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Enplas Display Device LED Diffusion Lens Litigation

On April 18, 2016, United States District Court for the Northern District of California entered judgment in accordance with the jury's verdict in *Enplas Display Device Corporation v. Seoul Semiconductor Co., Ltd.* (N.D. Cal., Case No. 3:13-cv-05038-NC) that EDD's sale of light diffusion lenses #9854D, #9854E and #9879 in Japan and Taiwan induced unnamed parties to infringe claims 1, 6, 33, 34 and 35 of United States Patent No. 6,473,554 (USP '554) and its sale of those lenses and lenses #4922 and #9853A in Japan and Taiwan induced unnamed parties to infringe claim 20 of United States Patent No. 6,007,209 (USP '209) (under 35 U.S.C. § 271(b)). A ruling on inducement to infringe outside the U.S. requires either direct infringement (under 35 U.S.C. § 271(a)) or contributory infringement (under 35 U.S.C. § 271(c)). The Court did not, however, identify any infringing parties.

EDD strongly disagrees with the findings of both infringement and invalidity and intends to seek reversal on appeal to the Court of Appeals for the Federal Circuit.

Regardless, the decision has no impact on EDD's ability to continue to provide its products to its customers because the jury awarded a one-time freedom-to-operate for all EDD products and for the life of USP '554 and USP '209. As such, ***all of EDD's light diffusion lens products*** are immune from further action, including any action against EDD's customers, regardless of the final outcome of the contemplated appeal. USP '554 will expire on December 12, 2016 and USP '209 will expire on March 19, 2017.

The Court already ruled in December 2015 that:

1. EDD does not infringe (directly or contributorily) USP '554 and USP'209;
2. EDD does not infringe (directly or indirectly) claims 3-5, 7-29, 32 and 38-48 of USP '554;
3. EDD does not infringe (directly or indirectly) any claims other than claim 20 (1-19, 21-22) of USP '209;
4. Our light diffusion lens #9827 does not infringe (directly or indirectly) USP '554 or USP '209;
5. Our light diffusion lens #4922 does not infringe (directly or indirectly) USP '554.

Additionally, SSC previously provided EDD with the following unconditional covenants not to sue with respect to our light diffusion lenses:

1. SSC will not sue for direct or contributory infringement under USP '554 and USP '209;
2. SSC will not file any suit for infringement under claims 3-5, 7-29, 32 and 38-48 of USP '554;
3. SSC will not file any suit for infringement under any claims of USP '209 other than claim 20 (*i.e.*, claims 1-19 and 21-22).

The Court's current decision has dealt with all outstanding claims from the December 2015 summary judgement ruling: claims 1, 6, 33, 34 and 35 of USP '554 and claim 20 of USP '209.

Contrary to some media reports, the U.S. lawsuit concerning USP '554 and USP '209, including the question of inducement, concerns only EDD. Our parent company, Enplas Corporation, is not a party to that suit.

The Court's decision has no effect whatsoever on the validity of any patents held anywhere in the world by Enplas Corporation.