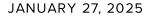


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High-Volume Plaintiff ACQIS Walks Away with Undisturbed Jury Verdict of US\$17.9M from ASUSTeK; Other Asian Computer Manufacturers May be Next



In a recent January 15, 2025 order, federal district court Judge Alan D. Albright in the Western District of Texas concluded post-trial briefing in the long-running patent dispute between high-volume plaintiff ACQIS LLC (ACQIS) and Taiwan-based ASUSTeK Computer, Inc. (ASUS) and ASUS Global Pte. Ltd. (ASGL) (collectively, "Defendants"). In his final judgment order, Judge Albright closely adopted ACQIS's proposed language and cemented the jury's determination from late March of 2024 that Defendants were liable for nearly US\$18M in damages, as well as over US\$2M in prejudgment interest.

ACQIS's lawsuit, one of many brought against numerous computer manufacturers, was originally filed on October 15, 2020, asserting nine patents and alleging direct infringement as well as product-by-patented-process claims under 35 U.S.C. § 271(g). The family of expired patents held by ACQIS relate to computer bus technology and purportedly allow different computer parts to communicate more efficiently. ACQIS targeted Defendants' personal computers that contained USB 3.0 and PCI Express ports as having infringed ACQIS's patents.

In the motions leading up to trial, ACQIS sought to leverage procedural and statutory advantages to shift the burden of proving non-infringement of the product-by-process claims onto the Defendants, under 35 U.S.C. § 295. Judge Albright ultimately denied both parties' pre-trial motions, and in the middle of trial, ACQIS dropped all of its process and method claims. The jury was directed to decide only direct and induced infringement claims on two patents, which they found were not invalid and infringed (but not willfully). The jury awarded the full amount of compensatory damages that ACQIS was seeking, US\$17,970,582. Defendants have until February 14, 2025, to appeal Judge Albright's final judgment order accepting the jury's findings.

Both of the ACQIS patents that went to trial have also been asserted against other Taiwan-based manufacturing companies, two of which are currently pending in Judge Albright's court. In 2023, ACQIS sued Quanta Computer Inc., headquartered in Taoyuan, in a case set for trial on September 8, 2025 (Case No. 6-23-cv-00265 (W.D.T.X.)). Most recently, ACQIS filed suit against ADLINK Technology, Inc., also headquartered in Taoyuan, which has yet to respond (Case No. 6-24-cv-00248 (W.D.T.X.)).

Other Asian technology companies sued by ACQIS on these patents in Judge Albright's court managed to settle out after the claim construction phase: MiTAC Computing Technology Corporation, headquartered in Taoyuan (Case No. 6-20-cv-00962 (W.D.T.X.)) and Inventec Corporation, headquartered in Taipei (Case No. 6-20-cv-00965 (W.D.T.X.)).

Meanwhile, Wiwynn Corporation, headquartered in New Taipei City, settled with ACQIS late in its case during pre-trial preparations (Case No. 6-20-cv-00968 (W.D.T.X.)). Likewise, Beijing-based Lenovo Group Ltd., headquartered in Hong Kong, settled with ACQIS in the more advanced stages of litigation, months after a crucial motion to dismiss was denied and supplemental claim construction hearing was held (Case No. 6-20-cv-00967 (W.D.T.X.)). In tandem, ACQIS's case in the Eastern District of Texas against Acer Incorporated, headquartered in New Taipei City, settled after the parties agreed to adopt Judge Albright's claim constructions and Acer filed for summary judgment on the issue of non-infringement, but prior to Judge Gilstrap's resolving that issue (Case No. 2-21-cv-00275 (E.D.T.X.)).

Of note, in Lenovo's case, Judge Albright denied ACQIS's attempts to serve certain previously dismissed Lenovo affiliates with a motion for alternative service of process for foreign defendants under Federal Rules of Civil Procedure Rule 4(f)(3), reasoning in part that the request for alternative service did not comply with principles of comity. We previously reported on that ruling denying alternative service, such as by e-mail, here. In contrast, other federal judicial districts, such as the <u>Southern District of Florida</u>, appear to be more receptive to allowing alternative service of process by plaintiffs against PRC-based defendants.

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