

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

**NOTICE OF ENTRY OF
JUDGMENT ACCOMPANIED BY OPINION**

OPINION FILED AND JUDGMENT ENTERED: 04/28/2017

The attached opinion announcing the judgment of the court in your case was filed and judgment was entered on the date indicated above. The mandate will be issued in due course.

Information is also provided about petitions for rehearing and suggestions for rehearing en banc. The questions and answers are those frequently asked and answered by the Clerk's Office.

No costs were taxed in this appeal.

Regarding exhibits and visual aids: Your attention is directed Fed. R. App. P. 34(g) which states that the clerk may destroy or dispose of the exhibits if counsel does not reclaim them within a reasonable time after the clerk gives notice to remove them. (The clerk deems a reasonable time to be 15 days from the date the final mandate is issued.)

FOR THE COURT

/s/ Peter R. Marksteiner

Peter R. Marksteiner
Clerk of Court

16-1585, 16-1618 - Nichia Corporation v. Everlight Americas, Inc.
United States District Court for the Eastern District of Texas, Case No. 2:13-cv-00702-JRG

NICHIA EXHIBIT 2036
Vizio, Inc. v. Nichia Corp.

United States Court of Appeals for the Federal Circuit

NICHIA CORPORATION,
Plaintiff-Appellant

v.

**EVERLIGHT AMERICAS, INC., EVERLIGHT
ELECTRONICS CO., LTD.,**
Defendants-Cross-Appellants

ZENARO LIGHTING, INC.,
Defendant

2016-1585, 2016-1618

Appeals from the United States District Court for the Eastern District of Texas in No. 2:13-cv-00702-JRG, Judge J. Rodney Gilstrap.

Decided: April 28, 2017

ROBERT P. PARKER, Rothwell, Figg, Ernst & Manbeck, P.C., Washington, DC, argued for plaintiff-appellant. Also represented by MARTIN MOSS ZOLTICK, MICHAEL JONES, DANIEL MCCALLUM, STEVEN PAUL WEIHROUCH.

JERRY ROBIN SELINGER, Patterson & Sheridan LLP, Dallas, TX, argued for defendants-cross-appellants. Also represented by JAYME PARTRIDGE, BARDEN TODD

PATTERSON, Houston, TX; ERIC W. BENISEK, JEFFREY T. LINDGREN, ROBERT MCARTHUR, STEPHEN C. STEINBERG, RICHARD C. VASQUEZ, Vasquez Benisek & Lindgren, LLP, Lafayette, CA.

Before REYNA, HUGHES, and STOLL, *Circuit Judges*.

STOLL, *Circuit Judge*.

Nichia Corporation sued Everlight Electronics Co., LTD., Everlight Americas, INC., and Zenaro Lighting, Inc. (collectively, “Everlight”) for infringement of three of its patents. Following a bench trial, the district court found Everlight infringed all three patents and had not proved them invalid. The court denied, however, Nichia’s request for a permanent injunction against Everlight. Nichia appeals the district court’s refusal to enter an injunction against Everlight. Everlight cross-appeals the court’s judgment that it infringes Nichia’s patents and that it failed to prove the patents invalid. We affirm.

BACKGROUND

I.

Nichia Corporation is an LED company that manufactures and supplies LEDs in markets around the world. *Nichia Corp. v. Everlight Elecs. Co.*, No. 02:13-CV-702, 2016 WL 310142, at *1 (E.D. Tex. Jan. 25, 2016) (“*Nichia*”). Both parties agree that “Nichia is the world’s largest supplier of LEDs.” J.A. 2113, ¶ 154. It sells LEDs in America through its subsidiary Nichia America Corp. Nichia also researches and develops LED technology, including the technology disclosed in the three patents Nichia asserted in this case.

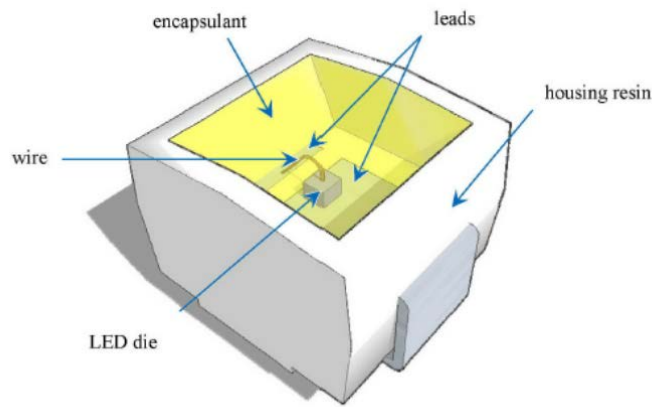
Everlight buys chips from suppliers and packages them into LEDs. *Nichia*, 2016 WL 310142, at *1. It sells LEDs in the U.S. directly to customers and through its subsidiaries. *Id.*

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II.

Nichia accused Everlight of infringing three of Nichia's patents, U.S. Patent Nos. 8,530,250, 7,432,589, and 7,462,870. All three disclose package designs and methods of manufacturing LED devices. All three patents use a shared set of vocabulary known in the art, as shown below on a common configuration of an LED:



Id. at *4; J.A. 11. The court explained that this LED includes the following parts:

- (i) the “leads,” which are used to conduct the electrical current to the LED chip;
- (ii) the “resin housing,” which is made out of a reflective resin and includes a recess in which the LED chip is placed;
- (iii) the “LED chip” or “LED die” (about the size of a grain of salt), which is mounted in the recess typically by using an adhesive material in a process known as die bonding;
- (iv) one or more “bond wires” that connect the LED chip to the leads; and
- (v) an “encapsulation material” that encapsulates the LED chip and protects it from the environment.

Nichia, 2016 WL 310142, at *4.

The LEDs in suit are miniscule; they are typically smaller than 1 millimeter in height. *Id.* They are used in LCD backlights, video displays, automotive applications, and general lighting applications. *Id.*

The court found that LED design technology is a complex technological space, where many design considerations pull in different directions simultaneously. It found that “LED package design involves the simultaneous integration and balancing of multiple design considerations, including electrical, optical, thermal, and mechanical design challenges.” *Id.* The court emphasized that:

[m]ultiple challenges must be addressed when designing an LED package: (i) electrical design challenges: We have to conduct a relatively high-current density through the small LED chip and connect the LED chip to the leads; (ii) optical design challenges: The intensities are very high, because the LED chip is very small and the power emitted by the LED is quite high. And, therefore, we need to handle a very high-optical radiation density; (iii) thermal design challenges: The LED chip inevitably creates heat, and this heat needs to be conducted away; and (iv) mechanical design challenges: includes protecting the LED chip from any external effect, such as moisture or mechanical intrusion. These multiple requirements can be contradictory and can pull the design in different directions.

Id. (internal emphases, citations, and quotations omitted).

The district court held a bench trial and found that Everlight infringed all three patents and had failed to prove by clear and convincing evidence that the asserted

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