# Exhibit 2002

in LG Electronics Inc. v. Mondis Technology Ltd, IPR2015-00938

"Defendants LG Electronics, Inc. and LG Electronics U.S.A., Inc.'s
Answer, Affirmative Defenses, and Counterclaims
to Plaintiff's Second Amended Complaint"
in *Mondis Technology Ltd. v. LG Electronics, Inc. et al.*,
E.D. Tex. no. 2:07-cv-00565

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

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| MONDIS TECHNOLOGY LTD,<br><br>Plaintiff,<br><br>v.<br><br>LG ELECTRONICS, INC.,<br>LG ELECTRONICS, USA, INC.,<br>HON HAI PRECISION INDUSTRY CO., LTD,<br>a/k/a/ FOXCONN,<br>INNOLUX DISPLAY CORP., and<br>INNOLUX CORP.<br><br>Defendants. | ) | Civil Case No. 2:07-cv-00565 |

**DEFENDANTS LG ELECTRONICS, INC. AND LG ELECTRONICS, USA, INC.'S ANSWER, AFFIRMATIVE DEFENSES, AND COUNTERCLAIMS TO PLAINTIFF'S SECOND AMENDED COMPLAINT**

Defendants LG Electronics, Inc. and LG Electronics, USA, Inc. (collectively, "LGE"), by their attorneys, answer the Second Amended Complaint for patent infringement of Plaintiff Mondis Technology Ltd. ("Mondis") as follows:

## NATURE OF THE ACTION

1. Answering Paragraph 1 of the Second Amended Complaint, LGE admits that the Second Amended Complaint purports to make allegations under the patent laws of the United States, 35 U.S.C. § 101 *et seq*., but LGE denies those allegations.

## THE PARTIES

2. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2 of the Second Amended Complaint and therefore denies those allegations.

3. Answering Paragraph 3 of the Second Amended Complaint, LGE admits that LG Electronics, Inc. is a corporation organized under the laws of Korea with its principal place of business at LG Twin Towers 20, Yeouido-dong, Yeongdeungpo-gu, Seoul, Korea.

4. Answering Paragraph 4 of the Second Amended Complaint, LGE admits that LG Electronics, USA, Inc. is a corporation organized under the laws of the state of Delaware and has a service agent located at 701 Brazos Street, Suite 1050, Austin, Texas. LGE otherwise denies the allegations of Paragraph 4.

5. Answering Paragraph 5 of the Second Amended Complaint, LGE admits that it is a worldwide seller of consumer electronics, home appliances, and mobile communications devices, that it employs more that 82,000 people, and that it had global sales of $38.5 billion in 2006. LGE otherwise denies the allegations of Paragraph 5.

6. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 6 of the Second Amended Complaint and therefore denies those allegations.

7. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 7 of the Second Amended Complaint and therefore denies those allegations.

8. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 8 of the Second Amended Complaint and therefore denies those allegations.

9. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 9 of the Second Amended Complaint and therefore denies those allegations.

10. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 10 of the Second Amended Complaint and therefore denies those allegations.

**JURISDICTION AND VENUE**

11. Answering Paragraph 11 of the Second Amended Complaint, LGE admits that the Second Amended Complaint purports to make allegations under the patent laws of the United States, Title 35 U.S.C. § 1 *et seq.* LGE admits that this Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338(a). LGE also admits that venue is proper in this judicial district under 28 U.S.C. §§ 1391(b) and 1400(b).

12. Answering Paragraph 12 of the Second Amended Complaint, LGE admits that it manufactures and assembles computer monitors and does business in the State of Texas generally. LGE otherwise denies the allegations in Paragraph 12.

13. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 13 of the Second Amended Complaint and therefore denies those allegations.

14. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 14 of the Second Amended Complaint and therefore denies those allegations.

**COUNT I - INFRINGEMENT OF U.S. PATENT NO. 6,057,812**

15. Answering Paragraph 15 of the Second Amended Complaint, LGE refers to Paragraphs 1 through 14 of this Answer.

16. LGE admits that the face of U.S. Patent No. 6,057,812 ("the '812 patent") identifies its issue date as May 2, 2000, and identifies its title as "IMAGE DISPLAY APPARATUS WHICH BOTH RECEIVES VIDEO INFORMATION AND OUTPUTS INFORMATION ABOUT ITSELF." LGE further admits that Paragraph 16 represents that the Second Amended Complaint contains an Exhibit A and represents that Exhibit A is a copy of the '812 patent. LGE otherwise denies the allegations of Paragraph 16.

17. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 17 of the Second Amended Complaint and therefore denies those allegations.

18. LGE denies the allegations in Paragraph 18 of the Second Amended Complaint.

19. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 19 and therefore denies those allegations.

20. Answering Paragraph 20 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 20 and therefore denies those allegations.

**COUNT II - INFRINGEMENT OF U.S. PATENT NO. 6,247,090**

21. Answering Paragraph 21 of the Second Amended Complaint, LGE refers to Paragraphs 1 through 20 of this Answer.

22. LGE admits that the face of U.S. Patent No. 6,247,090 ("the '090 patent") identifies its issue date as June 12, 2001, and identifies its title as "DISPLAY APPARATUS ENABLED TO CONTROL COMMUNICABILITY WITH AN EXTERNAL COMPUTER USING IDENTIFICATION INFORMATION." LGE further admits that Paragraph 22

represents that the Second Amended Complaint contains an Exhibit B and represents that Exhibit B is a copy of the '090 patent. LGE otherwise denies the allegations of Paragraph 22.

23. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 23 of the Second Amended Complaint and therefore denies those allegations.

24. LGE denies the allegations in Paragraph 24 of the Second Amended Complaint.

25. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 25 of the Second Amended Complaint and therefore denies those allegations.

26. Answering Paragraph 26 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 26 and therefore denies those allegations.

27. Answering Paragraph 27 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 27 and therefore denies those allegations.

28. Answering Paragraph 28 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 28 and therefore denies those allegations.

**COUNT III - INFRINGEMENT OF U.S. PATENT NO. 6,304,236**

29. Answering Paragraph 29 of the Second Amended Complaint, LGE refers to Paragraphs 1 through 28 of this Answer.

30. LGE admits that the face of U.S. Patent No. 6,304,236 ("the '236 patent") identifies its issue date as October 16, 2001, and identifies its title as "DISPLAY APPARATUS FOR ADJUSTING THE DISPLAY IMAGE USING A CONTROL SIGNAL FROM AN EXTERNAL COMPUTER." LGE further admits that Paragraph 30 represents that the Second Amended Complaint contains an Exhibit C and represents that Exhibit C is a copy of the '236 patent. LGE otherwise denies the allegations of Paragraph 30.

31. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 31 of the Second Amended Complaint and therefore denies those allegations.

32. LGE denies the allegations in Paragraph 32 of the Second Amended Complaint.

33. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 33 of the Second Amended Complaint and therefore denies those allegations.

34. Answering Paragraph 34 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 34 and therefore denies those allegations.

**COUNT IV - INFRINGEMENT OF U.S. PATENT NO. 6,513,088**

35. Answering Paragraph 35 of the Second Amended Complaint, LGE refers to Paragraphs 1 through 34 of this Answer.

36. LGE admits that the face of U.S. Patent No. 6,513,088 ("the '088 patent") identifies its issue date as January 28, 2003, and identifies its title as "DISPLAY UNIT AND METHOD ENABLING BI-DIRECTIONAL COMMUNICATION WITH VIDEO SOURCE." LGE further admits that Paragraph 36 represents that the Second Amended Complaint contains an Exhibit D and represents that Exhibit D is a copy of the '088 patent. LGE otherwise denies the allegations of Paragraph 36.

37. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 37 of the Second Amended Complaint and therefore denies those allegations.

38. LGE denies the allegations in Paragraph 38 of the Second Amended Complaint.

39. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 39 of the Second Amended Complaint and therefore denies those allegations.

40. Answering Paragraph 40 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 40 and therefore denies those allegations.

41. Answering Paragraph 41 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 41 and therefore denies those allegations.

42. Answering Paragraph 42 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a

belief as to the truth of the remaining allegations in Paragraph 42 and therefore denies those allegations.

**COUNT V - INFRINGEMENT OF U.S. PATENT NO. 6,549,970**

43. Answering Paragraph 43 of the Second Amended Complaint, LGE refers to Paragraphs 1 through 42 of this Answer.

44. LGE admits that the face of U.S. Patent No. 6,549,970 ("the '970 patent") identifies its issue date as April 15, 2003, and identifies its title as "DISPLAY UNIT WITH CONTROLLER ENABLING BI-DIRECTIONAL COMMUNICATION WITH COMPUTER." LGE further admits that Paragraph 44 represents that the Second Amended Complaint contains an Exhibit E and represents that Exhibit E is a copy of the '970 patent. LGE otherwise denies the allegations of Paragraph 44.

45. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 45 of the Second Amended Complaint and therefore denies those allegations.

46. LGE denies the allegations in Paragraph 46 of the Second Amended Complaint.

47. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 47 of the Second Amended Complaint and therefore denies those allegations.

48. Answering Paragraph 48 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 48 and therefore denies those allegations.

49. Answering Paragraph 49 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 49 and therefore denies those allegations.

50. Answering Paragraph 50 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 50 and therefore denies those allegations.

**COUNT VI - INFRINGEMENT OF U.S. PATENT NO. 6,639,588**

51. Answering Paragraph 51 of the Second Amended Complaint, LGE refers to Paragraphs 1 through 50 of this Answer.

52. LGE admits that the face of U.S. Patent No. 6,639,588 ("the '588 patent") identifies its issue date as October 28, 2003, and identifies its title as "IMAGE DISPLAY APPARATUS." LGE further admits that Paragraph 52 represents that the Second Amended Complaint contains an Exhibit F and represents that Exhibit F is a copy of the '588 patent. LGE otherwise denies the allegations of Paragraph 52.

53. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 53 of the Second Amended Complaint and therefore denies those allegations.

54. LGE denies the allegations in Paragraph 54 of the Second Amended Complaint.

55. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 55 of the Second Amended Complaint and therefore denies those allegations.

56. Answering Paragraph 56 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 56 and therefore denies those allegations.

**COUNT VII - INFRINGEMENT OF U.S. PATENT NO. 6,686,895**

57. Answering Paragraph 57 of the Second Amended Complaint, LGE refers to Paragraphs 1 through 56 of this Answer.

58. LGE admits that the face of U.S. Patent No. 6,686,895 ("the '895 patent") identifies its issue date as February 3, 2004, and identifies its title as "DISPLAY UNIT FOR DISPLAYING AN IMAGE BASED ON A VIDEO SIGNAL RECEIVED FROM A PERSONAL COMPUTER WHICH IS CONNECTED TO AN INPUT DEVICE." LGE further admits that Paragraph 58 represents that the Second Amended Complaint contains an Exhibit G and represents that Exhibit G is a copy of the '895 patent. LGE otherwise denies the allegations of Paragraph 58.

59. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 59 of the Second Amended Complaint and therefore denies those allegations.

60. LGE denies the allegations in Paragraph 60 of the Second Amended Complaint.

61. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 61 of the Second Amended Complaint and therefore denies those allegations.

62. Answering Paragraph 62 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a

belief as to the truth of the remaining allegations in Paragraph 62 and therefore denies those allegations.

**COUNT VIII - INFRINGEMENT OF U.S. PATENT NO. 7,089,342**

63. Answering Paragraph 63 of the Second Amended Complaint, LGE refers to Paragraphs 1 through 62 of this Answer.

64. LGE admits that the face of U.S. Patent No. 7,089,342 ("the '342 patent") identifies its issue date as August 8, 2006, and identifies its title as "METHOD ENABLING DISPLAY UNIT TO BI-DIRECTIONALLY COMMUNICATE WITH VIDEO SOURCE." LGE further admits that Paragraph 64 represents that the Second Amended Complaint contains an Exhibit H and represents that Exhibit H is a copy of the '342 patent. LGE otherwise denies the allegations of Paragraph 64.

65. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 65 of the Second Amended Complaint and therefore denies those allegations.

66. LGE denies the allegations in Paragraph 66 of the Second Amended Complaint.

67. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 67 of the Second Amended Complaint and therefore denies those allegations.

68. Answering Paragraph 68 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 68 and therefore denies those allegations.

**COUNT IX INFRINGEMENT OF U.S. PATENT NO. 7,475,180 B2**

69. Answering Paragraph 69 of the Second Amended Complaint, LGE refers to Paragraphs 1 through 68 of this Answer.

70. LGE admits that the face of U.S. Patent No. 7,475,180 B2 ("the '180 patent") identifies its issue date as January 6, 2009, and identifies its title as "DISPLAY UNIT WITH COMMUNICATION CONTROLLER AND MEMORY FOR STORING IDENTIFICATION NUMBER FOR IDENTIFYING DISPLAY UNIT." LGE further admits that Paragraph 70 represents that the Second Amended Complaint contains an Exhibit I and represents that Exhibit I is a copy of the '180 patent. LGE otherwise denies the allegations of Paragraph 70.

71. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 71 of the Second Amended Complaint and therefore denies those allegations.

72. LGE denies the allegations in Paragraph 72 of the Second Amended Complaint.

73. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 73 of the Second Amended Complaint and therefore denies those allegations.

74. Answering Paragraph 74 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 74 and therefore denies those allegations.

**COUNT X - INFRINGEMENT OF U.S. PATENT NO. 7,475,181 B2**

75. Answering Paragraph 75 of the Second Amended Complaint, LGE refers to Paragraphs 1 through 74 of this Answer.

76. LGE admits that the face of U.S. Patent No. 7,475,181 B2 ("the '181 patent") identifies its issue date as January 6, 2009, and identifies its title as "DISPLAY UNIT WITH PROCESSOR AND COMMUNICATION CONTROLLER WHICH COMMUNICATES INFORMATION TO THE PROCESSOR." LGE further admits that Paragraph 76 represents that the Second Amended Complaint contains an Exhibit J and represents that Exhibit J is a copy of the '181 patent. LGE otherwise denies the allegations of Paragraph 76.

77. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 77 of the Second Amended Complaint and therefore denies those allegations.

78. LGE denies the allegations in Paragraph 78 of the Second Amended Complaint.

79. LGE is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 79 of the Second Amended Complaint and therefore denies those allegations.

80. Answering Paragraph 80 of the Second Amended Complaint, LGE denies those allegations attributed to LGE. LGE is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 80 and therefore denies those allegations.

**JURY DEMAND**

81. Answering Paragraph 81 of the Second Amended Complaint, LGE denies that Mondis is entitled to any relief.

**AFFIRMATIVE DEFENSES**

LGE asserts the following defenses. Discovery has only begun, therefore, LGE reserves its right to modify and/or expand these defenses and to take further positions and raise additional defenses as discovery proceeds.

**FIRST DEFENSE**

**Non-Infringement**

82. LGE has not infringed, contributed to the infringement, or induced the infringement of any valid and enforceable claim of the '812 patent either literally or under the doctrine of equivalents, and is not liable as an infringer with respect to any valid and enforceable claim of the '812 patent.

83. LGE has not infringed, contributed to the infringement, or induced the infringement of any valid and enforceable claim of the '090 patent either literally or under the doctrine of equivalents, and is not liable as an infringer with respect to any valid and enforceable claim of the '090 patent.

84. LGE has not infringed, contributed to the infringement, or induced the infringement of any valid and enforceable claim of the '236 patent either literally or under the doctrine of equivalents, and is not liable as an infringer with respect to any valid and enforceable claim of the '236 patent.

85. LGE has not infringed, contributed to the infringement, or induced the infringement of any valid and enforceable claim of the '088 patent either literally or under the doctrine of equivalents, and is not liable as an infringer with respect to any valid and enforceable claim of the '088 patent.

86. LGE has not infringed, contributed to the infringement, or induced the infringement of any valid and enforceable claim of the '970 patent either literally or under the

doctrine of equivalents, and is not liable as an infringer with respect to any valid and enforceable claim of the ’970 patent.

87. LGE has not infringed, contributed to the infringement, or induced the infringement of any valid and enforceable claim of the ’588 patent either literally or under the doctrine of equivalents, and is not liable as an infringer with respect to any valid and enforceable claim of the ’588 patent.

88. LGE has not infringed, contributed to the infringement, or induced the infringement of any valid and enforceable claim of the ’895 patent either literally or under the doctrine of equivalents, and is not liable as an infringer with respect to any valid and enforceable claim of the ’895 patent.

89. LGE has not infringed, contributed to the infringement, or induced the infringement of any valid and enforceable claim of the ’342 patent either literally or under the doctrine of equivalents, and is not liable as an infringer with respect to any valid and enforceable claim of the ’342 patent.

90. LGE has not infringed, contributed to the infringement, or induced the infringement of any valid and enforceable claim of the ’180 patent either literally or under the doctrine of equivalents, and is not liable as an infringer with respect to any valid and enforceable claim of the ’180 patent.

91. LGE has not infringed, contributed to the infringement, or induced the infringement of any valid and enforceable claim of the ’181 patent either literally or under the doctrine of equivalents, and is not liable as an infringer with respect to any valid and enforceable claim of the ’181 patent.

## SECOND DEFENSE

### Patent Invalidity

92. The claims of the ’812 patent are invalid for failure to comply with one or more of the conditions for patentability set forth in the Patent Laws of the United States Code, Title 35, at least in Sections 102, 103, and 112.

93. The claims of the ’090 patent are invalid for failure to comply with one or more of the conditions for patentability set forth in the Patent Laws of the United States Code, Title 35, at least in Sections 102, 103, and 112.

94. The claims of the ’236 patent are invalid for failure to comply with one or more of the conditions for patentability set forth in the Patent Laws of the United States Code, Title 35, at least in Sections 102, 103, and 112.

95. The claims of the ’088 patent are invalid for failure to comply with one or more of the conditions for patentability set forth in the Patent Laws of the United States Code, Title 35, at least in Sections 102, 103, and 112.

96. The claims of the ’970 patent are invalid for failure to comply with one or more of the conditions for patentability set forth in the Patent Laws of the United States Code, Title 35, at least in Sections 102, 103, and 112.

97. The claims of the ’588 patent are invalid for failure to comply with one or more of the conditions for patentability set forth in the Patent Laws of the United States Code, Title 35, at least in Sections 102, 103, and 112.

98. The claims of the ’895 patent are invalid for failure to comply with one or more of the conditions for patentability set forth in the Patent Laws of the United States Code, Title 35, at least in Sections 102, 103, and 112.

99. The claims of the ’342 patent are invalid for failure to comply with one or more of the conditions for patentability set forth in the Patent Laws of the United States Code, Title 35, at least in Sections 102, 103, and 112.

100. The claims of the ’180 patent are invalid for failure to comply with one or more of the conditions for patentability set forth in the Patent Laws of the United States Code, Title 35, at least in Sections 102, 103, and 112.

101. The claims of the ’181 patent are invalid for failure to comply with one or more of the conditions for patentability set forth in the Patent Laws of the United States Code, Title 35, at least in Sections 102, 103, and 112.

**THIRD DEFENSE**

**Prosecution History Estoppel**

102. On information and belief, Mondis’s claims are barred by estoppel, including the doctrine of prosecution history estoppel, which precludes an interpretation of the claims of the ’812, ’090, ’236, ’088, ’970, ’588, ’895, ’342, ’180, and ’181 patents (“the Patents-in-Suit”) in a manner that would result in infringement by any products or acts of LGE.

**FOURTH DEFENSE**

**Equitable Estoppel**

103. On information and belief, the Patents-in-Suit may be alleged to have been assigned to Mondis, by Hitachi, Ltd. (“Hitachi”), a corporation organized and existing under the laws of Japan.

104. On information and belief, Hitachi, through its subsidiaries and agents, has been a member of the Video Electronic Standards Association ("VESA"), a non-profit standards-setting association composed of virtually all major computer hardware and software manufacturers, since 1991.

105. VESA requires its members to disclose the existence of patents and pending patent applications relating to proposed standards. Prior to approval of a proposed standard by VESA, VESA members are required to either certify that they do not hold and do not anticipate to hold any patents required to practice the proposed standard or to disclose the patents and/or applications required to practice the proposed standard and certify that the patents and/or applications will be licensed without compensation or under reasonable and non-discriminatory terms and conditions for the purpose of implementing the standard.

106. From the early 1990s, VESA developed a number of design standards for a "display data channel" (DDC) to standardize "plug and play" monitors.

107. Compatibility with standards such as DDC is effectively mandatory to participate in the market for plug-and-play monitors.

108. On information and belief, Hitachi, through its subsidiaries and agents, participated in the development of various VESA standards, including the DDC standard, and had at least a duty to disclose to VESA the existence of patents and pending patent applications relating to proposed standards. Instead, Hitachi withheld from VESA, during the development of these VESA standards, pending applications that Hitachi knew were potentially relevant to proposed or actual VESA standards, such as the DDC standard. These pending applications and the continuation applications of some of these pending applications later resulted in the Patents-in-Suit.

109. Had VESA known about the then-pending applications that, either directly or indirectly through continuation applications, led to the issuance of the Patents-in-Suit, VESA would have revised the proposed standards, negotiated a royalty-free license for the implementation of the proposed standards, or otherwise taken action to avoid obligations under the Patents-in-Suit for compliance with VESA standards.

110. On information and belief, Hitachi, through its subsidiaries and agents, participated in discussion and development of VESA IP policies and advocated for royalty-free licensing of patents in connection with VESA standards.

111. As a consequence, Hitachi, by its non-disclosure of the then-pending applications that, either directly or indirectly through continuation applications, resulted in the Patents-in-Suit to VESA during the development of one or more VESA standards, such as the DDC standard, and by its misleading statements to VESA with regard to Hitachi's position on royalty-free patent licensing for VESA standards gave VESA and all those who would later manufacture products in accordance with the VESA standards reason to believe that it would not assert patent rights against products conforming with the VESA standards. Hitachi and its successors in interest are, therefore, equitably estopped from asserting infringement of the Patents-in-Suit and demanding royalties for implementation of the VESA standards, including the DDC standard.

112. Mondis, if proven as an assignee of the Patents-in-Suit by Hitachi, receives only those rights to which Hitachi is entitled to assign. Mondis is, therefore, also estopped from asserting infringement of the Patents-in-Suit by implementation of VESA standards, particularly the DDC standard, due to Hitachi's unclean hands, deceptive conduct, and withholding of relevant information from VESA.

113. Mondis, if proven as assignee of the Patents-in-Suit by Hitachi, has actual and/or imputed knowledge that Hitachi withheld information from VESA during the development of the

VESA standards on the then-pending patent applications that, either directly or indirectly through continuation applications, resulted in the Patents-in-Suit. Mondis is, therefore, additionally estopped from asserting infringement of the Patents-in-Suit by implementation of the VESA standards.

## FIFTH DEFENSE

### License

114. The allegations of Paragraphs 103-113 are incorporated herein.

115. As a purported assignee and successor-in-interest from Hitachi of the Patents-in-Suit, Mondis is estopped from asserting infringement of the Patents-in-Suit by implementation of one or more VESA standards, particularly the DDC standard, because a license, either expressed or implied, was created to the Patents-in-Suit by Hitachi's non-disclosure to VESA during the development of the VESA DDC standards of the then-pending patent applications that, either directly or indirectly through continuation applications, resulted in the Patents-in-Suit and by Hitachi's misleading statements to VESA with regard to its position on royalty-free patent licensing for VESA standards.

116. To the extent Hitachi effectively declared any of the Patents-in-Suit to VESA, its purported assignee and successor-in-interest Mondis is estopped from obtaining an injunction because LGE has a license and/or a right to license those declared patents under royalty-free or reasonable and non-discriminatory terms and conditions.

## SIXTH DEFENSE

### Inequitable Conduct

117. Pursuant to 37 C.F.R. § 1.56, inventors, patent counsel and others associated with the filing and prosecution of a patent application are under a duty to disclose all information to

the USPTO that is known to them and that a reasonable patent examiner would find material to patentability.

118. On information and belief, persons associated with the filing and prosecution of the ’090, ’970, ’088, ’342, ’180, and ’181 patents, including at least one of inventors Ikuya Arai and Kouji Kitou, original assignee Hitachi, and prosecuting attorney Melvin Kraus of Antonelli, Terry, Stout & Kraus, LLP, acquired awareness and/or knowledge of at least prior art reference, U.S. Patent No. 5,262,759 (“the ’759 patent”), entitled “Removable Computer Display Interface,” through Hitachi’s participation in VESA. Moreover, on information and belief, at least Hitachi and Antonelli, Terry, Stout & Kraus, LLP had possession and/or specific knowledge of the ’759 patent through their joint patent prosecution activities before the U.S. Patent and Trademark Office. For example, Antonelli, Terry, Stout & Kraus, LLP prosecuted a patent application that led to the issuance of U.S. Patent No. 5,670,969 (“the ’969 patent”), in which the ’759 patent is a reference of record. The ’969 patent names Hitachi as the original assignee, was filed prior to the earliest filing date of the ’090, ’970, ’088, ’342, ’180, and ’181 patents, and was pending before the U.S. Patent and Trademark Office at the same time as at least one of the chain of applications that led to the ’090, ’970, ’088, ’342, ’180, and ’181 patents.

119. On information and belief, the ’759 patent is material to the patentability of the ’090, ’970, ’088, ’342, ’180, and ’181 patents at least because it discloses subject matter that a reasonable patent examiner would have considered important in examining one or more claims of the ’090, ’970, ’088, ’342, ’180, and ’181 patents.

120. Specifically, both the ’090 and ’088 patents include one or more claims generally directed to, for example, a display unit having (1) means for receiving video signals for video

display from a video source; (2) memory means for storing at least display unit information; and (3) a communication controller capable of bi-directionally communicating with the video source.

121. The ’970 patent includes one or more claims generally directed to, for example, a display unit having a communication control circuit for communicating with an externally connected computer, where the display unit includes (1) a memory which stores an identification number for making the computer recognize that the display unit is communicatable with the computer; and (2) a communication controller which sends the identification number stored in the memory to the computer in response to power on of at least one of the display unit and the computer, where the communication controller enables bi-directional communication with the display unit and the computer.

122. The ’342 patent includes one or more claims generally directed to, for example, a method for a display unit that displays video signals sent by a video source, the method including (1) communicating display unit information stored in a memory of the display unit to the video source; and (2) receiving a signal from the video source, where the signal is generated based on the display unit information and where the display unit is capable of bi-directionally communicating with the video source.

123. The ’180 patent includes one or more claims generated directed to, for example, a display unit comprising: (1) a video circuit adapted to display an image based on the video signals sent by said externally connected video source; (2) a memory which stores an identification number for identifying at least a type of said display unit; and (3) a communication controller which sends said identification number stored in said memory to said video source; wherein said communication controller is capable of bi-directionally communicating with said video source.

124. The ’181 patent includes one or more claims generally directed to, for example, a display unit comprising: (1) a processor adapted to control display of the display unit; and (2) a communication controller capable of bi-directionally communicating with a video source; wherein the communication controller communicates display unit information of the display unit received from the video source to the processor.

125. The ’759 patent was material to the prosecution of the ’090, ’970, ’088, ’342, ’180, and ’181 patents at least because it discloses a display module that a reasonable patent examiner would have considered important in examining the subject matter claimed in the ’090, ’970, ’088, ’342, ’180, and ’181 patents. In particular, the ’759 patent discloses, in connection with its FIG. 4, a display module that comprises “circuitry 47, including . . . a EEPROM memory device 51 for storing a code associated with the type [of] display with which the EEPROM is associated. Circuitry 47 is connected to connector 39 by path 42, and provides output to display 43 via path 44.” With respect to the EEPROM memory, the ’759 patent further specifies that “EEPROM 51 is programmed with a unique identity code for the specific type of module. Each type of module offer for the computer has a specific identity code. On initializing, the system BIOS queries the display to ascertain the module type, and loads the correct routines to operate that module . . . the EEPROM code for identity, which the computer system uses as a pointer to driver routines to match the particular requirement of the display module. On power-up, as indicated above, the BIOS queries the display module and loads the correct display driver routines.” ’759 patent, col. 5, lines 1-40.

126. On information and belief, the persons associated with the filing and prosecution of the ’090, ’970, and ’088 patents—namely, at least one of inventors Ikuya Arai and Kouji Kitou, original assignee Hitachi, and prosecuting attorney Melvin Kraus of Antonelli, Terry, Stout & Kraus, LLP—failed to disclose at least the ’759 patent, which was material to the

patentability of the ’090, ’970, and ’088 patents, to the USPTO during prosecution of the ’090, ’970, and ’088 patents and their failure to do so was with the intent to deceive.

127. While the ’759 patent was submitted to the USPTO during prosecution of the ’342, ’180, and ’181 patents, this late submission cannot cure the failure with deceptive intent to submit the ’759 patent during prosecution of the ’090, ’970, and ’088 patents, which are either parent to or related to the ’342, ’180 and ’181 patents. Additionally, the persons associated with the filing and prosecution of the ’342, ’180, and ’181 patents are the same as the persons associated with the filing and prosecution of the ’090, ’970, and ’088 patents. On information and belief, the failure to submit the ’759 patent during prosecution of the ’090, ’970, and ’088 patents was with the intent to deceive and infects the later ’342, ’180, and ’181 patents, leading to inequitable conduct with respect to the 342, ’180, and ’181 patents.

128. Furthermore, on information and belief, persons associated with the filing and prosecution of the ’090, ’970, ’088, ’342, ’180, and ’181 patents, including original assignee Hitachi, through its subsidiaries and agents, acquired awareness and/or knowledge of materials, including printed publications, dated before February 10, 1993, that were disseminated by VESA and its members and related to display designs and proposals in connection with the then-developing DDC and other VESA standards. These materials included, for example, documents related to the development and usage of VDDP, $I^2C$, DDC, and other related standards.

129. These VESA materials would have been material to the patentability of the ’090, ’970, and ’088 patents at least because they relate to, among other things, communication protocols for enabling bi-directional exchange of configuration information including, for example, identification information, between a display and a computer body. In contending that Defendants infringe the Patents-in-Suit, for example, Hitachi currently alleges that the $I^2C$ protocols for bi-directional communication meet certain claim recitations in the Patents-in-Suit.

130. On information and belief, persons associated with the filing and/or prosecution of the ’090, ’970, ’088, ’342, ’180, and ’181 patents, notwithstanding knowledge of these VESA materials, failed to disclose this information to the USPTO during prosecution of the ’090, ’970, and ’088 patents and failed to properly and effectively disclose this information to the USPTO during prosecution of the ’342, ’180, and ’181 patents. On information and belief, these failures were with the intent to deceive.

131. On information and belief, at least some of the above-mentioned VESA materials were given to the USPTO during the prosecution of the ’342, ’180, and ’181 patents as a part of a submission of litigation material cited by a defendant in an earlier litigation involving the ’090, ’970, and ’088 patents. However, persons associated with the prosecution of the ’342, ’180, and ’181 patents, in particular, the prosecuting attorney, Melvin Kraus, materially misrepresented the nature and character of the submitted VESA materials and their materiality to the patentability of the ’342, ’180, and ’181 patents. More specifically, Mr. Kraus, in conjunction with the submission of these VESA materials to the USPTO in an Information Disclosure Statement dated August 12, 2004, stated that the VESA materials are “not available to the public, irrespective of the date thereof. . . noting that such material represent VESA material which in accordance with VESA Policy No. 221, copy attached, is not releasable to the public.” Mr. Kraus further claimed that the “PROPRIETARY material is not publicly available material and is not properly utilized by the Examiner in relation to the claimed invention under the patent statues, such that such material should be found not to be important to a reasonable [Examiner] in deciding whether to allow the application to issue as a patent.” Mr. Kraus additionally requested “expungement of such information . . . in accordance with MPEP 724.02.”

132. Contrary to Mr. Kraus’s assertion in connection with the VESA materials submitted on August 12, 2004, VESA Policy No. 221, which Mr. Kraus attached to the

submission, showed the earliest approval date of this policy as January 23, 1995, which is over a year after the relevant priority date of the ’342, ’180, and ’181 patents. Moreover, on information and belief, the relevant VESA materials, such as the VDDP proposal drafts, were widely disseminated to all VESA members and any interested member of the public, for example, at VESA’s bi-annual meetings, such as the one held in November 1992, prior to the relevant priority date of the ’342, ’180, and ’181 patents and long before the approval of the cited VESA Policy No. 221. For example, VDDP Proposal, draft 5.05, was disseminated to VESA members on July 24, 1992. Also, Mr. Thomas Ryan, VESA’s Executive Director during the relevant time period, published an article entitled “Build an Intelligent Display” in *Electronic Design* on August 20, 1992. This article described, among other things, VESA’s VDDP standard and its development, and further invited the public to contact VESA for more information on VDDP.

133. On information and belief, persons associated with the filing and prosecution of the ’342, ’180, and ’181 patents knew that the August 12, 2004, characterization of the submitted VESA materials was false, and that the mischaracterization was made with the intent to deceive. Moreover, the belated attempt to submit VESA materials to the USPTO during prosecution of the ’342, ’180, and ’181 patents cannot cure the failure with deceptive intent of those persons associated with the filing and prosecution of the ’090, ’970, ’088 patents, including original assignee Hitachi, through its subsidiaries and agents, to submit VESA materials during prosecution of the ’090, ’970, and ’088 patents, which are either parent to or related to the ’342, ’180 and ’181 patents.

134. By reason of the foregoing, the ’090, ’970, ’088, ’342, ’180, and ’181 patents were procured through inequitable conduct rendering them unenforceable.

## SEVENTH DEFENSE

### Prosecution Laches

135. On information and belief, Mondis, as purported assignee and successor-in-interest to the Patents-in-Suit from Hitachi, is estopped from asserting infringement of the ’090, ’970, ’088, ’342, ’180, and ’181 patents by the doctrine of prosecution laches in light of unreasonable delay in advancing the applications that eventually issued as the ’090, ’970, ’088, ’342, ’180, and ’181 patents.

## EIGHTH DEFENSE

### Marking

136. LGE, through discovery and otherwise, intends to develop evidence that all or some of Mondis’s claims for damages and other remedies are barred by the marking and notice requirements provisions of 35 U.S.C. § 287.

## NINTH DEFENSE

**Lack of Standing**

137. On information and belief, Mondis lacks standing to bring this action.

## TENTH DEFENSE

**Unclean Hands**

138. On information and belief, Mondis's claims for recovery are barred, in whole or in part, by the equitable doctrine of unclean hands.

## COUNTERCLAIMS

Without admitting any of the allegations of the Second Amended Complaint other than those admitted herein and without prejudice to LGE's right to plead additional counterclaims as the facts of the matter warrant, LGE asserts the following counterclaims and alleges as follows:

## NATURE OF THE ACTION

139. This is a civil action for declaratory judgment of non-infringement, patent invalidity, and unenforceability of one or more claims of the '812, '090, '236, '088, '970, '588, '895, '342, '180, and '181 patents under 35 U.S.C. §§ 1, *et. seq.* and 28 U.S.C. §§ 2201 and 2202. This is also a civil action for unfair competition under the laws of the State of Texas.

## THE PARTIES

140. Plaintiff LG Electronics, Inc. is a corporation organized under the laws of Korea with its principal place of business at LG Twin Towers 20, Yeouido-dong, Yeongdeungpo-gu, Seoul, Korea.

141. Plaintiff LG Electronics, USA, Inc. is a company organized under the laws of the state of Delaware with its principal place of business at 1000 Sylvan Ave, Englewood Cliffs, NJ.

142. Mondis has alleged that it is a corporation organized under the laws of England with its principal place of business at 19 Perrins Lane, Hampstead, London NW3 1QY, England.

## JURISDICTION AND VENUE

143. This Court has subject matter jurisdiction over the declaratory judgment action under 28 U.S.C. §§ 1331, 1367, 1338, 2201, and 2202. As demonstrated by the Second Amended Complaint filed by Mondis in this action, an actual justiciable controversy exists between LGE and Mondis concerning the non-infringement, invalidity, and unenforceability of the '812, '090, '236, '088, '970, '588, '895, '342, '180, and '181 patents, and Mondis is subject to the jurisdiction of this Court. This Court also has subject matter jurisdiction over the unfair competition counterclaim under Texas laws because it arises out of the transaction or occurrence that is the subject matter of Mondis's claims and does not require adding another party over whom the Court cannot acquire jurisdiction.

144. Venue is proper in this judicial district under 28 U.S.C. §§ 1391(b) & (c) and 1400(a).

## COUNTERCLAIM 1

### Declaratory Judgment of Non-Infringement

145. The allegations of Paragraphs 82-91 and 102 are incorporated herein.

146. LGE does not infringe directly, contributorily or by inducement any claim of the '812, '090, '236, '088, '970, '588, '895, '342, '180, and '181 patents.

## COUNTERCLAIM 2

### Declaratory Judgment of Invalidity

147. The allegations of Paragraphs 92-101 are incorporated herein.

148. The ’812, ’090, ’236, ’088, ’970, ’588, ’895, ’342, ’180, and ’181 patents are invalid because they fail to satisfy the conditions for patentability specified under 35 U.S.C. §§ 101, 102, 103, and/or 112.

## COUNTERCLAIM 3

### Declaratory Judgment of Unenforceability

149. The allegations of Paragraphs 103-135 are incorporated herein.

150. The ’812, ’090, ’236, ’088, ’970, ’588, ’895, ’342, ’180, and ’181 patents are unenforceable at least as a result of the doctrines of inequitable conduct, equitable estoppel, implied license, and/or prosecution laches.

## COUNTERCLAIM 4

### Violation of Texas Unfair Competition Law

151. The allegations of Paragraphs 103-135 are incorporated herein.

152. On information and belief, Hitachi, which allegedly assigned the Patents-in-Suit to Mondis, was a member of VESA. VESA members, including Hitachi and/or its subsidiaries or affiliates, voted to approve one or more VESA’s Display Data Channel (DDC) standards. As part of that approval, Hitachi essentially certified that it did not have any patents or pending patent applications that would be infringed by the one or more VESA DDC standards.

153. On information and belief, Hitachi, by its non-disclosure to VESA during the development of the VESA DDC standards of the then-pending applications that, either directly or indirectly through continuation applications, resulted in the Patents-in-Suit, and by its misleading statements to VESA with regard to Hitachi’s position on royalty-free patent licensing for VESA standards, misled the VESA membership and the display industry to believe that the

VESA DDC standards are free from infringement and/or free from any royalty obligations in connection with any Hitachi patents.

154. Had VESA known about the then-pending applications that, either directly or indirectly through continuation applications, led to the issuance of the Patents-in-Suit, VESA would have revised the proposed standards, negotiated a royalty-free license for the implementation of the proposed standards, or otherwise taken action to avoid obligations under the Patents-in-Suit for compliance with the DDC standards.

155. On information and belief, after the one or more VESA DDC standards were adopted, Hitachi asserted that implementing the one or more VESA DDC standards would violate the claims of one or more of the Patents-in-Suit.

156. On information and belief, after the one or more VESA DDC standards became widely implemented by the display industry, Mondis, as the alleged assignee of the Patents-in-Suit, initiated this patent infringement lawsuit against LGE without offering LGE a license with reasonable and non-discriminatory terms. Mondis's conduct constituted a discriminatory licensing practice.

157. On information and belief, the Federal Trade Commission (FTC) has issued complaints under 15 U.S.C. § 45 against certain companies that have engaged in conduct similar to what Hitachi and Mondis did with respect to the Patents-in-Suit. The FTC issues such a complaint against a company if it reasonably believes that the company has engaged in unfair methods of competition. In connection with the above-mentioned FTC complaints, the relevant companies were subsequently prohibited from enforcing the implicated patents or prohibited from enforcing the implicated patents unless the patent holders offered licenses based on reasonable and non-discriminatory terms.

158. In the present action, both Mondis and Hitachi have engaged in methods and practices of unfair competition which interfere and threaten to interfere with LGE's business in violation of the unfair competition laws of Texas. Mondis's actions have caused injury in fact and financial harm to LGE.

159. Mondis and its predecessor Hitachi's unlawful, anticompetitive, and unfair conduct constitutes unfair competition under Texas Law.

**PRAYER FOR RELIEF**

WHEREFORE, LGE denies that Mondis is entitled to any of the relief prayed for in the Second Amended Complaint, and LGE prays that judgment be entered against Mondis as follows:

A. dismissing Mondis's Second Amended Complaint with Prejudice and denying Mondis any relief whatsoever;

B. declaring that LGE has not infringed and is not infringing any valid and enforceable claim of the '812, '090, '236, '088, '970, '588, '895, '342, '180, and '181 patents asserted by Mondis;

C. declaring that any asserted claims of the '812, '090, '236, '088, '970, '588, '895, '342, '180, and '181 patents are invalid and/or unenforceable;

D. finding that Mondis committed unfair competition and that LGE is entitled to any and all relief recoverable for such unfair competition as is allowable under Texas law related to unfair competition;

E. awarding LGE its costs and reasonable attorneys' fees under 35 U.S.C. § 285 and such other; and

F. awarding LGE such other and further relief as the Court deems just and proper.

**DEMAND FOR JURY TRIAL**

LGE requests a trial by jury on all claims and issues triable of right by a jury.

Dated: March 27, 2009

Respectfully submitted,

*/s/ Melissa R. Smith*

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**Counsel for Defendants LG ELECTRONICS, INC. and LG ELECTRONICS, USA, INC.**

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a). As such, this motion was served on all counsel who have consented to electronic service. Local Rule CV-5(a)(3)(A). Pursuant to Fed. R. Civ. P. 5(d) and Local Rule CV-5(e), all other counsel of record not deemed to have consented to electronic service were served with a true and correct copy of the foregoing by certified mail, return receipt requested, on this the 27th day of March, 2009.

__/s/ *Melissa R. Smith* _____
Melissa R. Smith