LG Owes Core Wireless $3.5M In Phone Patent Suit, Jury Says

By **Tiffany Hu**

Law360 (February 27, 2019, 8:17 PM EST) -- An Eastern District of Texas jury slapped LG Electronics Inc. with a nearly $3.5 million verdict Wednesday for infringing two Core Wireless patents for cellphone components.

Following a three-day trial, the federal jury concluded that figure would "reasonably compensate" Core Wireless Licensing SARL for LG's infringement of the patents. The trial only tackled the amount of damages owed, which LG sought a retrial on after Core Wireless originally won a $2.3 million verdict in 2016.

As for one of the patents, U.S. Patent Number 7,804,850, the jury found that roughly $1.33 million would suffice; for the other, U.S. Patent Number 6,633,536, the jury awarded Core $2.17 million.

Prior to Wednesday's verdict, U.S. District Judge Rodney Gilstrap had ordered LG not to use the terms "patent troll," "patent pirate," "shell company" or "lawsuit factory," among others, to describe Core Wireless, but didn't stop LG from characterizing the company as one that "doesn't make anything" or a "nonpracticing entity," according to court documents.

LG was also barred from suggesting that a verdict in favor of Core Wireless would raise smartphone costs to consumers, according to the documents.

The two patents are part of a portfolio of about 2,000 wireless patents and patent applications that Core Wireless acquired in 2011 from Nokia Corp. Core Wireless had alleged in 2014 that LG's Android-based smartphones infringed its patents.

In November 2016, Judge Gilstrap had ordered LG to pay Core Wireless $456,000 in enhanced damages on top of a $2.28 million patent verdict, finding that the company had "undisputed" knowledge of the patents at issue and "abruptly terminated" licensing talks.

That September, a jury had found that LG **willfully infringed** the two patents, which relate to improving battery life and voice quality in smartphones. Citing the U.S. Supreme Court's decision known as Halo, which held that judges have broad discretion to award enhanced damages if infringement is willful, Judge Gilstrap said LG's conduct in the case fit the bill.

"It is undisputed that LG had detailed knowledge of the patents-in-suit long before the filing of this lawsuit," he said at the time, noting that Core Wireless had provided LG with detailed infringement contentions and claim charts during unsuccessful licensing talks prior to the lawsuit.

LG had also alleged at the earlier trial that the patents were invalid, but that defense was belied by the admission of an LG employee that he reviewed the patents and found them to be novel and nonobvious, the judge found.

Following Judge Gilstrap's November 2016 order, LG won a new trial on the issue of damages, according to court documents.

The patents-in-suit are U.S. Patent Numbers 7,804,850 and 6,633,536.

Counsel for the parties did not immediately respond to requests for comment Wednesday.

Core Wireless is represented by Elizabeth L. DeRieux of Capshaw DeRieux LLP, and Marc A. Fenster, Reza Mirzaie, Adam S. Hoffman, Neil A. Rubin and Jacob R. Buczko of Russ August & Kabat.

LG is represented by J. Mark Mann and G. Blake Thompson of Mann Tindel & Thompson, Richard D. Harris, Herbert H. Finn, Cameron Nelson, Barry R. Horwitz, Rene A. Treviño, Nicholas A. Brown and Stephen M. Ullmer of Greenberg Traurig LLP, Melissa Richard Smith of Gillam & Smith LLP, and Richard A. Cederoth, Nathaniel C. Love, Sue Wang, Theodore W. Chandler, Ryan C. Morris and Scott M. Border of Sidley Austin LLP.

The case is Core Wireless Licensing SARL v. LG Electronics Inc. et al., case number 2:14-cv-00912, in the U.S. District Court for the Eastern District of Texas.

--Additional reporting by Ryan Davis. Editing by Aaron Pelc.

Correction: An earlier version of the story misidentified the party that filed the motion for a new trial. The error has been corrected.