 to 300 hours?

A. I—no, I don't believe I did.

Id. at 486:10–21. Dr. Ducharme's testimony reflects the universe of infringement evidence that Lone Star put on to support its damages case. Unsupported "general recommendations"³ and Dr.

³ Indeed, ASUS's expert has asserted that Dr. Ducharme's recommendations come from assorted materials online not authored by ASUS: "[i]n paragraph 76, Dr. Ducharme points to two documents that appear to be reproduced from websites that suggest that displays may need color calibration 'between 200–300 hours of use or at least 2–6 weeks.' The first document appears to be from the website of a company named Eizo, not Asus. The second document appears to be from a website called Fstoppers, not Asus. These websites do not appear to be authored by Asus and do not mention any Asus products, nor do they even suggest that Asus products ever need to be calibrated. At best these general statements might be considered 'good practice', but they are not evidence that any user ever has followed this suggested 'good practice' for any product, let alone any Asus product." Stevenson Rebuttal Rpt. ¶ 109.

Ducharme’s “personal experience” are not substitutes for direct or circumstantial evidence. *Lucent Techs.* requires concrete evidence, not mere speculation. *See* 580 F.3d at 1334–35; *see also Ultratec, Inc. v. Sorenson Commc’ns., Inc.*, 733 Fed. Appx. 535, 541 (Fed. Cir. 2018) (describing the substantial direct and circumstantial evidence presented at trial that “support[ed] the jury’s finding that the majority of Sorenson’s calls infringed.”).

Dr. Ducharme’s confirmation that he “didn’t present any evidence today or yesterday that ASUS recommends its users to calibrate the monitor every 200 to 300 hours” is telling. Trial Tr. at 486:10–21. As in *Lucent Techs.*, the Court is “left with the unmistakable conclusion that the jury’s damages award is not supported by substantial evidence, but is based mainly on speculation or guesswork.” 580 F.3d at 1335.

Lone Star only presented general recommendations and personal experience. Consequently, the jury’s damages award was unsupported and therefore against the great weight of the evidence. *Conway v. Chem. Leaman Tank Lines, Inc.*, 610 F.2d 360, 363 (5th Cir. 1980). In its responsive briefing, Lone Star indicated that “if the Court finds that the [damages] amount is excessive, Lone Star should be given the choice of a new trial on damages.” Docket No. 243 at 10. Accordingly, ASUS’s Motion for Remittitur (Docket No. 239) is **DENIED** and the Court **ORDERS** a new trial on damages.

2. *Non-Accused Products*

ASUS argues that Lone Star may not recover damages for non-accused products. Docket No. 239 at 38. In particular, ASUS contends that Lone Star included upwards of 180 different non-accused products in its damages request. *Id.* ASUS notes that Lone Star indicated in its opening statement (Trial Tr. at 109:14–17), in its expert testimony (*id.* at 308:22–25) and in its closing statement (*id.* at 1008:16–24) that it was accusing 135 different families of infringement.

However, ASUS contends that Lone Star's damages expert Glenn Perdue proposed his damages figure based on 320 different products. *Id.* at 38–39.

Lone Star denies seeking damages for non-accused products. Docket No. 243 at 10. Lone Star indicates that it offered into evidence 135 product manuals, which was one for each product family. *Id.* Lone Star argues that it has always accused the product families, so there were necessarily more than just 135 Accused Products in this case. *Id.* And Lone Star argues that ASUS produced two spreadsheets pertaining to the finances for the Accused Products; Lone Star contends that the products listed on these spreadsheets were part of an Accused Product family. *Id.* at 10–11. Lone Star's damages expert Perdue utilized these financial spreadsheets, which he presented extensively to the jury at trial. *Id.* at 11 (citing Trial Tr. at 678:5–684:5).

Lone Star also posits that because the jury awarded Lone Star less than a third of what it requested, the jury likely considered ASUS's damage argument here. *Id.* at 11.

The record demonstrates that Lone Star did not request damages for any non-accused products. Lone Star consistently acknowledged that it was accusing ASUS's product families of infringement. *See* Trial Tr. at 308:19–309:10 (testimony of Dr. Ducharme describing 135 Accused Product families). Thus, there would necessarily be at least 135 Accused Products.

Perdue explained in his expert report that “[b]ased on the Plaintiff's infringement contentions, the list of Accused Products includes 10 projectors and over 250 monitors as identified in 2 spreadsheets provided by Asus that indicate Net Quantity (Units), Net Revenue and Net Cost by year for March 2013 through March 2020.” Perdue Damages Rpt. at 4 (citing ASUSL00393 (by model/customer through February 2019) and ASUSL00412 (by model/customer through March 2020)). These two spreadsheets were provided by ASUS in response to a discovery request to “[i]dentify every Accused Device.” *See* PX-29 (ASUS Suppl. Interrogatory Resp.). At trial,

Perdue explained that, in relying on these spreadsheets, he was “doing the product counts in my—in my work, I was looking for products that had active sales activity for that particular year, and in the prior years, like I said, it was basically 120 to 150 products in any given year that were actively being sold.” Trial Tr. at 679:4–8. And Perdue went on to describe that he calculated damages based on “products [which] had activity” (meaning sales) in a particular year. *Id.* at 679:17. Such discounting of product families—alongside the ASUS product manuals Lone Star introduced into evidence (*see* PX-26-1–PX-26-135)—comports with the product families being accused of infringement as having been factored into the damages award calculation.

Accordingly, ASUS’s motion (Docket No. 239) with respect to non-accused products having been included in Lone Star’s damages award is **DENIED**.

3. Non-Identified Products

ASUS next argues that Lone Star is not allowed to recover damages for any Accused Product not identified by name as an infringing product during trial. Docket No. 239 at 39–40. ASUS contends that Lone Star identified only a handful of Accused Products to the jury; Lone Star also provided manuals to the jury, but ASUS notes that those manuals list multiple products on their cover pages. *Id.* In particular, ASUS asserts that Lone Star did not identify to the jury—via a list or through evidentiary material—which products were accused of infringement, including those products listed on the manuals. *Id.* at 40. ASUS argues that consequently “the jury had no[] way to separate three axis products from six-axis products and determine which one fall in which bucket.” *Id.*

Lone Star responds that it did not seek damages on any non-identified products. Docket No. 243 at 11. Lone Star notes that its expert Dr. Ducharme testified about the 135 product families, totaling 169 accused display products, at trial. *Id.* (citing Trial Tr. at 308:19–309:10).

Lone Star also indicates that it offered 135 product manuals into evidence, which amounted to one for each Accused Product family. *Id.* (citing Trial Tr. at 311:11–312:8). And Lone Star argues that it is irrelevant whether the ASUS displays were 3-axis or 6-axis—so long as the product was identified as infringing—because the number of axes is not necessary to infringe the asserted claims of the '435 Patent. *Id.* at 12 (citing Trial Tr. at 493:25–494:8).

Lone Star also posits that because the jury awarded Lone Star less than a third of what it requested the jury likely considered ASUS's damages argument here. *Id.*

The damages award did not include non-identified products because Lone Star successfully identified the ASUS's products it accused of infringement. First, specific ASUS product manuals were introduced into evidence at trial. *See* PX-26-1–PX-26-135. And Dr. Ducharme provided testimony about the product families that encompass the Accused Products. Trial Tr. at 308:19–309:10.

Accordingly, ASUS's motion (Docket No. 239) with respect to non-identified products having been included in Lone Star's damages award is **DENIED**.

C. Infringement

ASUS argues that it should be granted JMOL on three separate issues pertaining to infringement: (1) ASUS did not directly infringe the asserted claims of the '435 Patent (Docket No. 239 at 40–42); (2) ASUS did not contributorily infringe the asserted claims of the '435 Patent (*id.* at 42–43); and (3) Lone Star failed to prove that ASUS induced infringement of the asserted claims of the '435 Patent (*id.* at 44–52). The Court addresses each in turn.

1. Direct Infringement

ASUS argues that the Court should grant JMOL of no direct infringement of Asserted Claims 1–3, 5, 6 and 13–15 of the '435 Patent. In particular, ASUS asserts that Lone Star alleged direct infringement in its initial and amended complaints. *Id.* at 40–41 (citing Docket No. 1 ¶ 23;

Docket No. 22 ¶ 24). And ASUS notes it has asserted a counterclaim seeking a declaration that it does not “directly or indirectly, individually or jointly, infringe, contribute to the infringement of, or induce the infringement of any claim of the Patent-in-Suit.” *Id.* (citing Docket No. 64 ¶¶ 47–92).

ASUS further asserts that Lone Star included direct infringement in the parties’ pre-trial order. *Id.* at 41 (citing Docket No. 186). ASUS contends that Lone Star dropped its assertion of direct infringement for the first time during a meet and confer regarding jury instructions towards the close of trial. *Id.* Consequently, ASUS attests that “the Court must make it official that ASUS is the prevailing party on direct infringement.” *Id.* at 42.

Lone Star responds that JMOL should not be granted on a direct infringement theory that it did not assert at trial. Docket No. 243 at 12. Specifically, Lone Star notes how it did not argue at trial—or include in its jury instructions—that ASUS committed direct infringement, but instead that ASUS’s customers directly infringed, as a prerequisite to induced infringement. *Id.* at 12–13.

Lone Star highlights that Rule 50 permits a party to challenge the legal sufficiency of evidence when “a party has been fully heard on an issue during a jury trial.” *Id.* (citing FED. R. CIV. P. 50). And concerning ASUS’s declaratory judgment action, Lone Star argues that there must be a “substantial controversy, between the parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.” *Id.* (quoting *Streck, Inc. v. Research & Diagnostic Sys., Inc.*, 665 F.3d 1269, 1281–82 (Fed. Cir. 2012)). In this case, Lone Star argues that these preconditions are not present because Lone Star narrowed the issues to present to the jury, thereby removing direct infringement, so judgment should only be entered on those claims. *Id.* at 14.

Lone Star did not assert claims of direct infringement by ASUS at trial. And Lone Star withdrew its direct infringement claim so as to not include it in the instructions provided to the jury. As in *VirnetX Inc. v. Apple Inc.*, the Court “cannot and will not enter judgment upon claims and defenses that were not presented for consideration to the jury.” 925 F. Supp. 2d 816, 849 (E.D. Tex. 2013) (denying JMOL on defenses and counterclaims not presented at trial where “Apple presented no other evidence at trial regarding its other invalidity theories and prior art references.”).

“[T]he existence of a case or controversy ‘must exist at all stages of review, not merely at the time the complaint [was] filed.’ ” *Id.* (quoting *Streck, Inc.*, 665 F.3d at 1282). Therefore, a party must show that a “continuing case or controversy with respect to withdrawn or otherwise unasserted claims” continues to exist. *Id.*

Much the same as in *VirnetX*, Lone Star asserted direct infringement “up to the time of trial” but it was “never presented to the jury.” *Id.* at 848. Because no continuing case or controversy exists here, the Court declines to rule on it.

Accordingly, ASUS’s motion (Docket No. 239) for JMOL with respect to direct infringement is **DENIED**.

2. *Contributory Infringement*

ASUS also argues that the Court should grant JMOL of no contributory infringement of Asserted Claims 1–3, 5, 6 and 13–15 of the ’435 Patent. Docket No. 239 at 42. Specifically, ASUS asserts that Lone Star alleged contributory infringement in its initial and amended complaints. *Id.* (citing Docket No. 1 ¶ 24; Docket No. 22 ¶ 25). And ASUS notes it has asserted a counterclaim seeking a declaration that it does not “directly or indirectly, individually or jointly, infringe, contribute to the infringement of, or induce the infringement of any claim of the Patent-

in-Suit.” *Id.* (citing Docket No. 64 ¶¶ 47–92). ASUS further asserts that Lone Star included contributory infringement in the parties’ pre-trial order. *Id.* at 41 (citing Docket No. 186). ASUS contends that Lone Star dropped its assertion of contributory infringement for the first time during a meet and confer regarding jury instructions. *Id.* Consequently, ASUS attests that “the Court must make it official that ASUS is the prevailing party on contributory infringement.” *Id.* at 43.

Lone Star responds that JMOL should not be granted on a contributory infringement theory that it did not assert at trial. Docket No. 243 at 12. Lone Star reiterates its arguments made above (*supra* § I.C.1) about direct infringement, which it grouped together in its responsive briefing to ASUS’s contributory infringement arguments. *Id.*

Lone Star did not assert claims of contributory infringement by ASUS at trial. And Lone Star withdrew its contributory infringement claim so as to not include them in the instructions provided to the jury.

As detailed above in the direct infringement context (*supra* § I.C.1), the Court “cannot and will not enter judgment upon claims and defenses that were not presented for consideration to the jury.” *VirnetX Inc.*, 925 F. Supp. 2d at 849.

Accordingly, for the reasons presented above, ASUS’s motion (Docket No. 239) for JMOL with respect to contributory infringement is **DENIED**.

3. *Induced Infringement*

ASUS argues that the Court should grant JMOL of no induced infringement of Asserted Claims 1–3, 5, 6 and 13–15 of the ’435 Patent for two reasons: (1) there were no acts of inducement; and (2) there were no underlying acts of direct infringement based on product features. Docket No. 239 at 44–52.

As an initial matter, ASUS argues that product manuals cannot establish the underlying direct infringement required for induced infringement. *Id.* at 44–45. ASUS contends that Lone Star provided no evidence that the product manuals were ever read or relied upon by any end users of the Accused Products. *Id.* at 45. To support its point, ASUS notes that its witness Alvin Lin, a Division Director at ASUS, testified that user manuals had to be downloaded by the user. *Id.* (citing Trial Tr. at 239:5–8). ASUS states that Lone Star provided no evidence that these manuals were downloaded in the United States. *Id.* at 46–47. And ASUS argues that the manuals do not teach all of the steps of the claimed method together or in the proper order. *Id.* at 46. ASUS further asserts that it sells the Accused Products to distributors who then sell the products to end users. *Id.* at 48. ASUS contends that these distributors have warehouses both domestically as well as outside the United States, and Lone Star did not provide evidence that the products actually end up in the United States. *Id.*

In addition, ASUS argues that there are no underlying acts of direct infringement based on its product features. *Id.* Specifically, ASUS contends that its accused 3-axis products cannot perform: (1) Element (b) of '435 Patent Claim 1 (“by selecting an independent color hue control delta value or an independent color saturation control delta value”); (2) Element (c) of '435 Patent Claim 1 (“identifying a plurality of said input image pixels having said selected individual color in the real time digital video input image with the hue or the saturation selected to be independently changed”); and (3) Element (b) of '435 Patent Claim 1 (“selecting to independently change the hue or the saturation of an individual color”). *Id.* at 48–52.

First, ASUS argues that Lone Star provided no evidence at trial that ASUS’s products are capable of selecting a “hue control delta value” or a “saturation control delta value” to satisfy Element (b) of Claim 1 of the '435 Patent. *Id.* at 49. Rather, ASUS contends that its expert testified

about how ASUS's products allow users to select absolute values, not delta values. *Id.* (citing Trial Tr. at 768:8–773:7). And ASUS states that Lone Star's expert indicated the same. *Id.*

Second, ASUS argues that Lone Star provided no evidence at trial that ASUS's products are capable of “identifying a plurality of said input image pixels” for modification to satisfy Element (c) of Claim 1 of the '435 Patent. *Id.* Rather, ASUS contends that its expert testified how ASUS's products process all input pixels, instead of identifying certain ones. *Id.* (citing Trial Tr. at 773:13–775:10).

Third, ASUS argues that Lone Star provided no evidence at trial that ASUS's 3-axis products are capable of performing the “selecting to independently change the hue or the saturation of an individual color” step to satisfy Element (b) of Claim 1 of the '435 Patent. *Id.* at 50. ASUS argues that Lone Star's expert Dr. Ducharme either mistook gain or brightness as being the same as hue or saturation, or “improperly relied on gain to show infringement, while admitting that in ASUS's menus gain is a separate feature from hue and saturation.” *Id.* at 50–51 (citing Trial Tr. at 406:19–25).

Lone Star responds that it provided sufficient evidence to the jury to warrant a finding of induced infringement. Docket No. 243 at 14–15. As an initial matter, Lone Star notes that induced infringement can be grounded in circumstantial evidence of inducement, such as advertisements and user manuals, without direct proof. *Id.* (citing *GlaxoSmithKline LLC v. Teva Pharms. USA, Inc.*, 976 F.3d 1347, 1352–53 (Fed. Cir. 2020)).

Lone Star further argues that it presented sufficient evidence at trial to demonstrate that ASUS's user manuals were made available to its customers. *Id.* at 15. Lone Star notes that: (1) ASUS's customer support and frequently asked questions website indicates how “you can adjust the six colors (red, blue, green, cyan, magenta and yellow) without affecting the output of

the other colors” (*id.* (citing Trial Tr. at 314:20–22)); and (2) Lone Star offered into evidence 135 ASUS Accused Product manuals downloadable directly from ASUS’s website (*id.* (citing Trial Tr. at 311:11–312:8, 393:3–6)). Lone Star highlights how ASUS’s corporate witness, Alvin Lin, did not dispute that ASUS instructs its users how to change the 6-axis hue adjustment in its monitors. *Id.* at 16 (citing Trial Tr. at 201:12–16).

Specific to the ASUS product manuals, Lone Star argues that sufficient instruction is provided to perform the accused method. *Id.* For example, Lone Star recites the ASUS product manual for its C620A/C422A/C622A Series LCD Monitors wherein the troubleshooting section describes: “Adjust[ing] the R/G/B color setting or select the Color Temperature via OSD.” *Id.* (citing PX-26-1 at 36).

Lone Star also contends that sufficient evidence was provided to the jury to determine that products were sold within the United States. In particular, Lone Star notes how its damages expert Perdue reviewed the only two financial spreadsheets ASUS produced (PX-35, PX-94), which contained sales information for ASUS’s U.S. subsidiary. *Id.* at 17 (citing Trial Tr. at 540:25–545:2).

Next, Lone Star argues that it sufficiently demonstrated underlying acts of direct infringement by ASUS’s customers—that the Accused Products can and do perform Elements (b) and (c) of ’435 Patent Claim 1. *Id.* at 17–18. In both instances, Lone Star responds to ASUS’s argument that Lone Star failed to provide evidence at trial by noting Dr. Ducharme’s trial testimony. *Id.* at 18–19.

Specifically regarding Element (b), Lone Star notes how Dr. Ducharme provided testimony and a demonstration wherein the Accused Products meet the delta value limitations by adjusting the color sliders. *Id.* at 18 (citing Trial Tr. at 293:22–294:23). Lone Star indicates how Dr.

Ducharme also testified about how the “On-Screen-Display, presenting the opportunity to the user to change the colors, to introduce a delta value, and that’s what the slider is, it’s a delta value.” *Id.* at 18 (citing Trial Tr. at 345:19–23, 353:23–354:6). And Lone Star points to testimony from Dr. Ducharme wherein he described how the “slider is giving you a delta value, that the . . . amount of the change that you want.” *Id.* at 18 (citing Trial Tr. at 438:24–435:8).

As to Element (c), Lone Star highlights Dr. Ducharme’s testimony concerning how arithmetic and logical operations are used to select the input image pixels to be changed. *Id.* at 19 (citing Trial Tr. at 492:25–493:19). Lone Star also points to Dr. Ducharme’s testimony describing the identification of a “plurality of pixels that we should change because they’re associated with a color on the slider. And . . . a plurality—or a whole bunch of pixels that we’ve decided in the previous step, (c), not to change.” *Id.* (citing Trial Tr. at 348:23–349:11).

Lone Star also argues that the accused 3-axis products can and do perform Element (b) of Claim 1 of the ’435 Patent. *Id.* In particular, Lone Star highlights Dr. Ducharme’s testimony that ASUS’s 3-axis monitors have the ability to change the saturation of individual colors, by testifying that the “red, green and blue is a change in saturation.” *Id.* (citing Trial Tr. at 298:21–299:1). And Lone Star notes that Dr. Ducharme testified that on these devices the name of the color control labels—*e.g.*, brightness and gain—are not relevant so long as they “allow for the independent control of hue or saturation adjustment.” *Id.* at 19–20 (citing Trial Tr. at 360:14–361:3, 496:19–23).

For all these reasons, Lone Star argues that ASUS is not entitled to a new trial on induced infringement. Lone Star states that the jury’s verdict is not contrary to the great weight of the evidence. *Id.* at 21.

“[I]nducement requires evidence of culpable conduct, directed to encouraging another’s infringement, not merely that the inducer had knowledge of the direct infringer’s activities.” *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1306 (Fed. Cir. 2006). Infringement may be proven with direct or circumstantial evidence. *See Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1272 (Fed. Cir. 1986); *see also Alco Standard Corp v. Tenn. Valley Auth.*, 808 F.2d 1490, 1503 (Fed. Cir. 1986) (“Although the evidence of infringement is circumstantial, that does not make it any less credible or persuasive.”). “A plaintiff may prove the intent element of induced infringement through circumstantial evidence, just as with direct infringement.” *GlaxoSmithKline LLC v. Teva Pharms. USA, Inc.*, 976 F.3d 1347, 1352–53 (Fed. Cir. 2020) (quoting *Warsaw Orthopedic, Inc. v. NuVasive, Inc.*, 824 F.3d 1344, 1347 (Fed. Cir. 2016)).

“[A] finding of infringement can rest on as little as one instance of the claimed method being performed during the pertinent time period.” *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1317 (Fed. Cir. 2009). It is well established “that an accused device that sometimes, but not always, embodies a claim nonetheless infringes.” *Broadcom Corp. v. Emulex Corp.*, 732 F.3d 1325, 1333 (Fed. Cir. 2013). “The law responds to rare infringement not by eliminating liability, but by providing for a correspondingly low award of damages.” *Braintree Labs., Inc. v. Novel Labs., Inc.*, 749 F.3d 1349, 1367 (Fed. Cir. 2014).

There is evidence in the record to support the jury’s finding that ASUS induced infringement of Asserted Claims 1–3, 5, 6 and 13–15 of the ’435 Patent. Induced infringement can be “based on circumstantial evidence of inducement (*e.g.*, advertisements, user manuals) directed to a class of direct infringers (*e.g.*, customers, end users) without requiring hard proof that any individual third-party direct infringer was actually persuaded to infringe by that material.”

Power Integrations, Inc. v. Fairchild Semiconductor Int'l, Inc., 843 F.3d 1315, 1335 (Fed. Cir. 2016)).

Such was the case here. At trial, Lone Star produced evidence that both ASUS's customer support and its frequently asked questions webpage describe how a customer "can adjust six colors, red, blue, green, cyan, magenta, and yellow without affecting the output of the other colors." Trial Tr. at 392:7–13. Further, Lone Star put into evidence 135 ASUS product manuals—downloaded directly from ASUS's website—corresponding to the accused families and associated products that describe how to use the patented method. *Id.* at 311:11–312:8, 392:3–20 (describing PX-26-1–PX-26-135). For example, ASUS's product manual for its C620A/C422A/C622A Series LCD Monitors describe in a section for the user on troubleshooting how: "[s]creen image has color defects (white does not look white) - Adjust[ing] the R/G/B/ color setting or select the Color Temperature via OSD." PX-26-1 at 36.⁴

Further, ASUS's manuals contain answers to troubleshooting questions that instruct users to adjust individual settings to fix defects in color. Trial Tr. at 314:20–22. Indeed, ASUS's own corporate witness, Lin, did not dispute that ASUS instructs its users how to adjust the 6-axis hue adjustment under the advanced setting menu. *See id.* at 201:12–16 ("Q. So what the manual is telling the user and what ASUS is specifically telling and instructing users is that if you want to adjust the 6-axis hue adjustment, you will find that adjustment under the advanced setting menu, right? A. Yes."). And Lin described how ASUS's user manuals are readily downloadable online to the general public. *Id.* at 239:5–11.

⁴ Lone Star accused both ASUS's 3-axis and 6-axis displays of infringement. This exemplary manual is for ASUS's 3-axis displays. *See* PX-26-1. At trial, Lone Star established that—for infringement purposes—the accused color functionality is the same for both ASUS's 3-axis and 6-axis displays. Trial Tr. at 309:6–10, 314:14–24.

As in *Lucent Techs.*, Lone Star produced sufficient evidence at trial to demonstrate that ASUS “provided instruction, tutorials, and other materials directing users to operate the Accused Products in an infringing manner.” 580 F.3d at 1323 (determining that “the jury was [not] unreasonable in finding that Microsoft possessed the requisite intent to induce at least one user of its products to infringe the claimed methods.”).

Manuals with all steps presented to the user can provide the basis for induced infringement. In *Moleculon Research Corp. v. CBS, Inc.*, the patent owner “met its burden of showing infringement under section 271(b) with circumstantial evidence of extensive puzzle sales, dissemination of an instruction sheet teaching the method of restoring the preselected pattern with each puzzle, and the availability of a solution booklet on how to solve the puzzle.” 793 F.2d 1261, 1272 (Fed. Cir. 1986).⁵ Similarly, in *Lucent Techs.*:

[T]he jury reviewed evidence relating to the extensive sales of Microsoft products and the dissemination of instruction manuals for the Microsoft products. The jury also heard corresponding testimony from Lucent’s infringement expert. The circumstantial documentary evidence, supplementing the experts’ testimony, was just barely sufficient to permit the jury to find direct infringement by a preponderance of the evidence. As in *Moleculon*, the jury in the present case could have reasonably concluded that, sometime during the relevant period from 2003 to 2006, more likely than not one person somewhere in the United States had performed the claimed method using the Microsoft products.

580 F.3d at 1318. ASUS’s product manuals provided a roadmap to its users such that ASUS induced use of the patented method. This is unlike cases where “the patentees failed to introduce even circumstantial evidence of infringing acts.” *Id.* at 1319 (discussing *Acco Brands, Inc. v. ABA Locks Mfr. Co.*, 501 F.3d 1307 (Fed. Cir. 2007) and *E-Pass Techs., Inc. v. 3Com Corp.*, 473 F.3d 1213 (Fed. Cir. 2007)). Here, Lone Star provided circumstantial evidence; thus, based on the

⁵ The Court likewise determines that sufficient evidence was presented to the jury to make a proper determination that the Accused Products were sold within the United States. See PX-35; PX-94 (showing financials and sales information for ASUS’s U.S. subsidiary).

evidence in the record, a reasonable jury could find that ASUS induced infringement of the Asserted Claims 1–3, 5, 6 and 13–15 of the ’435 Patent.

As to the individual claims in dispute constituting the direct infringement underlying induced infringement, Lone Star also satisfied its burden at trial.

First, Lone Star’s expert Dr. Ducharme provided both testimony and a demonstration wherein the accused ASUS products met the delta value limitation of Element (b) of Claim 1 of the ’435 Patent by adjusting the color sliders. *See* Trial Tr. at 293:22–294:23, 438:24–439:8 (“[S]lider is giving you a delta value, that the...amount of the change that you want.”); *see also id.* at 345:19–23, 353:23–354:6 (describing the color slider with the On-Screen-Display as a delta value).

Second, Dr. Ducharme provided testimony about Element (c) of Claim 1 of the ’435 Patent regarding Lone Star’s claim for direct infringement. In particular, Dr. Ducharme testified how arithmetic and logical operations are utilized to select the input image pixels that will be changed. *See* Trial Tr. at 492:25–493:19. And Dr. Ducharme identified a “plurality of pixels that we should change because they’re associated with a color on the slider. And . . . a plurality—or a whole bunch of pixels that we’ve decided in the previous step, (c), not to change.” *Id.* at 348:23–349:11.

Third, Dr. Ducharme provided testimony that the accused 3-axis ASUS products perform Element (b) of Claim 1 of the ’435 Patent. Dr. Ducharme stated that the “red, green, and blue is a change in saturation” such that the 3-axis monitors are capable of changing individual color saturation. Trial Tr. at 298:21–299:1. He also clarified that the “labels” on the color controls (“brightness” or “gain” for example) are not relevant so long as the labels “allow for [the] independent control of hue or saturation adjustment.” *Id.* at 360:14–361:3; *see also id.* at 495:23–

496:23. This testimony is consistent with the Court's claim construction determinations. *See* Docket No. 105 at 10.

The jury's findings are thus supported by substantial evidence, and the Court will not reweigh the evidence as to the jury's induced infringement and underlying direct infringement determinations. The verdict was not against the great weight of the evidence, and the Court declines to substitute its judgment for that of the jury. *See Conway v. Chem. Leaman Tank Lines, Inc.*, 610 F.2d 360, 363 (5th Cir. 1980).

Accordingly, ASUS's motion (Docket No. 239) for JMOL with respect to induced infringement of Asserted Claims 1–3, 5, 6 and 13–15 of the '435 Patent is **DENIED**.

D. Validity

ASUS argues that it should be granted JMOL on two validity issues: (1) the asserted claims of the '435 Patent are invalid due to obviousness-type double patenting (Docket No. 239 at 52–54), and (2) the asserted claims of the '435 Patent are invalid because they are anticipated and/or obvious (*id.* at 57–63). The Court addresses each in turn.

1. Obviousness-Type Double Patenting

ASUS argues that it is entitled to JMOL because Asserted Claims 1–3, 5, 6 and 13–15 of the '435 Patent are invalid for obviousness-type double patenting in view of U.S. Patent No. 6,122,012 (the "'012 Patent") entitled "Method of selective color control of digital video images." *Id.* at 52. ASUS contends that its expert Dr. Robert Stevenson presented clear and convincing evidence at trial on this issue. *Id.* at 55 (citing Trial Tr. at 733:23–736:8, 736:13–742:21, 743:1–749:2, 750:8–759:25).

ASUS notes that Dr. Ducharme, Lone Star's expert, argued that the '435 and '012 Patents were different because the former patent uses arithmetic and logical operations while the latter patent uses look-up tables. *Id.* (citing Trial Tr. 390:4–8). And ASUS argues that Dr. Ducharme

testified that he believed the use of look-up tables in the '012 Patent “achieves substantially similar results with insubstantially different operations” compared to arithmetic and logical operations found in the '435 Patent. *Id.* at 53 (citing Trial Tr. at 454:9–12). ASUS contends that Dr. Ducharme opined that there were no substantive differences between the use of look-up tables and arithmetic and logical operations between the two patents. *Id.* at 56 (citing Trial Tr. at 454:2–21). Further, ASUS asserts that Dr. Ducharme did not fully explain how the '012 Patent’s disclosure of look-up tables compared to arithmetic and logical operations applies to any specific limitation of the '435 Patent’s asserted claims. *Id.* at 53.

Lone Star responds that ASUS failed to meet its burden—with clear and convincing evidence—that the asserted claims of the '435 Patent are invalid for obviousness-type double patenting in view of the '012 Patent. Docket No. 243 at 21. Dr. Ducharme testified that the “ '012 [Patent] uses look-up tables, and the '435 [Patent] uses this arithmetic and logical operations. They are different programming means.” *Id.* (quoting Trial Tr. at 390:6–8). Additionally, Lone Star argues that the '012 and '435 Patents use distinct and separate ways to correct color. *Id.* at 21 (citing Trial Tr. at 388:19–25). Lone Star further notes that the USPTO considered the '012 Patent during prosecution of the '435 Patent, the latter of which ultimately issued, and is therefore afforded the presumption of validity. *Id.* at 21 (citing Trial Tr. at 803:18–804:17). Lone Star also argues that ASUS did not address step one of the obviousness type double patenting inquiry, wherein courts construe both patents’ claims and determine the differences between the two. *Id.* at 22.

Lone Star also responds to ASUS’s assertion that Dr. Ducharme admitted look-up tables and arithmetic and logical operations are equivalent by noting two things: first that Dr. Ducharme’s testimony was taken out of context, and second that ASUS never showed where the '012 Patent

utilizes a look up table to identify input image pixels as required by Element 1(c) of the '435 Patent. *Id.* at 24.

Two steps are involved to determine the application of obviousness-type double patenting. First, the court “construes the claim[s] in the earlier patent and the claim[s] in the later patent and determines the differences.” *Pfizer, Inc., v. Teva Pharms. USA, Inc.*, 518 F.3d 1353, 1363 (Fed. Cir. 2008). Then, the court “determines whether those differences render the claims patentably distinct.” *Id.*

Accordingly, based on the evidence in the record, a reasonable jury could find that the asserted claims of the '435 Patent are not invalid due to obviousness-type double patenting. As an initial matter, issued patents are presumed valid. 35 U.S.C. § 282. And the '012 Patent was considered by the USPTO during prosecution of the '435 Patent. *See* Docket No. 243 at 21.

Lone Star’s expert Dr. Ducharme explained that the '435 Patent and the '012 Patent both present a “different means of achieving color change.” Trial Tr. at 389:1–2. Dr. Ducharme testified that the “'012 [Patent] uses look-up tables, and the '435 [Patent] uses this arithmetic and logical operations.” *Id.* at 390:6–8. These are “different programming means.” *Id.* ASUS bears the burden of proving invalidity, and it did not properly address this distinction between look-up tables and arithmetic and logical operations between the '435 and '012 Patents.

Further, Lone Star provided evidence that the '012 Patent implicates “all of the pixels to effect the change.” *Id.* at 389:13–14. This is consistent with Claim 4 of the '012 Patent being directed towards changing all of the individual colors. Claim 4 of the '012 Patent states: “[t]he method of claim 1, whereby said color control parameters include a plurality of tangents, whereby each of said a plurality of tangents is used to control saturation of **all individual color** in the digital video input image.” '012 Patent, Cl. 4 (emphasis added). Consequently, ASUS’s reliance on this

claim in the '012 Patent to form the basis of its obviousness-type double patenting argument is unavailing as it runs counter to that claimed in the '435 Patent.

For these reasons, ASUS did not establish by clear and convincing evidence that Asserted Claims 1–3, 5, 6 and 13–15 of the '435 Patent are invalid for obviousness-type double patenting. The jury's findings are supported by substantial evidence; the Court will not reweigh the evidence. The verdict was not against the great weight of the evidence, and the Court declines to substitute its judgment for that of the jury. *See Conway v. Chem. Leaman Tank Lines, Inc.*, 610 F.2d 360, 363 (5th Cir. 1980).

Accordingly, ASUS's motion (Docket No. 239) for JMOL with respect to obviousness-type double patenting is **DENIED**.

2. *Anticipation and/or Obviousness*

ASUS argues that it is entitled to JMOL because U.S. Patent No. 5,850,471 (the "'471 Patent" or the "Brett reference" herein) anticipates and/or renders obvious Asserted Claims 1–3, 5, 6 and 13–15 of the '435 Patent. Docket No. 239 at 57. ASUS contends that it presented clear and convincing evidence of such at trial. *Id.*

ASUS also points to testimony by Lone Star's expert Dr. Ducharme wherein he testified that the Brett reference "has nothing to do with real time digital video" and "doesn't allow you to select an individual color." *Id.* at 58–59 (citing Trial Tr. at 365:7–10, 366:15–367:8). ASUS counters Dr. Ducharme's response by noting how the Abstract of the Brett reference discloses: a "digital video processing system for correcting video color and other attributes, such as pixel location and sharpness." '471 Patent at Abstract. ASUS asserts because the Brett reference "relates to a digital video processing system" and "more particularly, to a method employed by a

computer for correcting video color” Dr. Ducharme’s testimony is therefore inaccurate. Docket No. 239 at 60 (quoting ’471 Patent at 1:11–19).

ASUS notes that at trial, its expert Dr. Stevenson testified that Figure 13 of the Brett reference also shows a digital video processing system. *Id.* at 60–61 (citing ’471 Patent at Fig. 13; Trial Tr. at 714:3–17). ASUS also indicates that portions of the Brett reference disclose giving the “operator direct control over the relative proportions of six specific colors, the primaries (red, green and blue) and the secondaries (cyan, magenta and yellow).” *Id.* at 62 (citing ’471 Patent at 17:40–66). Due to this disclosure, ASUS contends that the Brett reference invalidates the ’435 Patent.

In the alternative, ASUS argues that it is entitled to a new trial on invalidity because the jury’s verdict was contrary to the great weight of the evidence. *Id.* at 63. In particular, ASUS highlights the sworn testimony of Dr. Ducharme, detailed above, contradicting the Brett reference—and not being tied to any specific limitation of the ’435 Patent. *Id.* at 63–64.

Lone Star responds that ASUS failed to meet its burden—by clear and convincing evidence—that the asserted claims of the ’435 Patent are anticipated and/or rendered obvious by the Brett reference. Docket No. 243 at 25. Specifically, Lone Star notes how its expert Dr. Ducharme testified that the Brett reference does not disclose real time digital video as claimed in the ’435 Patent. *Id.* (citing Trial Tr. at 365:7–10). Further, Lone Star highlights Dr. Ducharme’s testimony that the Brett reference does not permit the selection of individual colors. *Id.* at 25 (citing Trial Tr. at 366:15–367:8, 368–372).

Lone Star also argues that ASUS improperly attempts to shift the burden to prove validity to Lone Star. *Id.* Lone Star contends that it was ASUS’s expert Dr. Stevenson who inadequately addressed the ’435 Patent, in particular Element (b) of Claim 1: “selecting to independently change

the hue or saturation of an individual color in the real time digital video input image.” Lone Star asserts that ASUS provided testimony concerning selecting an individual color, which does not address the entirety of Element (b) of Claim 1 as described above. *Id.* at 26–27. Rather, Lone Star contends that the Brett reference shows that the hue or saturation of an individual color cannot be independently controlled. *Id.* at 27. Lone Star asserts that the Brett reference utilizes “*ranges* for color adjustment” instead. *Id.* (emphasis in original).

Lone Star also contends that Dr. Stevenson failed to explain how a “block labeled 15 called the Color Identification Table” identifies a plurality of said input image pixels having said selected individual color in the real time digital video input image with the hue or the saturation selected to be independently changed, by performing arithmetic and logical operations to satisfy Element (c) of Claim 1 of the ’435 Patent. *Id.* at 28 (quoting Trial Tr. at 719:3–9). Lone Star argues that ASUS only discussed this issue in one instance at trial and did so in a conclusory fashion: “[t]his is the piece of circuitry that [the] Brett [reference] uses to identify pixels of a certain color.” *Id.*

Lastly, Lone Star argues that ASUS did not address Element (e) of Claim 1 of the ’435 Patent (“displaying a real time digital video output image”) and failed to submit testimony or mention obviousness in light of the Brett reference. *Id.* at 28–29.

To invalidate patent claims based on prior art, the challenger to the patent must show by clear and convincing evidence that the earlier invention is prior art under 35 U.S.C. § 102 and the earlier invention includes all elements of the claims at issue. *Netscape Commc’ns. Corp. v. Konrad*, 295 F.3d 1315, 1320 (Fed. Cir. 2002). A patent is invalid as obvious pursuant “if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” 35 U.S.C. § 103(a).

ASUS did not meet its burden to establish that Asserted Claims 1–3, 5, 6 and 13–15 of the '435 Patent are invalid due to anticipation or obviousness. As an initial matter, issued patents are presumed valid. 35 U.S.C. § 282. The jury considered Lone Star's expert Dr. Ducharme's testimony that the Brett reference does not disclose real time digital video. Trial Tr. at 365:7–10. And Dr. Ducharme testified that the Brett reference does not permit individual colors to be selected. *Id.* at 366:15–367:8, 368–372. ASUS did not fully rebut these points. Further, ASUS's expert Dr. Stevenson did not address—in a non-conclusory manner—how the “Color Identification Table” in the Brett reference corresponds to Element (c) of Claim 1 of the '435 Patent. *See id.* at 719:3–9 (“This is the piece of circuitry that Brett uses to identify pixels of a certain color.”). And Dr. Stevenson's testimony does not account for the “displaying a real time digital video output image” limitation in Element (e).

For these reasons, ASUS did not establish by clear and convincing evidence that Asserted Claims 1–3, 5, 6 and 13–15 of the '435 Patent are anticipated and/or rendered obvious by the Brett reference. The jury's findings are supported by substantial evidence; the Court will not reweigh the evidence. The verdict was not against the great weight of the evidence, and the Court declines to substitute its judgment for that of the jury. *See Conway v. Chem. Leaman Tank Lines, Inc.*, 610 F.2d 360, 363 (5th Cir. 1980).

Accordingly, ASUS's motion (Docket No. 239) for JMOL that Asserted Claims 1–3, 5, 6 and 13–15 of the '435 Patent are anticipated and/or obvious is **DENIED**.

* * *

Having considered ASUS's arguments for its Combined Renewed Motions for JMOL, Motions for Remittitur and Alternative Motions for New Trial (Docket No. 239) is **GRANTED-IN-PART** and **DENIED-IN-PART** for the reasons detailed above. It is hereby

ORDERED that ASUS's Motion (Docket No. 239) as to (1) Lone Star's standing to bring suit; (2) non-accused products; and (3) non-identified products is **DENIED**. It is further

ORDERED that ASUS's Motion for JMOL (Docket No. 239) as to (1) direct infringement; (2) contributory infringement; (3) induced infringement; (4) obviousness-type double patenting; and (5) anticipation and/or obviousness is **DENIED**. It is further

ORDERED that ASUS's Motion for Remittitur (Docket No. 239) is **DENIED** and the Court **ORDERS** a new trial on damages. The parties are therefore

ORDERED to meet and confer and submit a joint status report to the Court within **fourteen (14) days** on a proposed schedule encompassing: (1) limited discovery and (2) supplemental expert reports for a new trial on damages to be held beginning Monday, **July 18, 2022 in Tyler, Texas**. The Court will set a status conference on these issues as needed.

II. MOTION TO STRIKE EXCESS PAGES

Lone Star moves to strike ASUS's Renewed Motion for Judgment as a Matter of Law (Docket No. 239) because it exceeds the page limits established by the local rules. Docket No. 240 at 1. Specifically, Lone Star asserts that ASUS's 58-page brief is nearly double the allotted page limit found in Local Rule CV-7. *Id.* at 1–2.

ASUS responds that Local Rule CV-50 “mean[s] that a party can have up to 60 pages for 50(b) JMOL motions without seeking leave of the court and regardless of how many pages the party used for its 50(a) JMOL motions.” Docket No. 245 at 5.

Pursuant to Local Rule CV-7(a)(1), “[c]ase dispositive motions shall not exceed thirty pages ... unless leave of court is first obtained.” JMOL is a case dispositive motion and leave from the Court was not sought by ASUS to file a brief that exceeded the page limit.

Despite ASUS exceeding the aggregate limit prescribed by the local rules, however, its filings do not overly prejudice Lone Star. This patent litigation was an involved matter with many different issues put on at trial. ASUS spends much of its JMOL briefing making repeated recitation of the underlying facts. And Lone Star was permitted a sur-reply brief to further air its arguments in response. *See* Docket No. 253.

For these reasons, Lone Star's Motion to Strike (Docket No. 240) ASUS's Renewed Motion for Judgment as a Matter of Law (Docket No. 239) is **DENIED**.

III. MOTION TO STRIKE DECLARATION OF JESSE RICE

ASUS moves to strike the declaration of Rice (Docket No. 243-1) that is attached to Lone Star's response (Docket No. 243) to ASUS's Combined Renewed Motions for JMOL, Motions for Remittitur and Alternative Motions for New Trial (Docket No. 239). Docket No. 246. ASUS requests to strike the declaration because "[t]he Rice Declaration is untimely. The trial was Lone Star's last and final opportunity to present evidence of standing through patent ownership." *Id.* at 2.

Lone Star responds that "the Court may deny ASUS's motion as moot because Lone Star does not need the Rice Declaration to defeat ASUS's [] standing challenge" because "ASUS never disputed Lone Star's patent ownership in the pre-trial order or Lone Star's evidence of ownership at trial." Docket No. 252 at 1.

Here, ASUS "did not raise standing as an issue to be tried in the pretrial order." *Impax Labs., Inc. v. Lannett Holdings, Inc.*, 246 F. Supp. 3d 1024, 1028 (D. Del. 2017) (allowing post-trial declaration in response to defendants' standing challenge post-trial). The declarant Rice has personal knowledge of the statements made in his declaration. Docket No. 243-1. The facts

alleged by the declarant are supported recollections—corroborated by USPTO records—of his business operations as they relate to ownership and assignment of the '435 Patent.

For these reasons, ASUS's Motion to Strike (Docket No. 246) the declaration of Rice (Docket No. 243-1) is **DENIED**.

IV. BENCH TRIAL ON SECTION 101

ASUS also advanced an invalidity defense based on Section 101 in this matter. Docket No. 251. In particular, ASUS argues that:

- (1) Asserted Claims 1–3, 5, 6 and 13–15 of the '435 Patent are inoperable under 35 U.S.C. § 101 and are therefore invalid; and
- (2) Asserted Claims 1–3, 5, 6 and 13–15 of the '435 Patent lack utility under 35 U.S.C. § 101 and are therefore invalid.

A bench trial on these issues occurred on August 18, 2021. Docket No. 257. The Court now sets forth its findings of facts and conclusions of law as required by Federal Rule of Civil Procedure 52(a).

A. Inoperability

1. Findings of Fact

a. Allegations

[FF1] ASUS alleges that the following element of Claim 1 of the '435 Patent is impossible to perform: “whereby the hue or the saturation of said selected individual color in the real time digital video input image has been changed without affecting the hue or the saturation of any other individual color.” Docket No. 251 at 4. Consequently, ASUS argues that Claim 1 of the '435 Patent, and dependent Claims 2, 3, 5, 6 and 13–15, are inoperable under 35 U.S.C. § 101. *Id.*

[FF2] Specifically, ASUS alleges that “[i]t is impossible to meet the ‘without affecting’ limitation of Claim 1 under the definition of ‘individual color’ as was used at the jury trial to allege infringement” This is so because, for example, “Magenta is both Red and Blue because it contains both Red and Blue in non-zero quantities. Thus, by changing hue/saturation of Red, which in turn changed hue/saturation of Magenta, hue/saturation of Blue was also affected.” *Id.* at 7; Stevenson Decl. ¶ 25.

[FF3] ASUS’s argument entails that “it is impossible to change hue/saturation of one individual color without affecting the hue/saturation of any other individual color.” Docket No. 251 at 4. According to ASUS, “[b]ecause two individual colors changed, the ‘without affecting’ limitation of Claim 1 was not met.” *Id.* at 6–7; Stevenson Decl. ¶ 27.

b. Testimony of Dr. Ducharme

[FF4] ASUS relies on its interpretation of Lone Star’s expert Dr. Ducharme’s testimony at trial to make its inoperability arguments. First, ASUS alleges that “Dr. Ducharme testified that any individual color that contains a non-zero quantity of Red is Red, under the Court’s construction of individual color.” Docket No. 251 at 4. But the Court concludes otherwise. Rather, Dr. Ducharme was testifying about the identification of input image pixels that have the selected individual color for hue or saturation control. *See* Trial Tr. at 293:13–21 (Q. Okay. Dr. Ducharme, will you please continue? I would like for you to drop the red and explain what we’re looking at here. A. Okay. So I’m back to the menu, and I’m going to now change red by decreasing it. And all the colors there that have a red component are going to change. All the colors that do not have a red component do not change. That’s why I’m moving that slider back and forth so you can maybe look at one of these colors and see the change.); *see also* Ducharme Decl. ¶¶ 5–6.

[FF5] The Court credits the testimony below from Dr. Ducharme concerning identification of input image pixels that have the selected individual color:

Q. Okay. Can you read that for us, please.

A. ‘Dr. Ducharme testified that if a color contains Red in a non-zero quantity, then that color is Red.’

Q. Did you ever make such testimony?

A. I don’t believe so.

Q. And when you were talking about having non-zero qualities, were you talking the identification step of the patent?

A. Yes.

Q. And so, basically, do you think that the defendants have mischaracterized your testimony here?

A. Yes.

Bench Trial Tr. at 53:19–54:4.

[FF6] ASUS also alleges that “under the Court’s definition of individual color, according to Dr. Ducharme, (0, 100, 0) Green is the same individual color as (100, 100, 0), namely Green (also Red or Yellow). That is so because they each—(0, 100, 0) and (100, 100, 0)—have a non-zero Green component, according to Dr. Ducharme.” Docket No. 251 at 7. But the Court concludes otherwise. There is no statement in the record to this effect from Dr. Ducharme. For the reasons stated above, Dr. Ducharme has instead testified about the identification of input image pixels that have the selected individual color for hue or saturation control. *See* FF4–FF5.

[FF7] ASUS further argues that “Dr. Ducharme also testified that even if the Red component is zero in a particular individual color, that color can be called Red under the Court’s definition of individual color.” Docket No. 251 at 7. But the Court concludes otherwise. There is no statement in the record to this effect from Dr. Ducharme. For the reasons stated above, Dr.

Ducharme has instead testified about the identification of input image pixels that have the selected individual color for hue or saturation control. *See* FF4–FF6; *see also* Trial Tr. at 488–89.

[FF8] The Court credits the un rebutted testimony of Dr. Ducharme, who stated and demonstrated at trial how he can “change the slider and change the red axis, [such that he is] selecting the red color, the red changes on the screen. So what changes? The red. What does not change? The green and the blue” Trial Tr. at 290:5–17; *see also* Ducharme Decl. ¶ 4 (“If I were to change the saturation of the color red on the 3-axis display, then green and blue would not change, while magenta would. This is because image input pixels with magenta (on a 3-axis display) contain a sufficient amount of ‘red’ to qualify to be changed.”); *id.* ¶ 5 (“For a 6-axis display . . . I can select an individual color of red, green, blue, cyan, magenta and yellow to be changed . . . If I were to change the saturation of the color red on the 6-axis display, then none of the other pixels with the qualifying individual color red would change.”).

[FF9] From this testimony and evidence at trial, the Court determines that Lone Star has demonstrated that the saturation of red can change and have no effect on the saturation of green or blue in the appropriate, corresponding displays.

c. Claim Construction

[FF10] Claim 1 of the ’435 Patent requires, in pertinent part, a “method for independently controlling hue or saturation of individual colors in a real time digital video image, comprising the steps of”:

- (a) receiving and characterizing the real time digital video input image featuring input image pixels;
- (b) selecting to independently change the hue or the saturation of an individual color in the real time digital video input image . . . ;
- (c) identifying a plurality of said input image pixels having said selected individual color in the real time digital video input image with the hue or the saturation selected to be

independently changed, by performing arithmetic and logical operations using input image pixel values of each said input image pixel of the real time digital video input image;

(d) determining corresponding output image pixel values for each of said plurality of said input image pixels identified as having said selected individual color in the real time digital video input image with the hue or the saturation selected to be independently changed . . . ;

(e) displaying a real time digital video output image including said corresponding plurality of said output image pixels having said selected individual color with the hue or the saturation selected to be independently changed in the real time digital video input image, whereby the hue or the saturation of said selected individual color in the real time digital video input image has been changed without affecting the hue or the saturation of any other individual color in the real time digital video input image.

'435 Patent at 27:7–54.⁶

[FF11] The Court construed “input image pixel” as “input data that includes color or color components values and that can be plotted in an input grid of a display device.” Docket No. 105 at 21.

[FF12] The Court construed “without affecting the hue or saturation of any other individual color” as “without affecting the hue or saturation of any other individual color in the remaining plurality of input image pixels.” *Id.* at 16.

[FF13] The Court construed “individual color” as “linear combination of colors or color components.” *Id.* at 12.

[FF14] In construing “individual color,” the Court explained that “[d]epending on the relevant color space, red, green, blue, yellow, cyan and magenta can be both an individual color and a color component.” *Id.*

[FF15] To that effect, the Court credits Dr. Ducharme’s testimony:

Q. So yellow contains two individual colors, red and green; correct?

⁶ The Court’s operability analysis is the same for Claims 2, 3, 5, 6 and 13–15, which depend from Claim 1 of the ’435 Patent and contain additional, narrower limitations as those described above.

A. So you're—you're using different terms. The R, G, and B signifiers on the slide represent the amounts of component colors that the monitor is to use for each pixel to additively create this color. So I—you know, you're—you're conflating terms here. If you ask me if red, the word red, could represent something that's an individual color, I would say yes. If you say—if you're asking me if red is a word that could define a component color, I would have to say yes. They're different terms. Just because the word red is used doesn't mean it's used the same as a component color or an individual color.

Bench Trial Tr. at 66:11–22.

[FF16] In detailing the construction of “individual color,” the Court provided an example that when red is selected to be changed, “[p]ixels are identified as ‘having red’ when they satisfy logical conditions, not when they correspond to a particular color point.” Docket No. 105 at 14.

[FF17] Lastly, for purposes of this analysis, the Court construed “by performing arithmetic and logical operations” to have its plain and ordinary meaning. *Id.* at 37.

d. Pixel Identification

[FF18] The '435 Patent specification describes the term “arithmetic and logical operations” by which certain pixels are identified. '435 Patent at 4:8–9. The specification details how:

In case 1, where the independent red hue control delta value, H_r , or, the independent red saturation delta value S_r , of Step (b), is not equal to zero, there is identifying each input image pixel having red, R , as the individual color whose hue or saturation was selected to be independently changed, according to the following logical conditions:

$R_{in} > [Arg + G_{in}]$ and $R_{in} > [Arb + B_{in}]$, where Arg and Arb are positive constants.

Id. at 10:26–32.

[FF19] The '435 Patent specification clarifies that “this step [above] is for identifying only, and not for changing or affecting, input image pixels.” *Id.* at 9:62–63.

[FF20] Accordingly, the Court determines that if the hue or saturation of an individual color is selected to be changed—such to accomplish the identifying step in Element (c) of Claim 1—then arithmetic and logical operations are utilized to determine which input image pixels are affected. *See* '435 Patent at 10:31–11:12.

e. Hue or Saturation Change Pursuant to Inequality

[FF21] If a user selects the individual color red on an ASUS 3-axis display, the input image pixels that satisfy the inequality in the display ($R_{\text{component}} > 0$) will change. For example, that determination here means if the saturation of red is changed on a 3-axis display, red and magenta will change while blue will not change. *See* FF16–FF20; *see also* Trial Tr. at 290:5–17 (“[I]f another individual color does not satisfy the inequality, then the hue or saturation will not change.”).

[FF22] Accordingly, for the reasons above, the Court credits the evidence favoring Lone Star on this issue and finds that the hue or the saturation of said selected individual color in the real time digital video input image has been changed without affecting the hue or the saturation of any other individual color.

2. *Conclusions of Law*

[CL1] Based on the Findings of Fact set forth above and the Federal Circuit law on operability identified below, the Court concludes that Asserted Claims 1–3, 5, 6 and 13–15 of the '435 Patent are operable.

a. Legal Standard

[CL2] “Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.” 35 U.S.C. § 101.

[CL3] “The utility requirement of § 101 mandates that the invention be operable to achieve useful results.” *In re Swartz*, 232 F.3d 862, 863 (Fed. Cir. 2000).

[CL4] Inoperability under § 101 “applies primarily to claims with impossible limitations.” *CFMT, Inc. v. YieldUp Int’l Corp.*, 349 F.3d 1333, 1339 (Fed. Cir. 2003) (citing *Process Control Corp. v. HydReclaim Corp.*, 190 F.3d 1350, 1359 (Fed. Cir. 1999) (finding the claims to be inoperable because they require violating the principle of conservation of mass); *Newman v. Quigg*, 877 F.2d 1575, 1577 (Fed. Cir. 1989) (finding claims directed to a perpetual motion machine inoperable).

[CL5] Simply because “an invention has only limited utility and is only operable in certain applications is not grounds for finding lack of utility.” *Stiftung v. Renishaw PLC*, 945 F.2d 1173, 1180 (Fed. Cir. 1991).

[CL6] An invention “having an inoperable or impossible claim limitation may lack utility under 35 U.S.C. § 101 and certainly lacks an enabling disclosure under 35 U.S.C. § 112.” *EMI Grp. N. Am., Inc. v. Cypress Semiconductor Corp.*, 268 F.3d 1342, 1348 (Fed. Cir. 2001).

[CL7] “Even if some of the claimed combinations were inoperative, the claims are not necessarily invalid.” *Id.*

[CL8] “[T]he party alleging inoperability must show that each disclosed embodiment in the patents was impossible or not enabled.” *Id.*

[CL9] Pursuant to 35 U.S.C. § 282(a), “[an issued] patent shall be presumed valid.”

[CL10] The party alleging inoperability has the burden to prove—by clear and convincing evidence—that the claim as a whole is inoperable. *EMI Grp.*, 268 F.3d at 1349.

b. Without Affecting Limitation

[CL11] ASUS asserts that Asserted Claims 1–3, 5, 6 and 13–15 of the ’435 Patent are inoperable because “it is impossible to change hue/saturation of one individual color without affecting the hue/saturation of any other individual color.” *See* FF3 (citing Docket No. 251 at 4).

[CL12] But the Court concludes otherwise. If the hue or saturation of individual color red is selected for change, then arithmetic and logical operations are used to determine which input image pixels are affected. *See* FF17–22.

[CL13] Applying the constructions of “individual color” and “without affecting the hue or saturation of any other individual color,” if a user selects the individual color red on a 3-axis display, the input image pixels that satisfy the inequality in the display change accordingly. Here, that means if, for example, the saturation of red is changed on a 3-axis display, red and magenta will change and blue will not. *See id.*; *see also* FF12–16.

[CL14] This operation means that the hue or saturation of any other individual color in the remaining plurality of input image pixels are not affected.

[CL15] Therefore, the “without affecting” limitation functions as described and is not impossible.

[CL16] ASUS has not shown that each or any of the disclosed embodiments in the patents were not possible or “that the claim as a whole is inoperable.” *EMI Grp.*, 268 F.3d at 1348.

[CL17] And ASUS does not properly evaluate an arithmetic or logical operation disclosed in the ’435 Patent to account for the identifying step in Element (c) of Claim 1.

[CL18] The Court finds ASUS has not satisfied its burden to prove that Asserted Claims 1–3, 5, 6 and 13–15 of the ’435 Patent are inoperable.

[CL19] Because the asserted claims of the '435 Patent are operable and possible, ASUS's inoperability argument under Section 101 fails as a matter of law.

B. Utility

1. Findings of Fact

a. Allegations

[FF23] ASUS argues that “Claim 1 [and its dependent claims] ha[ve] no utility because the contents of input and output pixels are the same.” Docket No. 251 at 8; *see* Stevenson Decl. ¶ 24 (“In this method, as recited in claim 1, the output is the same as the input . . . It would be nonsensical to implement an entire system for performing all the steps without affecting the data to be output.”); *see also* Bench Trial Tr. at 8:17–21 (“[A]s a result of that language, the output pixels are basically set to—identical to the input pixels, and so the net result of everything is no processing. You know, whatever other steps you had done are kind of thrown away and the output pixels just are equal to the input pixels as if you did nothing.”).

[FF24] In particular, ASUS argues that:

[T]he algorithm claimed in the various steps of claim 1, when performed, does nothing to the output. If the hue or saturation was actually changed, then the color would no longer be the ‘selected individual color,’ but rather a different color based on the alteration of hue or saturation. Thus, when the claim language is considered appropriately, the identified input pixels, the corresponding output pixels, and the displayed output pixels all have the same color.

Docket No. 251 at 8; *see* Stevenson Decl. ¶ 78 (“[I]f the hue or the saturation was actually changed, then the color would no longer be the ‘selected individual color,’ but rather a different color based on the alteration of hue or saturation.”).

[FF25] ASUS's expert Dr. Stevenson alleges that “no steps are recited that accomplish that intended result” of controlling or changing the hue or saturation of a color. Stevenson Decl. ¶ 82.

b. Determining Step

[FF26] Element (d) of Claim 1 of the '435 Patent requires:

(d) determining corresponding output image pixel values for each of said plurality of said input image pixels identified as having said selected individual color in the real time digital video input image with the hue or the saturation selected to be independently changed, by separately evaluating independent color hue control functions or independent color saturation control functions, respectively, using said input image pixel values of said plurality of said input image pixels, and using corresponding said selected independent color hue control delta value or said corresponding selected independent color saturation control delta value, for forming a corresponding plurality of output image pixels having said selected individual color with the hue or the saturation selected to be independently changed.

'435 Patent at 27:29–44.

[FF27] Element (d) of Claim 1 of the '435 Patent determines a set of output image pixels “by separately evaluating independent color hue control functions or independent color saturation control functions.” *Id.*

[FF28] The '435 Patent specification describes this operation in detail:

Accordingly, in Step (d), more specifically, there is determining corresponding output image pixel values, R_{out} , G_{out} , B_{out} , for each of the plurality of input image pixels, $I[i,j: R_{in}, G_{in}, B_{in}]$, identified, according to previously described Step (c), as having the individual color in the real time digital video input image whose hue or saturation was selected to be independently changed, by separately evaluating independent color hue control functions, $F_h(\text{color-hue})$, or, independent color saturation control functions, $F_s(\text{color-saturation})$, respectively, using the input image pixel values, R_{in} , G_{in} , B_{in} , of the plurality of input image pixels, $I[i,j: R_{in}, G_{in}, B_{in}]$, identified as having the individual color in the real time digital video input image whose hue or saturation was selected to be independently changed, and using the corresponding selected independent color hue control delta value, H_{clr} , or the corresponding selected independent color saturation control delta value, S_{clr} , respectively, for forming a corresponding plurality of output image pixels, $O[s,t: R_{out}, G_{out}, B_{out}]$, having the individual color whose hue or saturation was selected to be independently changed.

'435 Patent at 11:56–12:8.

[FF29] The Court credits Dr. Ducharme’s declaration testimony where he explained that the “color [hue/saturation] functions alter the hue or saturation of the output image pixels

using an independent color [hue/saturation] control delta value.” Ducharme Decl. ¶ 9; *see also id.* ¶ 11 (“The complete language of step (d) informs one of ordinary skill that the independent color control function adjusts selected pixels using control delta values to arrive at the values of the output image pixels.”).

[FF30] Accordingly, this “determining step” in Element (d) of Claim 1 of the ’435 Patent is how output image pixels are determined, by using color control functions based in delta values. *Id.* ¶ 9.

[FF31] The color control functions will then plot the output image pixels in the real time digital video output image. ’435 Patent at 11:56–12:8.

[FF32] The Court notes that the “selected” individual color limitation in Element (d) of Claim 1 is utilized to refer back to the pixels identified in Element (c) of Claim 1; a set of corresponding output image pixels are determined from the input image pixels identified in Element (c) of Claim 1. *See id.*; *see also* Ducharme Decl. ¶¶ 9–11. The Court in claim construction previously determined that “the whereby clause refers back to Element (d), which describes changing a set of input pixels.” Docket No. 105 at 16–17.

[FF33] For these reasons, Element (d) of Claim 1 of the ’435 Patent determines a set of output image pixels that correspond to identified input image pixels.

[FF34] Therefore, the output image pixels are different from the input image pixels following the operation described. *See* FF26–33.

[FF35] ASUS’s expert Dr. Stevenson acknowledged that if a user entered a value for the color control function variables, the output image pixels would change.

Q. (Mr. Liddle continued.) Okay. Dr. Stevenson, if you looked at one of these color control functions, and you put in some assumed valuables for these variables, would you come up with different values for the output image pixels?

A. If I—if I add numbers, you know, that—to some of these equations, I could put—I could put colors in, and I would get colors out. That would potentially be different, depending on what values I used.

Bench Trial Tr. at 28:17–24; *see also id.* at 29:7–25.

[FF36] Accordingly, for the reasons above, the Court credits the evidence favoring Lone Star on this issue and finds that the output image pixels are different from the input image pixels in Element (d) of Claim 1 of the '435 Patent. This is so because input image pixels are identified and then color control functions are utilized to determine corresponding output image pixels which are then shown on the display.

2. *Conclusions of Law*

[CL20] Based on the Findings of Fact set forth above and the Federal Circuit law on utility identified below, the Court concludes that the Asserted Claims 1–3, 5, 6 and 13–15 of the '435 Patent have utility.

a. Legal Standard

[CL21] Section 101 requires that “[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.” 35 U.S.C. § 101.

[CL22] Accordingly, the invention must be “useful,” or have a practical application or utility, to not be invalid pursuant to 35 U.S.C. § 101.

[CL23] An invention must be capable of some beneficial use to have utility. *Juicy Whip, Inc. v. Orange Bang, Inc.*, 185 F.3d 1364, 1366 (Fed. Cir. 1999) (“The threshold of utility is not high: An invention is ‘useful’ under section 101 if it is capable of providing some identifiable benefit.”).

[CL24] To violate § 101 “the claimed device must be totally incapable of achieving a useful result.” *Brooktree Corp. v. Advanced Micro Devices, Inc.*, 977 F.2d 1555, 1571 (Fed. Cir. 1992).

[CL25] “A[n issued] patent shall be presumed valid.” 35 U.S.C. § 282(a).

[CL26] The patent challenger has the burden to prove the asserted claims of the ’435 Patent lack utility by a showing of clear and convincing evidence. *See, e.g., Glaxosmithkline LLC v. Banner Pharmacaps, Inc.*, No. 11-046-RGA, 2013 U.S. Dist. LEXIS 112440 (D. Del. Aug. 9, 2013), *aff’d* 2014 U.S. App. LEXIS 3356 (Fed. Cir. Feb. 24, 2014).

b. Utility Determination

[CL27] ASUS asserts that “Claim 1 has no utility because the contents of input and output pixels are the same” and therefore no change to the hue or saturation occurs as claimed. Docket No. 251 at 8; Bench Trial Tr. at 9:20–23 (“Q. So if I may summarize your position, are you saying that this claim is not useful because the contents of the input image pixels and output image pixels are the same? A. Correct.”).

[CL28] But the Court concludes otherwise. Element (d) of Claim 1 of the ’435 Patent requires separately evaluating independent color hue control functions or independent color saturation control functions. *See* FF26–30.

[CL29] These color control functions alter the hue or saturation of the output image pixels utilizing an independent color control delta value. *See* FF29–30.

[CL30] Accordingly, the functionality of Element (d) of Claim 1 of the ’435 Patent is how the invention contemplates determining output image pixels: by using color control functions based in delta values. *See id.*

[CL31] The Court finds that the output image pixels are different from the input image pixels in Element (d) of Claim 1 of the '435 Patent. Input image pixels are identified then color control functions are utilized to determine corresponding output image pixels which are then shown on the display. *See* FF31–34.

[CL32] Consequently, Claim 1 of the '435 Patent has a practical application—the input and output pixels are changed, and do not remain the same as contemplated by ASUS—and functions as claimed.

[CL33] The Court finds ASUS has not satisfied its burden to prove that Asserted Claims 1–3, 5, 6 and 13–15 of the '435 Patent lack utility.

[CL34] Because ASUS has not established that Asserted Claims 1–3, 5, 6 and 13–15 of the '435 Patent lack utility, ASUS's argument under § 101 fails as a matter of law.

* * *

Having considered ASUS's arguments that Asserted Claims 1–3, 5, 6 and 13–15 of the '435 Patent are Invalid Under 35 U.S.C. § 101, ASUS's Motion (Docket No. 251) is **DENIED** for the reasons detailed above.

CONCLUSION

For the reasons stated herein, ASUS's Combined Renewed Motions for JMOL, Motions for Remittitur and Alternative Motions for New Trial (Docket No. 239) is **GRANTED-IN-PART** and **DENIED-IN-PART**. It is hereby

ORDERED that ASUS's Motion (Docket No. 239) as to (1) Lone Star's standing to bring suit; (2) non-accused products; and (3) non-identified products is **DENIED**. It is further

ORDERED that ASUS's Motion for JMOL (Docket No. 239) as to (1) direct infringement; (2) contributory infringement; (3) induced infringement; (4) obviousness-type double patenting; and (5) anticipation and/or obviousness is **DENIED**. It is further

ORDERED that ASUS's Motion for Remittitur (Docket No. 239) is **DENIED** and the Court **ORDERS** a new trial on damages. The parties are therefore

ORDERED to meet and confer and submit a joint status report to the Court within **fourteen (14) days** on a proposed schedule encompassing: (1) limited discovery and (2) supplemental expert reports for a new trial on damages to be held beginning Monday, **July 18, 2022 in Tyler, Texas**. The Court will set a status conference on these issues as needed. It is further

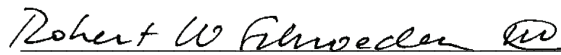
ORDERED that Lone Star's Motion to Strike (Docket No. 240) ASUS's Renewed Motion for Judgment as a Matter of Law (Docket No. 239) is **DENIED**. It is further

ORDERED that ASUS's Motion to Strike (Docket No. 246) the declaration of Rice (Docket No. 243-1) is **DENIED**. It is further

ORDERED that ASUS's Motion that the Asserted Claims of the '435 Patent are Invalid Under 35 U.S.C. § 101 (Docket No. 251) is **DENIED**.

IT IS SO ORDERED.

SIGNED this 18th day of March, 2022.


ROBERT W. SCHROEDER III
UNITED STATES DISTRICT JUDGE

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

LONE STAR TECHNOLOGICAL
INNOVATIONS, LLC,

Plaintiff,

v.

ASUSTEK COMPUTER INC.,

Defendant.

§
§
§
§
§
§
§
§
§
§
§

CIVIL ACTION NO. 6:19-CV-00059-RWS

ORDER

Before the Court are (1) Plaintiff Lone Star Technological Innovations, LLC’s (“Lone Star”) Renewed Motion for Judgment as a Matter of Law (“JMOL”) Concerning Willful Infringement (Docket No. 367) and (2) Defendant ASUSTek Computer Inc.’s (“ASUS”) Combined Renewed Motions for Judgment as a Matter of Law Concerning Damages and Motion for Remittitur (Docket No. 368). The Court heard oral argument on these motions on July 29, 2022. Docket No. 375.

Having considered the arguments as well as written submissions, for the reasons detailed below:

- Lone Star’s Renewed Motion for JMOL Concerning Willful Infringement (Docket No. 367) is **DENIED**; and
- ASUS’s Combined Renewed Motions for JMOL Concerning Damages and Motion for Remittitur (Docket No. 368) is **DENIED**.

BACKGROUND

On February 20, 2019, Lone Star sued ASUS for infringing Asserted Claims 1–3, 5, 6 and 13–15 of U.S. Patent No. 6,724,435 (the “ ’435 Patent”). Docket No. 1. The ’435 Patent is entitled a “[m]ethod for independently controlling hue or saturation of individual colors in a real time digital video image” and is directed to adjusting the color on certain real time digital video image displays without affecting the hue or saturation of any other color. ’435 Patent at Abstract. Lone Star alleged ASUS “manufactures, provides, sells, offers for sale, and/or distributes infringing devices, including monitors, and/or projectors” such as the ASUS PA27AC 27-inch WQHD Monitor (the “accused product(s)” herein). Docket No. 1 ¶ 14.

Ultimately, Lone Star prevailed at trial. Docket No. 228. The jury found that ASUS infringed the asserted claims—which were deemed valid, both novel and non-obvious—and damages were awarded to Lone Star. *Id.* at 2–5. Following trial, ASUS moved for JMOL on a variety of issues including: standing, infringement, validity and damages. Docket No. 239. The Court denied ASUS’s motion in all respects, except the Court ordered a new trial on damages because “the jury’s damages award was unsupported and therefore against the great weight of the evidence.” *See* Docket No. 268 at 15.

A second trial limited to the issue of damages—and post-verdict willful infringement—was held between June 27–29, 2022. *See* Docket Nos. 339, 345, 351. The jury found that ASUS owed \$659,106.40 in damages and that its conduct post-verdict was not willful. *See* Docket No. 355.

Lone Star now asks this Court to set aside the jury’s determination of no willfulness. Docket No. 367. ASUS opposes Lone Star’s renewed JMOL motion. Docket No. 370. For its part, ASUS requests the Court determine that: (1) Lone Star’s damages award should be limited to include no more than one unit of each type of product; (2) Lone Star’s damages award should

not encompass non-accused products; (3) Lone Star's damages award should not include non-identified products. Docket No. 368. Lone Star opposes ASUS's combined post-trial motion. Docket No. 369.

LEGAL STANDARD

Judgment as a matter of law is only appropriate when “a reasonable jury would not have a legally sufficient evidentiary basis to find for the party on that issue.” FED. R. CIV. P. 50(a). “The grant or denial of a motion for judgment as a matter of law is a procedural issue not unique to patent law, reviewed under the law of the regional circuit in which the appeal from the district court would usually lie.” *Finisar Corp. v. DirecTV Grp., Inc.*, 523 F.3d 1323, 1332 (Fed. Cir. 2008).

Under Fifth Circuit law, a court is to be “especially deferential” to a jury's verdict and must not reverse the jury's findings unless they are not supported by substantial evidence. *Baisden v. I'm Ready Prods., Inc.*, 693 F.3d 491, 499 (5th Cir. 2012). “Substantial evidence is defined as evidence of such quality and weight that reasonable and fair-minded men in the exercise of impartial judgment might reach different conclusions.” *Threlkeld v. Total Petroleum, Inc.*, 211 F.3d 887, 891 (5th Cir. 2000). The Court will “uphold a jury verdict unless the facts and inferences point so strongly and so overwhelmingly in favor of one party that reasonable men could not arrive at any verdict to the contrary.” *Cousin v. Trans Union Corp.*, 246 F.3d 359, 366 (5th Cir. 2001); *see also Int'l Ins. Co. v. RSR Corp.*, 426 F.3d 281, 296 (5th Cir. 2005). However, “[t]here must be more than a mere scintilla of evidence in the record to prevent judgment as a matter of law in favor of the movant.” *Arismendez v. Nightingale Home Health Care, Inc.*, 493 F.3d 602, 606 (5th Cir. 2007) (citing *Laxton v. Gap, Inc.*, 333 F.3d 572, 577 (5th Cir. 2003)).

In evaluating a motion for judgment as a matter of law, a court must “draw all reasonable inferences in the light most favorable to the verdict and cannot substitute other inferences that [the court] might regard as more reasonable.” *E.E.O.C. v. Boh Bros. Const. Co., L.L.C.*, 731 F.3d 444, 451 (5th Cir. 2013). Although the court must review the record as a whole, it must disregard all evidence favorable to the moving party that the jury is not required to believe. *Ellis v. Weasler Eng’g Inc.*, 258 F.3d 326, 337 (5th Cir. 2001). However, a court may not make credibility determinations or weigh the evidence, as those are solely functions of the jury. *See id.* (citing *Reeves v. Sanderson Plumbing Prods., Inc.*, 530 U.S. 133, 150–51 (2000)). The Court gives “credence to evidence supporting the moving party that is uncontradicted and unimpeached if that evidence comes from disinterested witnesses.” *Arismendez*, 493 F.3d at 606.

ANALYSIS

I. Willful Infringement

A. Post-Verdict Willfulness

Lone Star argues that ASUS acted willfully in continuing to sell the accused products and induce infringement post-verdict. Docket No. 367 at 1.

Lone Star contends that ASUS’s corporate representative Jaime Morquecho testified that after ASUS received the jury verdict in May 2021 it continued to sell tens of millions more of the accused products in the subsequent year. *Id.* at 2 (citing Trial Tr. (Day 2) at 363:1–364:11). Lone Star further maintains that Morquecho testified that ASUS continues to promote the infringing features that induce its customers to infringe. *Id.* (citing Trial Tr. (Day 2) at 366:5–25); *see also id.* at 5.

In addition, Lone Star asserts that ASUS executive James Lee testified at the new trial on damages that because the jury verdict was a “surprisingly high amount,” ASUS decided to continue

selling the accused products without making any changes. *Id.* (citing Trial Tr. (Day 2) at 505:18–506:8); *see also id.* at 5. Lone Star also argues that Lee denied any knowledge of patent licenses or that a lump sum payment (which went unpaid to Lone Star) would constitute such a license. *Id.* (citing Trial Tr. (Day 2) at 506:17–510:3).

Lone Star also maintains that ASUS’s infringement after the May 2021 jury verdict was both deliberate and intentional; according to Lone Star, ASUS’s subjective intent was not just unreasonably risky but certain to occur. *Id.* at 3; *see also id.* at 5–6. Finally, Lone Star notes that ASUS did not plead that it had a post-verdict license or an advice-of-counsel defense. *Id.* at 6. Rather, Lone Star contends that ASUS simply provided attorney argument during closings to the jury on this issue. Docket No. 371 at 3.

ASUS first responds that Lone Star did not carry its burden by showing evidence of willful infringement. Docket No. 370 at 2. Specifically, ASUS maintains that the jury was instructed to consider the following two factors, but Lone Star showed no evidence of such: (1) whether or not ASUS acted consistently with the standards of behavior for its industry and (2) whether or not ASUS tried to cover up its infringement. *Id.* at 2–3 (citing Docket No. 352 at 14).

On the first instruction, ASUS contends that Lone Star did not address whether it is the standard in the industry to remove the infringing features while the losing party challenges the jury verdict. Docket No. 370 at 3–4. As to the second instruction, ASUS posits that Lone Star demonstrated the opposite of a cover-up at trial; rather, Lone Star demonstrated that ASUS did not stop advertising the infringing features after the first trial. *Id.* at 4–5 (citing Trial Tr. (Day 2) at 365:5–366:22).

Further, ASUS argues that Lone Star failed to provide evidence of direct infringement—underlying induced infringement—after the prior jury verdict, because ASUS’s products are not

themselves infringing products. *Id.* at 5. For example, ASUS asserts that Lone Star did not make a showing that any user viewed an ASUS website such to induce infringement. *Id.* at 5–6.

Finally, ASUS responds that it affirmatively showed evidence of no subjective intent to willfully infringe. *Id.* at 6–7. Specifically, ASUS contends that Lee testified to his understanding that “we just need to pay a lump sum to compensate Lone Star and to cover our sales both before and after until the end” of the patent term to cover infringement. *Id.* at 6 (citing Trial Tr. (Day 2) 513:5–9). ASUS maintains that Lee reasonably believed the large award that was assessed against ASUS was a one-time lump sum payment for past and future infringement. *Id.* at 6–7. ASUS argues that Lee was shown both the prior jury verdict form and the jury instructions that describes a “lump sum payment” that “covers all sales of the licensed product, both *past and future.*” *Id.* at 7–8 (citing Docket No. 227) (emphasis in briefing).

Willful misconduct is that which is “wanton, malicious, bad-faith, deliberate, consciously wrongful, flagrant, or—indeed—characteristic of a pirate.” *Halo Elecs., Inc. v. Pulse Elecs., Inc.*, 136 S. Ct. 1923, 1932 (2016). A finding of willful infringement is appropriate only in “egregious” cases. *Id.* A plaintiff can establish willful infringement by proving the “subjective willfulness of a patent infringer.” *Id.* at 1932–34. Subjective willfulness is characterized by recklessness, “knowing or having reason to know of facts which would lead a reasonable man to realize his action is unreasonably risky.” *Id.* at 1933. Culpability for willfulness is “measured against the knowledge of the actor at the time of the challenged conduct.” *Id.* at 1933.

Willful infringement must be proven by a preponderance of the evidence. *Id.* at 1934. The burden to prove willful infringement is on the patentee. *Bayer HealthCare LLC v. Baxalta Inc.*, 989 F.3d 964, 987 (Fed. Cir. 2021). Prior to the *Halo* decision in June 2016, district courts applied the *Seagate* test, requiring a patentee to prove by clear and convincing evidence: (1) the absence

of objectively reasonable defenses (i.e., the objective prong); and (2) that the risk of infringement was either known or so obvious that it should have been known (i.e., the subjective prong). *In re Seagate Tech., LLC*, 497 F.3d 1360, 1371 (Fed. Cir. 2007). *Halo* effectively eliminated the objective prong of the *Seagate* test. 136 S. Ct. at 1933 (“The subjective willfulness of a patent infringer, intentional or knowing, may warrant enhanced damages, without regard to whether his infringement was objectively reckless.”); *Radware, Ltd. v. F5 Networks, Inc.*, No. 5:13-CV-02024-RMW, 2016 WL 4427490, at *3 (N.D. Cal. Aug. 22, 2016) (“The Supreme Court’s *Halo* decision eliminated *Seagate*’s objective prong.”).

There is a “general presumption that post-verdict infringement is willful” that is “consistent with a totality-of the-circumstances inquiry[.]” *VirnetX Inc v. Apple Inc.*, 324 F. Supp. 3d 836, 862–63 (E.D. Tex. 2017) (citing *Affinity Labs of Tex., LLC v. BMW N. Am., LLC*, 783 F. Supp. 2d 891, 899 (E.D. Tex. 2011)). Here, Morquecho testified that ASUS continued to sell the accused products after a verdict finding infringement of the ’435 Patent (and no invalidity):

(Mr. Arnett) Q. And so after May 21 of 2021, ASUS continued to sell those products, correct?

(Mr. Morquecho) A. Correct.

Q. All right. And ASUS intends to continue to sell those products, right?

A. My understanding, it’s still being sold, yes.

Trial Tr. (Day 2) at 364:9–14. Further, Lee testified that ASUS did not make any changes to the accused products post-verdict:

(Mr. Liddle) Q. So your testimony is that after ASUS was found liable for infringement, you decided not to make any changes in the product; is that correct?

(Mr. Lee) A. Yes.

Id. at 513:1–4. This statement was verified by Morquecho:

(Mr. Arnett) Q. All right. And it's correct that, as the corporate representative, you do not know of any efforts that ASUS has made to either design around or avoid infringement with these products; is that correct?

(Mr. Morquecho) A. That's correct.

Q. And that's from the time of the jury verdict saying that -- finding you liable for infringement up until today, there's been no efforts, as least that you're aware of as the corporate representative, to design around or avoid infringement, true?

A. That's true.

Id. 364:15–25. ASUS's explanation for continuing to sell its accused products, without any redesign, was that it thought payment of a lump sum would cover past and future infringement.

Lee testified to this effect:

(Mr. Liddle) Q. Why did you decide not to make any changes to ASUSTek's display or monitor products?

(Mr. Lee) A. Because according to the jury verdict, ASUS was asked to pay a surprisingly big amount to Lone Star. We decided to continue to sell the products without any changes.

...

Q. And you don't know if you -- you don't -- you don't have authorization to use Lone Star's technology, correct?

A. So my understanding is that we just need to pay a lump sum to compensate Lone Star and to cover our sales both before and after until the end.

Id. at 506:4–8, 513:5–9. ASUS has argued that, in effect, it believed it had a post-verdict license to the '435 Patent. However, ASUS has not "provided any justification for treating a jury verdict as equivalent to a license." *Mondis Tech. Ltd. v. LG Elecs., Inc.*, No. 15-cv-4431, 2021 U.S. Dist. LEXIS 169919, at *42 (D. N.J. Sept. 8, 2021). Further, Lee disclaimed any knowledge of such a patent license:

(Mr. Liddle) Q. Mr. Lee, do you know what a patent license is?

(Mr. Lee) A. I am not aware.

Q. Does ASUS have any type of agreement with Lone Star?

A. I do not know. All I know that is -- that there was this suit.

Q. Okay. So you're not aware of any -- there's -- there's no patent license that you know of with Lone Star?

A. All I know is there is this lawsuit.

Q. Okay. So ASUS doesn't have any authorization to use Lone Star's technology, right?

A. Well, ASUS is a very large company. I am -- I am not sure if there are cooperations or other matters between Lone Star and ASUS and other products.

Trial Tr. (Day 2) at 509:25–511:2.

Lone Star also put on evidence about the continued presence of instructions on ASUS's support webpages. *See* Trial Tr. at 365:5–366:22 ((Mr. Arnett) “Q. So it continues to promote the use of the feature that enables users to infringe, correct? (Mr. Morquecho) A. The article is still online, yes.”). Likewise, Lone Star put on some evidence of concealment as it concerned the removal of the “without affecting the output of other colors” language from ASUS's FAQ webpage.¹ *See id.*; compare PX-14A at 19 (language present) with PX-103 at 1 (language omitted).

When substantial evidence does not support a verdict of willful infringement, the Court is able to set the jury's determination aside. *See e.g., Roche Diagnostics Corp. v. Meso Scale Diagnostics, LLC*, 503 F. Supp. 3d 156, 172 (D. Del. Nov. 30, 2020); *see also Automatic Equip. Mfg. Co. v. Danko Mfg., LLC*, No. 8:19-cv-162, 2022 U.S. Dist. LEXIS 19008, at *33 (D. Neb. Jan. 31, 2022). However, “an award of enhanced damages does not necessarily flow from a

¹ The Court further notes that the jury instructions as to willful infringement concerned multiple factors. *See* Docket No. 352 at 13 (“To determine whether ASUS acted willfully, consider all facts and assess ASUS's knowledge at the time of the challenged conduct. Facts that may be considered include, *but are not limited to* . . .”) (emphasis added).

willfulness finding.” *Presidio Components, Inc. v. Am. Tech. Ceramics Corp.*, 875 F.3d 1369, 1383 (Fed. Cir. 2017) (citing *Halo*, 136 S. Ct. at 1932); *see also Valinge Innovation AB v. Halstead New Eng. Corp.*, No. 16-cv-1082, 2018 U.S. Dist. LEXIS 88696, at *17 n.6 (D. Del. May 29, 2018) (“Indeed, post-*Halo*, numerous district courts have recognized that a jury may find willful infringement has occurred, and yet the court may thereafter determine that egregious misconduct warranting enhanced damages has not occurred.”). Importantly though, because the Court declines to award enhanced damages (*see infra* § I.B), Lone Star’s motion for JMOL is effectively moot. *See Laitram Corp. v. NEC Corp.*, 115 F.3d 947, 955–56 (Fed. Cir. 1997) (“[A]ssuming a lawful verdict of willfulness, whether or not [defendant]’s infringement was indeed willful cannot affect the amount of damages awarded to [plaintiff].”); *see also Schwendimann v. Arkwright Advanced Coating, Inc.*, No. 11-cv-820, 2018 U.S. Dist. LEXIS 127732, at *60 (D. Minn. July 30, 2018) (“A court’s denial of enhanced damages renders a motion for judgment as a matter of law on willful infringement moot.”).

On balance, the Court is not convinced it has been presented with enough to disturb the jury’s verdict; for the reasons stated below, this is not the type of exceptional case that warrants enhancement irrespective of the jury’s willfulness determination.

B. Read Factors

“[D]istrict courts enjoy discretion in deciding whether to award enhanced damages, and in what amount.” *WCM Indus., Inc. v. IPS Corp.*, 721 Fed. App’x. 959, 971 (Fed. Cir. 2018). “Awards of enhanced damages . . . are not to be meted out in a typical infringement case, but are instead designed as a ‘punitive’ or ‘vindictive’ sanction for egregious infringement behavior.” *Id.* at 971–72 (quoting *Halo*, 136 S. Ct. at 1932). “As with any exercise of discretion, courts should

continue to take into account the particular circumstances of each case in deciding whether to award damages, and in what amount.” *Halo*, 136 S. Ct. at 1933.

When deciding how much to award in enhanced damages, district courts often apply the non-exclusive factors articulated in *Read Corp. v. Portec, Inc.* 970 F.2d 816 (Fed. Cir. 1992), *abrogated in part on other grounds by Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996). The non-exclusive *Read* factors used to evaluate whether to enhance damages—and the amount of any enhancement—include the following: (1) whether the infringer deliberately copied the ideas of another; (2) whether the infringer investigated the scope of the patent and formed a good-faith belief that it was invalid or that it was not infringed; (3) the infringer’s behavior as a party to the litigation; (4) the defendant’s size and financial condition; (5) the closeness of the case; (6) the duration of the defendant’s misconduct; (7) remedial action by the defendant; (8) the defendant’s motivation for harm; and (9) whether the defendant attempted to conceal its misconduct. *Id.* at 827.

An award need not rest on any particular factor, and not all relevant factors need to weigh in favor of an enhanced award. *See SRI Int’l, Inc. v. Advanced Tech. Labs., Inc.*, 127 F.3d 1462, 1469 (Fed. Cir. 1997). While the *Read* factors are helpful to the Court’s exercise of its discretion, an analysis focused on “egregious infringement behavior” is the touchstone for determining an award of enhanced damages rather than a more rigid, mechanical assessment. *See Finjan, Inc. v. Blue Coat Sys., Inc.*, No. 13-cv-3999, 2016 WL 3880774, at *16 (N.D. Cal. July 18, 2016).

Considering the *Read* factors: first, the record is devoid of evidence concerning copying. The first *Read* factor therefore weighs against enhancement. *Erfindergemeinschaft UroPep GbR v. Eli Lilly & Co.*, No. 2:15-cv-1202, 2017 U.S. Dist. LEXIS 111425, at *31 (E.D. Tex. July 18,

2017) (“[T]he *Read* factors do not favor enhancement in the post-trial context, for several reasons. First, there is no evidence of copying[.]”).

The second *Read* factor—concerning ASUS’s good-faith belief that the ’435 Patent was invalid or not infringed—was likewise not addressed head-on by ASUS at trial. A “[d]efendant’s failure to present evidence of a good faith belief of invalidity during the jury trial” is a factor accounted for when enhancing damages. *Nox Med. Ehf v. Natus Neurology, Inc.*, No. 1:15-cv-00709, 2018 U.S. Dist. LEXIS 206844, at *4–5 (D. Del. Dec. 7, 2018). The aforementioned ASUS testimony about the verdict effectively constituting a license cannot reasonably be read to imply ASUS had a good faith belief of invalidity and non-infringement. Likewise, ASUS did not plead an advice-of-counsel defense. Accordingly, the second *Read* factor weighs in favor of enhancement. *See Nobelbiz, Inc. v. Global Connect, LLC*, No. 6:12-cv-244, 2016 U.S. Dist. LEXIS 193626, at *72–73 (E.D. Tex. Oct. 27, 2016) (finding that the second factor favors enhanced damages where “[t]he evidence does not support a finding that Defendants investigated the scope of [Plaintiff]’s patent rights, made any attempt to design around the asserted patents or had a good faith belief of noninfringement.”).

As to the third *Read* factor, “[t]ypically, ‘litigation misconduct’ refers to bringing vexatious or unjustified suits, discovery abuses, failure to obey orders of the court, or acts that unnecessarily prolong litigation.” *i4i Ltd. P’ship v. Microsoft Corp.*, 598 F.3d 831, 859 (Fed. Cir. 2010) (citing *Jurgens v. CBK, Ltd.*, 80 F.3d 1566, 1570–71 & n.3 (Fed. Cir. 1996)). Here, “while the Court has questioned the methods of both sides on occasion, rightly or wrongly, neither side crossed the proverbial line between zealous advocacy and engaged in the types of litigation misconduct which the Federal Circuit counsels would be properly considered in support of an award of enhanced damages under [S]ection 284.” *Carnegie Mellon Univ. v. Marvell Tech. Group, Ltd.*, No. 09-cv-

290, 2014 U.S. Dist. LEXIS 43042, at *45 (W.D. Pa. Mar. 31, 2014). Accordingly, this factor weighs against enhanced damages.

Fourth, “[d]efendant’s size and financial condition should be viewed both relative to the [p]laintiff and also individually to ensure that enhanced damages would ‘not unduly prejudice the [defendant’s] non-infringing business.’ ” *Whirlpool Corp. v. TST Water, LLC*, No. 2:15-CV-01528, 2018 U.S. Dist. LEXIS 52833, at *17 (E.D. Tex. Mar. 29, 2018) (quoting *Krippelz v. Ford Motor Co.*, 670 F. Supp. 2d 815, 822 (N.D. Ill. 2009)). Here, ASUS is a billion-dollar, multinational corporation with sizeable sales and revenue. *See, e.g.*, Trial Tr. (Day 1) at 155:5–14; *see also* Trial Tr. (Day 2) at 380:14–23. However, “[ASUS]’s size and financial condition, while sufficient to weather an award of an enhanced royalty, does not by itself support [Lone Star]’s contention that [ASUS] has engaged in conduct deserving of an enhanced royalty award.” *Erfindergemeinschaft*, 2017 U.S. Dist. LEXIS 111425, at *32. Accordingly, the Court finds that the fourth *Read* factor is neutral. *Illumina, Inc. v. BGI Genomics Co.*, No. 19-cv-03770, 2022 U.S. Dist. LEXIS 54832, at *104 (N.D. Cal. Mar. 27, 2022) (citing *Power Integrations, Inc. v. Fairchild Semiconductor Int’l, Inc.*, No. 08-cv-309, 2019 U.S. Dist. LEXIS 121675, at *9 (D. Del. July 22, 2019)).

Next, courts consider the closeness of the case. The jury at the initial trial determined that the ’435 Patent was valid and infringed. Docket No. 228 at 2–4. The jury at the new trial on damages found that ASUS’s infringement was not willful and awarded Lone Star a fraction of their damages request. Docket No. 355 at 2–3; *see also infra* § II.A. The Court also believes that ASUS presented justified and reasoned defenses at both trials, so enhancement under the fifth *Read* factor is disfavored. *See Apple Inc. v. Samsung Elecs. Co.*, 258 F. Supp. 3d 1013, 1033 (N.D. Cal.

2017); *see also Illumina*, 2022 U.S. Dist. LEXIS 54832, at *103 (“Defendants pursued strong theories of invalidity and non-infringement, resulting in the closeness of the case.”).

Sixth: ASUS’s purported willful infringement lasted from May 21, 2021, the date of the first jury’s verdict of infringement, (*see* Docket No. 229) to the second jury’s verdict on June 30, 2022 (*see* Docket No. 355). This period of willful infringement is relatively brief. *See Spectralytics, Inc. v. Cordis Corp.*, 834 F. Supp. 2d 920, 928 (D. Minn. 2011), *aff’d*, 485 F. App’x 437 (Fed. Cir. 2012) (holding that willful infringement for “about one [] year[]” was a “relatively short” “period of willful infringement” and did “not weigh in favor of enhanced damages.”). Accordingly, the sixth *Read* factor weighs against enhancement.

The seventh *Read* factor concerns remedial action. “Remedial actions are those actions that serve to decrease scope, or entirely eliminate, the scope of ongoing infringement.” *Whirlpool Corp.*, 2018 U.S. Dist. LEXIS 52833, at *24 (citing *Barry v. Medtronic, Inc.*, 250 F. Supp. 3d 107, 116 (E.D. Tex. 2017)) (finding “no evidence” of “remedial action” where accused infringer failed to “discontinue[] distribution or otherwise curb[] use of potentially infringing devices as a remedial measure or in response to that potential (now proven) infringement.”). Here, ASUS has admitted to not taking any remedial action, including discontinuing sales or designing around its monitors. *See, e.g.*, Trial Tr. (Day 2) at 506:4–8, 513:5–9. However, as in *Vectura*, “[t]his is not a case of lost profits where [ASUS’s] ongoing infringement deprives [Lone Star] of profits upon its own products. The only dispute here is whether [ASUS] w[as] required to license the technology and pay a reasonable royalty.” *Vectura*, 2019 U.S. Dist. LEXIS 155768, at *11, n.4. For these reasons, this factor is neutral. *See id.* at *11 (“[G]iven the closeness of the case, and the fact that the jury’s verdict has compensated Plaintiff for Defendants’ post-litigation infringement, I find this factor to be neutral.”).

Next, courts assess whether defendant had a motivation to harm the patent owner. The Court cannot discern anything in the record that speaks to ASUS's motivation for harm. *See supra* § I.A. Rather, the testimony by ASUS appears to be a post-hoc justification for continued sales—without redesign—of the accused products. Where “none of the documents or testimony presented by Plaintiff on this factor includes any communications from Defendants that would provide either circumstantial or direct evidence of Defendants' motivations . . . Plaintiff cannot show that Defendants had a motivation to harm Plaintiff.” *Vectura*, 2019 U.S. Dist. LEXIS 155768, at *11–12 (finding factor disfavors enhancement). Accordingly, the eighth *Read* factor weighs against enhancement.

Lastly, *Read* factor nine relates to whether ASUS attempted to conceal its conduct. As addressed above, Lone Star did present some evidence of concealment by ASUS in removing the “without affecting the output of the other colors” verbiage from its FAQ webpage. *See supra* § I.A (discussing PX-14A; PX-103). However, ASUS has also properly shown Lone Star's attempts to highlight how ASUS did not cease advertising the infringing features after the initial trial. *See, e.g.*, Trial Tr. (Day 2) at 365:5–366:22. Overall, because the evidence of concealment presented at trial was “not overwhelming[,]” (*Power Integrations*, 2019 U.S. Dist. LEXIS 121675, at *25) this *Read* factor only “slightly favors enhancement based on the slim record indicating concealment.” *Canon, Inc. v. Color Imaging, Inc.*, 292 F. Supp. 3d 1357, 1369 (N.D. Ga. 2018)

Having considered each of the *Read* factors, the Court concludes that enhancement in this matter is inappropriate. The factors slightly favoring enhancement include: (2) ASUS's lack of a good faith belief non-infringement and invalidity and (9) ASUS's attempted concealment of its conduct. The remaining factors either weigh against enhancement—(1) a lack of evidence concerning copying, (3) ASUS's litigation conduct, (4) ASUS's large size and stable financial

condition, (5) the closeness of the case, (6) the one year period of willful infringement and (8) a lack of ASUS's motivation for harm—or are neutral: (7) ASUS's lack of remedial action. Overall, the facts of this case are not egregious.

“Section 284 allows district courts to punish the full range of culpable behavior. Yet none of this is to say that enhanced damages must follow a finding of egregious misconduct.” *Halo* at 1933. After fully considering the totality of the circumstances, the Court cannot conclude that ASUS's post-verdict conduct mandates enhancement. *Rudolph Techs., Inc. v. Camtek Ltd.*, No. 05-cv-1396, 2015 U.S. Dist. LEXIS 124497, at *12 (D. Minn. Aug. 21, 2015) (finding post-verdict sales did not support a finding of an exceptional case such to warrant enhanced damages). Therefore, the Court exercises its discretion to deny Lone Star's request for enhanced damages.

Accordingly, Lone Star's motion is **DENIED** and no enhanced damages pursuant to 35 U.S.C. § 284 will be awarded.

II. Damages

ASUS challenges the jury's damages award on three separate grounds: (1) Lone Star may recover damages for no more than one unit of each type of product (Docket No. 368 at 7–13); (2) Lone Star may not recover damages for non-accused products (*id.* at 14–17); and (3) Lone Star may not recover damages for non-identified products (*id.* at 17–18). The Court addresses each of these three grounds in turn.

A. Remittitur: Support for the Damages Award

ASUS moves for remittitur from the jury's damages award of \$659,106.40 to \$172.20. *Id.* at 4. First, ASUS argues that the jury necessarily and incorrectly determined that every accused product was used to perform the infringing method—and assessed a 10-cent royalty for each sale. *Id.* at 4; *see also id.* at 7. ASUS asserts that because the jury verdict was \$659,106.40 and the total

number of units of the accused products sold in the relevant time period was 6,591,064, then the jury necessarily applied a 10 percent royalty rate. *Id.* at 7–8.

ASUS notes that neither side proposed a 10-cent royalty rate and the jury is disallowed from speculating about actual usage to reach a damages award. *Id.* at 8. In sum, ASUS argues that the jury did not limit the damages award to the consumers using the monitors that were used to perform the infringing method. *Id.* at 8 (citing Trial Tr. (Day 2) at 315:7–13, 358:1–7, 460:24–461:13, 464:20–465:3). Consequently, ASUS contends that the jury failed to follow the jury instructions because the patent damages statute only permits damages for infringing acts and not non-infringing acts. *Id.* at 8–10.

Second, ASUS maintains that the jury verdict is not supported by substantial evidence. *Id.* at 10. In particular, ASUS argues that Lone Star focused its arguments and evidence at trial demonstrating how ASUS “values” the infringing features rather than proving that those features are “used” to perform the method (in violation of *Lucent Techs.*). *Id.* at 10–11. ASUS asserts that this is akin to the type of evidence that Lone Star presented at the first trial—Dr. Ducharme’s personal experience—which the Court granted a new trial over. *Id.* at 10.

Third, ASUS moves for remittitur. *Id.* at 11. ASUS argues that the jury verdict is unsustainable for the aforementioned reasons; therefore, the Court should enter remittitur on the maximum amount the jury could have properly awarded (7-cents per unit sought by ASUS and 246 product types, for a total damages amount of \$172.20). *Id.* (citing *Eiland v. Westinghouse Elec. Corp.*, 58 F.3d 176, 182 (5th Cir. 1995)).

Fourth, ASUS asserts that Lone Star asked for and received a new trial and after having put forth all the evidence it could muster must now accept remittitur. *Id.* at 11–13. ASUS contends

that Lone Star did not follow the Court's prior JMOL order (Docket No. 268) and therefore is not entitled to another new trial on damages. *Id.*

Lone Star responds first that there was sufficient evidence correlated to the extent of use of the infringing method to support the jury's damages award. Docket No. 369 at 2. Lone Star maintains that ASUS has misapplied *Lucent Techs.* in arguing that absent establishing an actual number of users who utilized the infringing technology a damages award cannot be supported. *Id.*

Lone Star argues that both its own and ASUS's damages experts testified that their respective royalty rates factored in the extent of use by ASUS's consumer. *See id.* at 2–3 (citing Trial Tr. (Day 2) at 405:3–8) (describing Lone Star's damages expert Dell's evaluation of the Acer license with Lone Star that showed a 61-cent apportioned rate that the parties understood captured usage rates); *see also id.* at 3 (citing Trial Tr. (Day 3) at 585:16–587:24) (describing ASUS's damages expert Brett Reed's 7-cents per unit royalty based on commissioned survey data).

Lone Star also asserts that it presented ASUS documents as circumstantial evidence of the extent of use by ASUS's customers, in addition to the value of the patented technology to ASUS. *Id.* at 4–5 (citing PX-103, PX-104, PX-111, PX-115). For example, Lone Star addresses materials from ASUS involving its Eye Care Plus monitors for individuals with visual issues and ASUS's Republic of Gamers branded monitors for video-gamers. *Id.* (citing PX-114, PX-117).

Further, ASUS notes how at trial it showed several YouTube videos with millions of views and accompanying comments showing use of the infringing technology. *Id.* at 5–6 (citing PX-137–PX-139). For all these reasons, Lone Star maintains that the jury verdict is supported by substantial evidence. *Id.* at 6–7; *see also id.* at 8.

Next, Lone Star argues that the jury followed its instructions. *Id.* at 7. Lone Star posits that it is a fallacy that the jury “assumed 100 percent direct infringement” because ASUS's own

damages expert Reed advocated for a 7-cents per unit royalty on all units after he testified about ASUS's extent of use survey results. *Id.* at 7–8 (citing Trial Tr. (Day 3) at 585–593).

Third, Lone Star contends that ASUS's motion for remittitur should be denied because Lone Star is entitled to recover damages for more than a single unit of each type of product. *Id.* at 8–9. Lone Star argues that the Court previously ruled on this issue and Lone Star has now provided use correlation for direct infringement underlying induced infringement. *Id.*

Fourth, Lone Star maintains that another new trial on damages is not necessary considering the substantial evidence here underlying the jury's award. *Id.* at 10.

“[O]n post-trial JMOL motions, district court judges must scrutinize the evidence carefully to ensure that the ‘substantial evidence’ standard is satisfied, while keeping in mind that a reasonable royalty analysis ‘necessarily involves an element of approximation and uncertainty.’ ” *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1336 (Fed. Cir. 2009) (quoting *Unisplay, S.A. v. Am. Elec. Sign Co.*, 69 F.3d 512, 517 (Fed. Cir. 1995)). “A party challenging a jury damages verdict ‘must show that the award is, in view of all the evidence, either so outrageously high or so outrageously low as to be unsupportable as an estimation of a reasonable royalty.’ ” *Spectralytics, Inc. v. Cordis Corp.*, 649 F.3d 1336, 1345 (Fed. Cir. 2011) (quoting *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1554 (Fed. Cir. 1995) (en banc)).

Section 284 of the Patent Act provides that after a finding of infringement “the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer[.]” 35 U.S.C. § 284. “[A] reasonable method for determining a reasonable royalty is the hypothetical negotiation approach, which ‘attempts to ascertain the royalty upon which the parties would have agreed had they

successfully negotiated an agreement just before infringement began.’ ” *Summit 6, LC v. Samsung Elecs. Co.*, 802 F.3d 1283, 1299 (Fed. Cir. 2015) (quoting *Lucent Techs.*, 580 F.3d at 1324).

In the induced infringement damages context, the Federal Circuit in *Lucent Techs.* has laid down several important guideposts when assessing damages:

Consideration of evidence of usage after infringement started can, under appropriate circumstances, be helpful to the jury and the court in assessing whether a royalty is reasonable. Usage (or similar) data may provide information that the parties would frequently have estimated during the negotiation. . . . This quantitative information, assuming it meets admissibility requirements, ought to be given its proper weight, as determined by the circumstances of each case.

Lucent Techs., 580 F.3d at 1333–34 (internal citations omitted). The Federal Circuit clarified however that it has “never laid down any rigid requirement that damages in all circumstances be limited to specific instances of infringement proven with direct evidence.” *Id.* at 1334. And, the court further rejected the argument “that damages be limited to the proven number of instances of actual infringing use.” *Id.* at 1324. This is so because, “[s]uch a strict requirement could create a hypothetical negotiation far-removed from what parties regularly do during real-world licensing negotiations.” *Id.* at 1334.

The jury here was instructed on these matters (*see* Docket No. 352 at 6–13) and is presumed to have followed the instructions. *See Francis v. Franklin*, 471 U.S. 307, 324 n.9 (1985). Furthermore, there exists sufficient evidence in the record to support the jury’s damages award—which was correlated to infringing use of the patented method, as well as the valuation placed on the invention. *Georgia-Pacific Corp. v. U.S Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970). Such substantial evidence came in three forms at trial: (1) usage data from a consumer survey; (2) comparability of the Acer license agreement; and (3) ASUS’s documentation concerning the accused products and patented technology.

i. Usage Data from Consumer Survey

First, the jury heard testimony from ASUS's expert Reed showing evidence of usage rates of the patented method amongst consumers. As it pertains to usage, "[s]uch data might, depending on the case, come from . . . consumer surveys[.]" *Lucent Techs.*, 580 F.3d at 1334. Such is the case here, with Reed's testimony on ASUS's usage survey.²

Reed's testimony described how he commissioned a survey to reflect the percent of usage in the marketplace. Trial Tr. (Day 3) at 585:13–15. He elaborated on the survey structure and its results. *See id.* at 585:16–593:24. Reed clarified how ASUS's survey specifically focused on usage of the patented method. *See, e.g., id.* at 587:2–8 ("Do you adjust with the physical controls? If so, do you do some things related to brightness/contrast and RGB?"); *see also id.* at 587:12–18 ("[I]t was focused on these questions, did they do or did they not do certain things, including the first step that would be required to get into the menus of these monitors, which is using the physical controls."). In sum, Reed testified that the survey is "addressing a pretty simple question: [d]o you make an adjustment with the physical control; and then, if so, it gets to the point where it can say, do you adjust or have you adjusted, since 2019, the RGB?" *Id.* at 592:20–593:7.

Reed then elaborated on the specific responses to—and results from—the survey:

(Mr. Oliver) Q. Okay. So what's on – what's the next question about?

(Mr. Reed) A. Well, this question, Question 5: Which of the following adjustments have you made on your ASUS monitor? And it gets to things that you could do within the color menu. So brightness/contrast is one, and adjusting red, green, and blue is one that's applicable, for example, on the gaming monitors here. So 17 of those 105 people identified that they adjusted R, G, or B. And that's really the crux of this analysis.

² The Court notes that the jury can hear and credit expert testimony in formulating its damages verdict. *See i4i Ltd. P'Ship v. Microsoft Corp.*, 598 F.3d 831, 857 (Fed. Cir. 2010) (citing *Unisplay, S.A. v. Am. Elec. Sign Co.*, 69 F.3d 512, 519 (Fed. Cir. 1995)). And, the jury "was free to credit the expert and evidence of either party over that of the opposing party." *Sunny Fresh Foods, Inc. v. Michael Foods, Inc.*, 130 Fed. App'x. 459, 463 (Fed. Cir. 2005) (determining "substantial evidence supports the jury's determination" where parties were "[g]iven the substantial evidence offered and the vigorous cross-examination of adversary expert witnesses, the record once again supplies adequate evidence to support the jury's verdict.").

Id. at 590:14–23. Reed went on to further refine and clarify the usage parameters:

(Mr. Reed) A. And it's important to note what I have in yellow here, is that everybody identified at least two things. Nobody said nothing. Nobody said one thing. And the 11 people who said they did not do RGB said that they did brightness and contrast and another item. So they identified two, but they did not identify RGB.

(Mr. Oliver) Q. Okay.

A. I should be clear, they don't identify the adjustment of the RGB, red, green, blue.

Id. at 590:14–591:7. Ultimately, Reed opined on the following high level usage results: “16.2 percent for all monitors claimed to make an RGB adjustment, 21.2 percent for the gaming and ProArt monitor users. . . . [a]nd the confidence interval is about 11 percent to 31 percent at a 95 percent confidence level for the gaming monitor users. . . . So, again, I believe a reasonable royalty of 7 cents per unit is appropriate.” *Id.* at 592:20–593:15. This usage range of the patented technology is in line with what the jury awarded in damages. *i4i Ltd. P'ship v. Microsoft Corp.*, 598 F.3d 831, 857–58 (Fed. Circ. 2010) (finding survey was supportive of damages award where “survey [was] used to estimate the amount of infringing use.”).

A royalty figure—which accounts for the extent of consumer use—may be applied to the whole royalty base. Essentially, an entire base of accused products can be used to formulate a damages award. *See, e.g., Toshiba Corp. v. Imation Corp.*, No. 09-cv-305, 2013 U.S. Dist. LEXIS 42662, at *88–91 (W.D. Wisc. Mar. 26, 2013) (allowing reasonable royalty base to include all accused products so long as damages award correlated to use of infringing method).

As further elaborated upon in *Sentius Int'l, LLC v. Microsoft Corp.*, a patent holder:

[M]ay apply a royalty to each accused product without showing that someone has used the accused features in each product sold . . . a patent holder is not required to demonstrate a one-to-one correspondence between units sold and directly

infringing customers and [p]roof of inducing infringement or direct infringement may be shown by circumstantial evidence.

No. 5:13-cv-825, 2015 WL 451950, at *11 (N.D. Cal. Jan. 27, 2015) (internal quotations omitted).

As explained, to effectuate this damages methodology, consumer usage must be taken into account to arrive at a reasonable royalty; that can effectively be done by relying on a royalty rate commensurate with usage. *See SRI Int'l, Inc. v. Cisco Sys.*, 254 F. Supp. 3d 680, 715 (D. Del. May 25, 2017) *aff'd in relevant part* 930 F.3d 1295, 1311–12 (Fed. Cir. 2019); *see also Sentius*, 2015 WL 451950 at *11. This approach conforms with the dictates of *Georgia Pacific* factor 11, wherein courts consider the “extent to which the infringer has made use of the invention; and any evidence probative of the value of that use.” *Georgia-Pacific Corp. v. U.S Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y 1970). Both Reed and Dell accounted for the extent of use in arriving at a reasonable royalty, with a royalty rate commensurate with usage of the patented method. *See, e.g.*, Trial Tr. (Day 3) at 593:11–17 ([Mr. Reed] A. “I believe a reasonable royalty of 7 cents per unit is appropriate. That’s applied to every single unit, not just units that might be used.”). The jury considered these rates, and ultimately went with a damages award closer to Reed’s model (7 cents per unit with a corresponding percentage usage rate). This commensurate reduction to the damages award (from Lone Star’s request of approximately \$3.5 million (*see* Dell Rpt ¶ 212)) is proper in view of the evidence presented on usage numbers for induced infringement. *SRI Int’l*, 254 F. Supp. at 715.

ii. Comparability of Acer License Agreement

Second, Dell provided significant testimony and analysis on the comparability of the Acer license, to which Reed testified in rebuttal (and provided important clarifications). A jury’s damages award is supported by substantial evidence in cases where certain “[l]icensing [a]greements are sufficiently ‘comparable’ to be probative of the hypothetical negotiation.” *SSL*

Servs., LLC v. Citrix Sys., 940 F. Supp. 2d 480, 489 (E.D. Tex. 2013); *Ironworks Patents, LLC v. Apple, Inc.*, 225 F. Supp. 3d 513, 530 (D. Del. 2017). Here, the parties established that the Acer licensing agreement was sufficiently comparable to be probative of the hypothetical negotiation—and thus supportive of the damages award.

Dell provided testimony that the '435 Patent has been licensed to several other companies. *See* Trial Tr. (Day 2) at 392:17–20. In particular, Dell testified that the Acer license agreement was comparable to the matter at bar for hypothetical negotiation purposes. *See id.* at 392:21–393:1. Dell opined on how the Acer agreement was entered into as part of a litigation settlement, involving the '435 Patent, and was a “one-time payment as part of the royalty payment.” *Id.* at 393:4–11. Dell testified about his reliance on Ducharme’s opinions for the technical comparability of the licenses “with respect to [the] monitor products.” *Id.* at 393:16–394:1.

At trial, Dell also discussed the economic comparability of the agreements. For example, Dell discussed the “similarities in terms of pricing” (*id.* at 394:2–8) and how the “retail or distribution channels from which those products were sold are also similar” (*id.* at 394:2–12). Dell further testified about the difference in the number of products sold subject to the Acer license (464,484 units) compared to the products at issue in this matter (approximately “6.5 million units”). *See id.* at 394:20–395:15.

To arrive at his ultimate conclusion, Dell performed the following calculation to determine his effective royalty rate:

Q. (By Mr. Liddle) And can you explain that here?

A. (Mr. Dell) Sure. So using -- this is a common approach that’s used in understanding or calculating an effective rate. By looking at the lump sum royalty payment of 281,250 and dividing that by the number of units that were subject to the license of 464,484, it results in an effective royalty of 61 cents per unit.

Id. at 395:21–396:2; *see also id.* at 405:3–8 (“...[T]he comparable royalty rate in the Acer agreement of 61 cents is an apportioned rate that the parties would capture and account for as part of an understanding of not only the use but the value of the invention to the Acer licensed products.”).

Subsequently, Reed provided responsive testimony on the Acer license—in arriving at his 7-cent per unit royalty rate—that the jury also considered. *See, e.g.*, Trial Tr. (Day 3) at 578:22–584:9; *see also id.* at 584:22–585:6 (“And, here, I think an appropriate reasonable royalty for ASUS to pay to Lone Star is approximately \$461,000.”). Like Dell, Reed discussed how Acer and ASUS are similarly situated companies. *See id.* at 581:5–16 (“They’re similar in size. They track fairly well together.”); *see also id.* at 581:17–582:12 (“I’m able to compare sales in the Americas, and you can see they track very closely.”). However, Reed clarified that ASUS’s sales were “about 20 to 35, 40 percent larger” and not four or “five times larger than Acer” as Dell had deduced. *Id.* at 581:17–582:12.

Reed further clarified that in the hypothetical negotiation “[f]or ASUS, it’s only the ’435 Patent and only the method claim of the ’435 Patent. For the Lone Star/Acer agreement, it included eight U.S. patents of Lone Star plus 30 foreign patents. So the scope is greater for Acer.” *Id.* at 582:23–583:23 (further discussing how the Acer agreement included both method and apparatus patent claims).

The experts’ testimony detailed the technical comparability of the Acer licensing agreement (of which the ’435 Patent was included in) as well as the economic comparability. This testimony and concordant analysis is enough to support comparability of the Acer license to the hypothetical negotiation—appropriately discounted by sales and the number of patents—and thus the reasonable royalty rate. *See, e.g., Bio-Rad Labs., Inc. v. 10X Genomics, Inc.*, 967 F.3d 1353,

1375 (Fed. Cir. 2020) (finding comparability of license agreement properly discounted for the number of patents involved in the agreements).

iii. ASUS's Documentation

Third, Lone Star provided the jury with ASUS materials that reflect the value it places on the patented technology. For example, Lone Star admitted into evidence ASUS publications and online literature featuring the patented technology and its importance to the company. *See, e.g.*, PX-103 (ASUS FAQ webpage: [ProArt Display] What is 6-axis color control?), PX-104 (ASUS FAQ webpage: [ProArt Display] How to use ASUS ProArt™ Calibration Technology); *see also* Trial Tr. (Day 1) at 229:7–232:20 (testimony concerning same).

In addition, Lone Star introduced into the record ASUS documentation on the patented technology concerning the ability to change colors as a competitive advantage in various videogames. *See, e.g.*, PX-111 (SpectraCal – Portrait Displays for videogaming purposes), PX-115 (How Multiplayer Online Battle Arena Mode Works); *see also* Trial Tr. (Day 1) at 237:25–240:18 (exhibits, discussing same).

In total, these materials and testimony inform “how the parties would have valued the patented feature during the hypothetical negotiation.” *Lucent Techs.*, 580 F.3d at 1333. This in turn is supportive of the jury’s damages award.

* * *

In sum, the jury’s relatively diminished damages award, in comparison to Lone Star’s ask, is commensurate with the evidence of use of the patented technology put on at trial. Further, the jury considered the comparability of the Acer licensing agreement. And, the jury was able to account for how ASUS itself values the patented technology in its own materials.

On this record, the jury’s findings are supported by substantial evidence, and the Court will not reweigh the evidence—or the witnesses’ credibility—as to the jury’s damages determination.

“Viewing all of the evidence in the light most favorable to [ASUS], substantial evidence exists for the jury to determine a damages verdict reasonably correlated to the infringement by [ASUS] and [ASUS]’s customers. [ASUS] has not demonstrated that, in view of all the evidence, this verdict is either so outrageously high or so outrageously low as to be unsupportable as an estimation of a reasonable royalty.” *SRI Int’l*, 254 F. Supp. 3d at 715, *aff’d in relevant part* 930 F.3d 1295, 1311–12 (Fed. Cir. 2019).

The verdict was not against the great weight of the evidence, and the Court declines to substitute its judgment for that of the jury. *See Conway v. Chem. Leaman Tank Lines, Inc.*, 610 F.2d 360, 363 (5th Cir. 1980). Accordingly, ASUS’s motion (Docket No. 368) with respect to the damages award is **DENIED**.

B. Damages for Non-Accused Products

ASUS argues that Dell included over 120 non-accused products in his damages calculations and requests. Docket No. 368 at 14. At trial, ASUS maintains that it questioned Dell about two such products—with \$88 million in sales—that were improperly included in Dell’s damages charts. *Id.* at 14–15.

ASUS contends that the jury did not reduce the number of sales in its damages award because the jury’s award directly tracks the number of units in which Dell included the over 120 non-accused products. *Id.* at 16–17. Accordingly, ASUS posits that the jury’s damages award is unsupported as speculative guesswork because it is impossible to break out these non-accused products from the damages figure. *Id.* at 17.

Lone Star responds that it did not seek damages for non-accused products and ASUS has effectively waived this argument. Docket No. 369 at 10–11. Lone Star notes that prior to the initial May 2021 trial, Lone Star served interrogatories requesting ASUS “identify its U.S. and

worldwide revenue and profits on a quarterly and annual basis for each year since related to the sales of any Accused Devices.” *Id.* at 11. Lone Star asserts that ASUS responded with a sales spreadsheet. *Id.* (citing ASUSSL00002, ASUSLS00393, ASUSLS00412). Lone Star further maintains that this was the same sales spreadsheet was relied upon and identified by ASUS’s corporate representative (Morquecho) in his 30(b)(6) deposition. *See id.*

Lone Star argues that the same products that ASUS identified as not being accused appear in the same sales spreadsheets cited from over one year ago. *Id.* at 11–12. Lone Star contends that it relied on this document as a guide for the product families it accused—based on ASUS’s representations in discovery. *Id.* at 12. And Lone Star maintains that these product families include the products that ASUS claims were not included in the jury’s infringement finding. *Id.*

The Court previously determined—based on the same underlying facts as presented here—that “[t]he record demonstrates that Lone Star did not request damages for any non-accused products.” Docket No. 268 at 16. At the first trial, as here, “Lone Star consistently acknowledged that it was accusing ASUS’s product families of infringement.” *Id.* (citing Trial Tr. at 308:19–309:10).

In effect, ASUS has rehashed its prior position at the new trial on damages based on the very same documentation provided by ASUS (ASUSLS00393 and ASUSLS00412) that Lone Star has now relied upon in two trials. As the Court found previously:

Perdue explained in his expert report that ‘[b]ased on the Plaintiff’s infringement contentions, the list of Accused Products includes 10 projectors and over 250 monitors as identified in 2 spreadsheets provided by Asus that indicate Net Quantity (Units), Net Revenue and Net Cost by year for March 2013 through March 2020.’ Perdue Damages Rpt. at 4 (citing ASUSLS00393 (by model/customer through February 2019) and ASUSLS00412 (by model/customer through March 2020)). These two spreadsheets were provided by ASUS in response to a discovery request to “[i]dentify every Accused Device.” *See* PX-29 (ASUS Suppl. Interrogatory Resp.).

Docket No. 268 at 16. Specifically, ASUS identified ASUSLS00393 in response to an interrogatory requesting ASUS “[i]dentify Your U.S. and worldwide revenue and profits on a quarterly and annual basis for each year since related to the sales of any Accused Devices.” See Docket No. 377, Ex. 3; see also PX-29 at 14. Prior to the first trial, ASUS provided Lone Star with ASUSLS00412 to supplement its figures. See Docket No. 377, Ex. 6 at 2.

In Attachment 9 of Dell’s report for the new trial on damages, he specifically references “Model Names from ASUSLS00412 Found to Infringe.” See Dell Damages Rpt. at 184. In fact, Reed—ASUS’s expert—considered the very same document in preparing his damages report. See Reed Damages Rpt. Tab 2U at 1. In addition, approximately two weeks prior to the new trial on damages the parties jointly stipulated to the inclusion of an “[a]dditional 111 products” which “were either released post-trial or not disclosed by ASUS in discovery before the start of the May 2021 trial.” Docket No. 313 at 1. The parties further clarified that “[t]hese additional 111 products . . . contain the same functionality as the Accused Products at issue in the May 2021 Trial.” *Id.*

One week prior to the new trial on damages, Lone Star requested that ASUS update its sales figures for every product included in the stipulation. See Docket No. 377, Ex. 12. ASUS did so and produced ASUSLS000984. *Id.*³ ASUS did not flag any concern it now has that this document—an update to sales figures for the newly stipulated products that ASUS itself provided—somehow contained data for non-accused products. See *id.*⁴ Rather, Morquecho confirmed to Lone Star that this spreadsheet contained revenue figures for the total number of units at issue. Trial Tr. (Day 2) at 362:7–22.

³ This spreadsheet with updated sales figures was admitted into evidence as PX-176. See Trial Tr. (Day 2) at 360:25–361:11.

⁴ Indeed, Dell and Reed used the exact same royalty base of 6,591,064 units. See Dell Damages Rpt. ¶ 9; see also Reed Damages Rpt. Tab 19U (All ASUS Units Total 02/20/19 – 10/24/22).

After two trials, where both parties and their experts relied on the same documentation provided by ASUS, ASUS cannot now feign surprise at the eleventh hour that these products were somehow improperly considered. Between both trials this issue has remained unchanged; consequently, this issue has already been ruled upon and the Court will not countenance ASUS's attempt to relitigate it. "In sum, because [ASUS] seek[s] [a ruling] on certain issues previously ruled upon by this Court, the Court relies on its prior rulings and those issues are deemed moot." *RPM Pizza, LLC v. Argonaut Great Cent. Ins. Co.*, No. 10-cv-684, 2013 U.S. Dist. LEXIS 121980, at *11–12 (M.D. La. Aug. 25, 2013).

Accordingly, ASUS's motion (Docket No. 368) with respect to non-accused products having been included in Lone Star's damages award is **DENIED**.

C. Damages for Non-Identified Products

ASUS argues that Lone Star did not identify the accused products to the jury. Docket No. 368 at 17. ASUS maintains that it was therefore inappropriate for the jury to speculate as to which of the hundreds of products in Dell's documents were actually accused products. *Id.* at 18.

Lone Star responds that it is not seeking to recover for non-identified products. Docket No. 369 at 12. Lone Star asserts that this is "more or less the same argument as the argument relating to the non-accused products." *Id.* Lone Star maintains that it has always represented that it was presenting product families to the jury. *Id.* at 12–13 (citing PX-26-1–PX-26-135).

The Court previously addressed this issue after the first trial in its post-trial order—which, in any event, is more appropriate for the liability phase of the trial, rather than the new trial on damages:

The damages award did not include non-identified products because Lone Star successfully identified the ASUS's products it accused of infringement. First, specific ASUS product manuals were introduced into evidence at trial. *See* PX-26-

1–PX-26-135. And Dr. Ducharme provided testimony about the product families that encompass the Accused Products. Trial Tr. at 308:19–309:10.

Docket No. 268 at 18. The Court does not see a real differentiation in the issues presented here by ASUS in view of the above determination that the jury did not consider non-accused products (*supra* § II.B). For the same reasons stated above, Lone Star has always accused product families, and non-identified products were therefore not considered by the jury.

Accordingly, ASUS’s motion (Docket No. 368) with respect to non-identified products having been included in Lone Star’s damages award is **DENIED**.

CONCLUSION

For the reasons stated herein, Lone Star’s Renewed Motion for JMOL Concerning Willful Infringement (Docket No. 367) is **DENIED** and ASUS’s Combined Renewed Motions for JMOL Concerning Damages and Motion for Remittitur (Docket No. 368) is **DENIED**. It is hereby

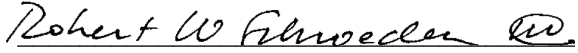
ORDERED that Lone Star’s Motion (Docket No. 367) as to (1) ASUS’s post-verdict willful infringement is **DENIED**. The Court declines to award enhanced damages pursuant to 35 U.S.C. § 284. It is further

ORDERED that ASUS’s Motions (Docket No. 368) as to (1) Lone Star’s damages award should be limited to include no more than one unit of each type of product; (2) Lone Star’s damages award should not encompass non-accused products; (3) Lone Star’s damages award should not include non-identified products is **DENIED**.

The Court will enter Final Judgment alongside this order.

IT IS SO ORDERED.

SIGNED this 18th day of August, 2022.


ROBERT W. SCHROEDER III
UNITED STATES DISTRICT JUDGE

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

LONE STAR TECHNOLOGICAL
INNOVATIONS, LLC,

Plaintiff,

v.

ASUSTEK COMPUTER INC.,

Defendant.

§
§
§
§
§
§
§
§
§
§
§
§

CIVIL ACTION NO. 6:19-CV-00059-RWS

FINAL JUDGMENT

The above-entitled civil action has come before the Court for consideration, and a decision has been duly rendered as to all claims. Consistent with the Order entered this date, the Court hereby **ENTERS FINAL JUDGMENT** as to this case.

All motions by either party not previously ruled on are hereby **DENIED AS MOOT**.

The Clerk of the Court is directed to close the case.

IT IS SO ORDERED.

SIGNED this 18th day of August, 2022.


ROBERT W. SCHROEDER III
UNITED STATES DISTRICT JUDGE