

IN THE SUPERIOR OF THE STATE OF DELAWARE

LG ELECTRONICS INC., )

Plaintiff, )

v. )

C.A. No. N22C-11-145

SKR CCLD

INVENTION INVESTMENT FUND )

I, L.P., INVENTION INVESTMENT )

FUND II, LLC, INTELLECTUAL )

VENTURES I LLC, and )

INTELLECTUAL VENTURES II )

LLC, )

Defendants. )

REDACTED PUBLIC VERSION  
FILED ON OCTOBER 31, 2024

Submitted: August 28, 2024

Decided: September 25, 2024

*Upon Plaintiff's Motion for Summary Judgment,*

**DENIED**

*Upon Defendants' Motions for Summary Judgment,*

**GRANTED** in part and **DENIED** in part.

**MEMORANDUM OPINION AND**

**ORDER**

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Attorney for Plaintiff.

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**RENNIE, J**

## I. INTRODUCTION

Plaintiff LG Electronics Inc. (“LG” or “Plaintiff”) sued Defendants Invention Investment Fund I, L.P.; Invention Investment Fund II, LLC; Intellectual Ventures I LLC; and Intellectual Ventures II LLC (together “IV” or “Defendants”) for indemnification under the parties’ 2019 patent license agreement (“License Agreement”).<sup>1</sup> This indemnification claim arose out of a patent infringement suit (“Patent Litigation”) between IV and LG’s non-party customers GM and Toyota based on products LG sold to GM and Toyota.<sup>2</sup> IV raises several contractual defenses and arguments to contest that any indemnification is due.<sup>3</sup>

Before the Court are LG’s Motion for Partial Summary Judgment and Defendants six Motions for Summary Judgment. After oral argument on August 28, 2024, the Court ruled on several of these matters.<sup>4</sup> As such, all that remains for the Court to decide is: (1) IV’s Motion for Summary Judgment on LG’s Declaratory Judgment claim,<sup>5</sup> (2) IV’s Motion for Summary Judgment on LG’s Breach of

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<sup>1</sup> Plaintiff’s Opening Brief in Support of their Partial Motion for Summary Judgment (hereafter “Pl. MSJ”), D.I. 244, Ex. A.

<sup>2</sup> *Id.* Ex. G; Ex. H.

<sup>3</sup> Defendants’ Opening Brief in Support of their Motion for Summary Judgment on Damages (hereafter “Defs. MSJ Damages”), D.I. 241, at 1-4.

<sup>4</sup> Judicial Proceeding Worksheet for Aug. 28, 2024 (hereafter “Judicial Proceeding Worksheet”), D.I. 319.

<sup>5</sup> Defendants’ Opening Brief in Support of their Motion for Summary on Plaintiff’s Declaratory Judgment Claim (hereafter “Defs. MSJ DJ”), D.I. 234.

Contract claim,<sup>6</sup> (3) IV's Motion for summary Judgment on Damages,<sup>7</sup> and (4) LG's Motion for Partial Summary Judgment.<sup>8</sup>

Because future patent lawsuits between IV and LG's customers related to LG's products are not a certainty, a Declaratory Judgment would function as an advisory opinion. Accordingly, the Court **GRANTS** IV's Motion for Summary Judgment on LG's Declaratory Judgment claim. Genuine issues of material fact exist regarding some of IV's damage contentions. Therefore, the Court **DENIES** IV's Motion for Summary Judgment on Damages. However, there is no genuine dispute about whether the LG products at issue are [REDACTED] under the License Agreement. They are not. Because IV fundamentally relies on the [REDACTED] [REDACTED] argument, the Court **DENIES** IV's Motion for Summary Judgment on LG's Breach of Contract claim. And for the reasons discussed below, the Court **DENIES** LG's Motion for Partial Summary Judgment.

## **II. FACTUAL BACKGROUND**

### **A. The Parties**

Plaintiff LG is a company organized under the laws of the Republic of Korea, with its principal place of business in Seoul, Korea.<sup>9</sup>

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<sup>6</sup> Defendants' Opening Brief in Support of their Motion for Summary on Plaintiff's Breach of Contract Claim (hereafter "Defs. MSJ Breach"), D.I. 238.

<sup>7</sup> Defs. MSJ Damages.

<sup>8</sup> Pl. MSJ.

<sup>9</sup> Am. Compl. ¶ 6.

Invention Investment Fund I, L.P. (“IF I”) is a Delaware limited partnership with its principal place of business in Bellevue, Washington.<sup>10</sup>

Invention Investment Fund II, LLC (“IF II”) is a Delaware limited liability company with its principal place of business in Bellevue, Washington.<sup>11</sup>

Intellectual Ventures I LLC (“IV I”) is a Delaware limited liability company with its principal place of business in Bellevue, Washington.<sup>12</sup> IV I is a subsidiary and acts as an agent of IF I.<sup>13</sup>

Intellectual Ventures II LLC (“IV II”) is a Delaware limited liability company with its principal place of business in Bellevue, Washington.<sup>14</sup> IV II is a subsidiary and acts as an agent of IF II.<sup>15</sup>

## **B. The License Agreement**

After IV sued various LG customers in 2016 and 2017 for patent infringement, LG and IV entered into the License Agreement in 2019.<sup>16</sup> LG paid IV [REDACTED] for rights to IV’s entire patent portfolio.<sup>17</sup> Specifically, LG was given a nonexclusive license to use IV’s intellectual property to make and sell “Licensed Offerings.”<sup>18</sup> The License Agreement covered all [REDACTED] defined as

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<sup>10</sup> Amended Compl. ¶ 7.

<sup>11</sup> *Id.* ¶ 8.

<sup>12</sup> *Id.* ¶ 9.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.* ¶ 10.

<sup>15</sup> *Id.*

<sup>16</sup> Pl. MSJ Ex. A; Ex. B 106:7-24.

<sup>17</sup> *Id.* at Ex. A.; Ex. B 103:10-14, 106:13-24, 120:4-121:9.

<sup>18</sup> *Id.* at Ex. A [REDACTED].

[REDACTED] for which IV [REDACTED]  
[REDACTED]<sup>19</sup> The License Agreement  
defines [REDACTED] as “all” of the [REDACTED]  
[REDACTED] LG or any of its subsidiaries.<sup>20</sup>  
[REDACTED] are specifically exempted from the definition of Licensed  
Offering.<sup>21</sup> The License Agreement defines [REDACTED] as:

[REDACTED]

As part of the License Agreement, IV agreed to not [REDACTED]

[REDACTED]  
[REDACTED]<sup>23</sup>

Because of IV’s patent infringement suits preceding the License Agreement,  
the contract contained a release of liability for LG’s customers [REDACTED]  
[REDACTED]  
[REDACTED] of the License Agreement.<sup>24</sup> The LG representative who negotiated the  
License Agreement stated that he “requested that IV include a release provision that  
would protect LGE’s customers from future patent infringement lawsuits by IV with

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<sup>19</sup> Pl. MSJ Ex. A [REDACTED]

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> *Id.* at Ex. A [REDACTED].

<sup>24</sup> *Id.* at Ex. A [REDACTED].

respect to LGE’s products.”<sup>25</sup>

### C. IV’s 2021 Patent Infringement Suit and the Current Litigation

In October 2021, IV sued LG’s customers Toyota and GM in Texas federal court alleging patent infringement.<sup>26</sup> The products at issue in these cases were telematic units manufactured by LG.<sup>27</sup> Both of LG’s customers settled with IV [REDACTED]

[REDACTED]<sup>28</sup> [REDACTED]<sup>29</sup>

[REDACTED]<sup>30</sup> The parties dispute the extent to which these [REDACTED] were asserted against LG or their subsidiaries.<sup>31</sup> LG has not

[REDACTED]<sup>32</sup>

When LG became aware of the Patent Litigation in 2022, it informed IV of its belief that the telematic units in dispute were Licensed Offering covered by the License Agreement release.<sup>33</sup> During negotiations from April-July 2022, IV maintained that the telematic were [REDACTED] exempt from the definition of Licensed Offerings.<sup>34</sup> The parties were unable to settle their dispute and LG filed

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<sup>25</sup> Pl. MSJ Ex. D, ¶ 2.

<sup>26</sup> *Id.* at Ex. G; Ex. H.

<sup>27</sup> *Id.* at Ex. 1 54-131; Answer to Am. Compl., D.I. 107, ¶¶ 48-49, 53.

<sup>28</sup> *Id.* at Ex. O ¶ 24; Ex. P art. 27.4; Ex. Q; Ex. R.

<sup>29</sup> *Id.* at Ex. R.

<sup>30</sup> *Id.* at Ex. Q.

<sup>31</sup> Defs. MSJ Damages. at 4,7; Plaintiff LG Electronic Inc.’s Omnibus Answering Brief in Opposition to Defendants’ Motions for Summary Judgment (hereafter “Pl. Opp’n MSJ”), D.I. 268, at 55-56.

<sup>32</sup> Pl. MSJ Ex. At 10 [REDACTED]

<sup>33</sup> *Id.* at Ex. L; Ex. I at 18-21.

<sup>34</sup> Pl. MSJ Ex. at Ex. L.

this suit alleging that IV breached the License Agreement.<sup>35</sup> Specifically, LG alleges that IV breached [REDACTED] of the License Agreement.

#### **D. Procedural History**

LG filed its Amended Complaint on December 15, 2023.<sup>39</sup> IV answered the Amended Complaint on January 2, 2024.<sup>40</sup> At the close of discovery, IV filed six Motions for Summary Judgment on discrete issues and claims in the case on June 7, 2024.<sup>41</sup> On the same day, LG filed a Motion for Partial Summary Judgment on its breach of contract claims related to [REDACTED] of the License Agreement.<sup>42</sup> The Court heard oral argument on August 28, 2024.<sup>43</sup> Immediately following argument, the Court ruled on three of IV's Summary Judgment Motions and took the rest under advisement.<sup>44</sup> Accordingly, all that remains pending is: (1) IV's Motion for Summary Judgment on LG's Declaratory Judgment claim, (2) IV's Motion for Summary Judgment on LG's Breach of Contract claim, (3) IV's Motion

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<sup>35</sup> Am. Compl.

<sup>36</sup> Pl. MSJ Ex. A [REDACTED].

<sup>37</sup> *Id.* Ex. A [REDACTED]

<sup>38</sup> *Id.* Ex. A [REDACTED]

<sup>39</sup> Am. Compl.

<sup>40</sup> Answer to Am. Compl.

<sup>41</sup> Defs. MSJ DJ; Defendants' Opening Brief in Support of their Motion for Summary Judgment on Plaintiff's Tortious Interference Claim D.I. 235; Defendants' Opening Brief in Support of their Motion for Summary Judgment for Lack of Jurisdiction D.I. 236; Defendants' Opening Brief in Support of their Motion for Summary Judgment Regarding Patent Exhaustion and Bad Faith D.I. 237; Defs. MSJ Damages.

<sup>42</sup> Pl. MSJ.

<sup>43</sup> Judicial Proceeding Worksheet.

<sup>44</sup> *Id.*

for Summary Judgment on Damages, and (4) LG’s Motion for Partial Summary Judgment.

### III. STANDARD OF REVIEW

Summary judgment is warranted “if the pleadings, depositions, answers to interrogatories, and admission on file, together with the affidavits” show “there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law.”<sup>45</sup> The Court only determines whether genuine issues of material fact exist, and does “not decide such issues.”<sup>46</sup> To achieve summary judgment, the movant must carry its burden to demonstrate its motion is supported by undisputed material facts.<sup>47</sup> If the movant is successful, then the burden shifts to the non-movant to demonstrate that a “genuine issue for trial” still exists.<sup>48</sup> The Court views the facts and draws all reasonable inferences in the light most favorable to the non-movant.<sup>49</sup> When the issue before the Court concerns contract interpretation, “summary judgment is appropriate only if the contract in question is unambiguous.”<sup>50</sup>

### IV. DISCUSSION

The Court addresses each pending Motion for Summary Judgment in turn.

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<sup>45</sup> Del. Super. Ct. Civ. R. 56(c).

<sup>46</sup> *Merrill v. Crothall-American Inc.*, 606 A.2d 96, 99 (Del. 1992) (citation omitted).

<sup>47</sup> *Envolve Pharmacy Sols., Inc. v. Rite Aid Headquarters Corp.*, 2023 WL 2547994, at \*7 (Del. Super. 2023) (citing *Moore v. Sizemore*, 405 A.2d 679, 680 (Del. 1979)).

<sup>48</sup> Del. Super. Ct. Civ. R. 56(e).

<sup>49</sup> *Judah v. Del. Tr. Co.*, 378 A.2d 624, 632 (Del. 1977) (citations omitted).

<sup>50</sup> *Active Day OH, Inc. v. Wehr*, 2024 WL 3201167, at \*3 (Del. Super. June 27, 2024).



### **A. A Declaratory Judgment would be an Impermissible Advisory Opinion.**

IV asks the Court to grant summary judgment stating that LG’s claim for a declaratory judgment is unripe.<sup>51</sup> Contractual parties can seek declaratory judgment to determine “any question of construction or validity and can seek a declaration of rights, status or other legal relations thereunder.”<sup>52</sup> LG seeks a declaratory judgment stating, “its telematics units are licensed to practice the patents asserted against LG’s customers.”<sup>53</sup> LG argues that a declaratory judgment is needed to prevent IV from suing other LG customers for patent infringement, the way they sued Toyota and GM.<sup>54</sup>

When determining whether to issue a declaratory judgment, “courts will not entertain suits seeking an advisory opinion or an adjudication of hypothetical questions.”<sup>55</sup> Accordingly, Delaware applies a four-prong test to determine if there is an “actual controversy” such that a declaratory judgment could be granted.<sup>56</sup> For a declaratory judgment request to be justiciable:

- (1) It must be a controversy involving the rights or other legal relations of the party seeking declaratory relief;
- (2) it must be a controversy in which the claim of right or other legal interest is asserted against one who has an interest in contesting the claim;
- (3) the controversy must be between parties whose interests are real and adverse;
- (4) the issue involved in the controversy must be ripe for

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<sup>51</sup> Defs. MSJ DJ at 4-6.

<sup>52</sup> *Goyal v. Cognosante, LLC*, 2023 WL 8525128, at \*7 (Del. Ch. Nov. 29, 2023).

<sup>53</sup> Am. Compl. ¶ 85.

<sup>54</sup> *See id.* ¶¶ 85-87.

<sup>55</sup> *Rollins Intern., Inc. v. Internation Hydronics Corp.*, 303 A.2d 660, 662 (Del. 1973).

<sup>56</sup> *Id.* at 662-63.

judicial determination.<sup>57</sup>

A dispute is not ripe, “where the claim is based on uncertain and contingent events that may not occur, or where future events may obviate the need for judicial intervention.”<sup>58</sup>

Here, the parties only dispute the fourth factor.<sup>59</sup> IV claims that future lawsuits against LG’s customers are not unavoidable and therefore, the issue is unripe for declaratory judgment.<sup>60</sup> Additionally, IV argues that a declaratory judgment would not necessarily resolve any future patent litigation because each suit would depend on case-specific facts.<sup>61</sup> LG responds that future litigation by IV is sufficiently certain because IV has already threatened litigation against LG’s customers, Volkswagen and BMW.<sup>62</sup> LG also asserts that any argument about a case-by-case need to determine the applicability of IV’s [REDACTED] defense is invalid.<sup>63</sup>

The Court is persuaded by IV’s argument that the controversy is not ripe for a declaratory judgment. Currently, IV has no pending patent litigation against LG’s customers based on any patent covered by the License

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<sup>57</sup> *Id.*

<sup>58</sup> *Lima USA, Inc. v. Mahfouz*, 2021 WL 5774394, at \*8 (Del. Super. Aug. 31, 2021) (citing *XL Specialty Ins. Co. v. WMI Liquidating Trust*, 93 A.3d 1208, 1217-18 (Del. 2014)) (emphasis in original).

<sup>59</sup> Defs. MSJ DJ at 4-6; Pl. Opp’n MSJ 41-45.

<sup>60</sup> Defs. MSJ DJ at 4-5.

<sup>61</sup> Defs. MSJ DJ at 5-6.

<sup>62</sup> Pl. Opp’n MSJ 43-45.

<sup>63</sup> *Id.*

Agreement. Any argument about litigation that might be filed in the future is speculative. While the record shows that IV actively defends its patents,<sup>64</sup> it does not establish that future suits against LG’s customers over LG’s products are unavoidable. Future events may remove the need for judicial intervention, including the possibility that LG’s customers may reach agreement with IV,<sup>65</sup> or IV may change its position based on this lawsuit. Hence, the material facts are not sufficiently “static” such that “the rights of the parties are presently defined rather than future or contingent.”<sup>66</sup> Accordingly, the Court **GRANTS** IV’s Motion for Summary Judgment on LG’s Declaratory Judgment claim.

**B. The Telematic Products at Issue in the Patent Litigation are not**

**[REDACTED]**.

IV next asks the Court to grant summary judgment on LG’s breach of contract claims.<sup>67</sup> To prevail on a breach of contract claim a plaintiff must prove: “(1) the existence of a contract; (2) that the contract was breached; and (3) that damages were suffered as a result of the breach.”<sup>68</sup> Here, neither party disputes that the License Agreement is a valid contract binding all parties.<sup>69</sup> Defendants’ arguments regarding damages are addressed in a separate Motion for Summary Judgment.<sup>70</sup> Accordingly,

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<sup>64</sup> Pl. Opp’n MSJ 41-45; Ex. 22 at 21:3-22:16; Ex. 10 at 214:6-8, 215:23-216:2; Ex. 33 at 9.

<sup>65</sup> This happened with LG’s customer Honda. Pl. Opp’n MSJ Ex. 22 at 21:3-22:16.

<sup>66</sup> *VT Shareholder Representative, LLC v. Edwards Lifesciences Corporation*, 2023 WL 8597956, at \*6 (Del. Ch. Dec. 12, 2023).

<sup>67</sup> Defs. MSJ Breach.

<sup>68</sup> *Cartel Media Group LLC v. Barone*, 2021 WL 3673215, at \*2 (Del. Super. 2021).

<sup>69</sup> Defs. MSJ Breach at 1-2; Pl. Opp’n MSJ at 1.

<sup>70</sup> Defs. MSJ Damages.

this Motion for Summary Judgment is controlled by the parties' arguments regarding the second factor.

IV argues that the Patent Litigation and related events did not breach the License Agreement, because the telematic products at issue are [REDACTED] and therefore, are excluded from the definition of Licensed Offerings.<sup>71</sup> If true, this would mean that such products were also excluded from the License Agreement's customer release clause.<sup>72</sup> To support its [REDACTED] argument, IV highlights discovery documents showing that LG regularly consulted with Toyota and GM on the design specifications for their respective telematic units.<sup>73</sup> The documents demonstrate that each telematic unit is sufficiently customized so that a GM unit would not work in a Toyota and vice-versa.<sup>74</sup> Additionally, IV notes that the telematic units at issue bear the customer's trade insignia.<sup>75</sup>

LG concedes that its products are highly customized for each of its customers.<sup>76</sup> LG argues, however, that the evidence does not show that the telematic units were made "solely" based on its customers' design specifications such that the [REDACTED] exemption applies.<sup>77</sup> LG points to numerous documents and deposition testimony which demonstrate that LG independently designs significant

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<sup>71</sup> Defs. MSJ Breach at 5-8.

<sup>72</sup> *Id.* at 6.

<sup>73</sup> *Id.* at 6-9.

<sup>74</sup> *Id.*

<sup>75</sup> *Id.* at 9.

<sup>76</sup> Pl. Opp'n MSJ at 34-38.

<sup>77</sup> *Id.*

portions of the telematic units.<sup>78</sup> These documents include communications where LG rejected, rather than blindly applied, customers’ design specifications.<sup>79</sup> On the issue of trade insignia, LG produced photos showing that the telematic units contain both the customer’s and LG’s branding.<sup>80</sup>

The Court is persuaded by LG’s argument. Courts give words their “ordinary meaning” when interpreting contractual language<sup>81</sup> The U.S. Supreme Court has stated that the ordinary meaning of “solely” in interpretive matters means “alone,” i.e. to the exclusion of all else.<sup>82</sup> Accordingly, the License Agreement’s definition of [REDACTED] as those manufactured [REDACTED] [REDACTED] requires that the customer alone controls design.<sup>83</sup> IV’s attempts to muddy the waters by introducing expert opinion on the meaning of the definition of [REDACTED], does not alter this conclusion.<sup>84</sup> The Court will only turn to extrinsic evidence of industry custom when the contractual terms are ambiguous.<sup>85</sup> Here, the definition of [REDACTED] is clear on its face.

Documents produced in discovery show that Toyota and GM did not “solely” control the design of the telematic units. Though technical in nature, the documents

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<sup>78</sup> *Id.*

<sup>79</sup> *Id.* at 36; Ex. 22 at 90:12-91:12.

<sup>80</sup> *Id.* at 39-40.

<sup>81</sup> *Flagler Holdings VI Beta, Inc. v. Airline Accommodations Solutions, LLC*, 2023 WL 9053669, at \*3 (Del. Ch. Dec. 19, 2023).

<sup>82</sup> *Husted v. A. Philip Randolph Institute*, 584 U.S. 756, 768 (2018).

<sup>83</sup> Pl. Opp’n MSJ Ex. A § 1.

<sup>84</sup> Defs. MSJ Breach at 5-11.

<sup>85</sup> *See Goyal*, 2023 WL 8525128, at \*8.

generally show that LG controlled the design of the base telematic unit and then worked with Toyota and GM to modify them according to customer specifications.<sup>86</sup> Rather than blindly follow the design specifications of Toyota and GM, LG was heavily involved in all aspects of telematic unit design, exclusively controlling some aspects.<sup>87</sup> Because the telematic units were not made “solely” pursuant to Toyota or GM’s design specifications, they are not [REDACTED]. Because the [REDACTED] [REDACTED] argument is the basis for IV’s Motion, the Court **DENIES** IV’s Motion for Summary Judgment on LG’s breach of contract claims.

**C. There is a Genuine Issue of Material Fact Regarding whether IV’s Alleged Breach Caused LG Damage.**

IV asks the Court to grant summary judgment as it relates to LG’s claimed damages from IV’s alleged breach of the License Agreement. As noted above, proof of damages is an essential element of a breach of contract claim.<sup>88</sup> IV makes seven arguments regarding damages: (1) LG cannot show causation because there is no breakdown of what [REDACTED] costs are attributable to IV’s alleged breaches;<sup>89</sup> (2) the [REDACTED] sent by GM and Toyota, used to establish LG’s damages, are inadmissible hearsay;<sup>90</sup> (3) LG has [REDACTED] to GM or Toyota, and

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<sup>86</sup> Pl. Opp’n MSJ Ex. 22 86:7-87:19, 87:20-23, 87:24-88:2, 90:12-91:12; Ex. 6 ¶¶ 38-50, 66-73; Ex. 26 through Ex. 29.

<sup>87</sup> Pl. Opp’n MSJ Ex. 6 ¶¶ 38-50, 66-73; Ex. 26 through Ex. 29.

<sup>88</sup> *Cartel Media*, 2021 WL 3673215, at \*2.

<sup>89</sup> Defs. MSJ Damages at 15-18.

<sup>90</sup> *Id.* at 16.

only LG subsidiaries have [REDACTED]<sup>91</sup> (4) the License Agreement limits LG’s damages to “fees paid” i.e. [REDACTED]<sup>92</sup> (5) LG did not submit adequate notice of its claims to IV;<sup>93</sup> (6) LG is trying to collect damages that GM and Toyota waived;<sup>94</sup> and (7) LG failed to mitigate its damages.<sup>95</sup>

None of these claims alone preclude IV’s liability for breach of contract. On a Motion for Summary Judgment the Court does not require “a statement of damages with precision,” only that Defendants are given “notice” of damages.<sup>96</sup> Because nominal damages are sufficient to sustain a breach of contract claim, “the non-movant need only present some credible evidence that supports a claim for damages.”<sup>97</sup> That “damages will be difficult to prove at trial” does not alter this result.<sup>98</sup> Rather, if Plaintiff sufficiently pleads facts which, if true, show the “existence” of damages, arguments as to the “amount” of damages do not justify granting summary judgment.<sup>99</sup>

Accordingly, where a genuine dispute of material fact exists regarding any of

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<sup>91</sup> *Id.* at 4, 7, 16.

<sup>92</sup> *Id.* at 18.

<sup>93</sup> *Id.* at 18-20.

<sup>94</sup> *Id.* at 20-21.

<sup>95</sup> *Id.* at 21-23.

<sup>96</sup> *Eni Holdings, LLC v. KBR Group Holdings, LLC*, 2013 WL 618626, at \*22 (Del. Ch. Nov. 27, 2013).

<sup>97</sup> *Medlink Health Solutions, LLC v. JL Kaya, Inc.*, 2024 WL 1192781, at \*5 (Del. Super. Mar. 20, 2024).

<sup>98</sup> *Torrent Pharma, Inc. v. Priority Healthcare Distribution, Inc.*, 2022 WL 3272421, at \*13 (Del. Super. Aug. 11, 2022).

<sup>99</sup> *Medlink*, 2024 WL 1192781, at \*5.

Defendants' damage contentions, their Motion will be denied. The Court addresses each argument in turn.

**1. LG's Non-Apportionment of its Claimed Indemnification Amount does Not Mean that they Failed to Assert Damages.**

IV argues that LG's failure to apportion its claimed indemnification to the specific patents covered by the License Agreement means that LG has not sufficiently demonstrated its damages.<sup>100</sup> This argument is legally untethered. As discussed above, where a plaintiff demonstrates the fact of damages, the Court will not grant summary judgment because of a dispute in the amount of damages.<sup>101</sup> Documents identified in the record, notably the Patent Litigation itself and resulting [REDACTED], among others, demonstrate how IV's alleged breach of the License Agreement caused at least some [REDACTED] costs to LG.<sup>102</sup> LG has met its burden of providing proof of damages and providing "a basis to make a reasonable estimate of damages," to be proved at trial.<sup>103</sup>

**2. The Court Addressed the Admissibility of GM and Toyota's [REDACTED] in a Motion *in Limine*.**

IV argues that the [REDACTED] from GM and Toyota that LG will use to prove its damages are inadmissible hearsay. Noting damages cannot be proved with hearsay,<sup>104</sup> IV argues that the removal of these letters from LG's case

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<sup>100</sup> Defs. MSJ Damages at 11, 15-18.

<sup>101</sup> *Medlink*, 2024 WL 1192781, at \*5.

<sup>102</sup> Pl. Opp'n MSJ at 53-54; *see* Pl. Opp'n MSJ Ex. 15 80:11-81:4.

<sup>103</sup> *Stone & Paper Investors, LLC v. Blanch*, 2021 WL 3240373, at \*36 (Del. Ch. July 30, 2021).

<sup>104</sup> *Gustave v. Elysee*, 2013 WL 8744694, at \*2 (Del. Com. Pl. Oct. 7, 2013).



means they will be unable to prove damages.<sup>105</sup> The Court determined during the pretrial conference on September 23, 2024, that the letters are admissible pursuant to Rule 902(11) and 902(12), based on the supplied certifications, as the business records of Toyota and GM.<sup>106</sup> The Court will not revisit that decision here. Accordingly the [REDACTED] are admissible at trial.

**3. LG Cannot Voluntarily Take on the [REDACTED] of its Subsidiaries and Pass them on to IV; LG May Independently [REDACTED] to Toyota and GM and Can Make a Claim for These Damages.**

IV next argues that any [REDACTED] that will be made by LG to Toyota and GM are to cover obligations actually owed by LG's subsidiaries. IV identified documents produced by LG in discovery demonstrating that it was LG's subsidiaries that agreed to [REDACTED] Toyota and GM - not LG.<sup>107</sup> In response, LG points to its own set of documents showing that LG had at least some independent [REDACTED] to Toyota and GM.<sup>108</sup>

These dueling documents demonstrate that there is a genuine dispute of material fact regarding the extent of LG's [REDACTED] [REDACTED] to Toyota and GM. Delaware law is clear, however, that "a parent-subsiary relationship, without more, cannot render a parent corporation liable for the

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<sup>105</sup> Defs. MSJ Damages at 16.

<sup>106</sup> Judicial Proceeding Worksheet for Mon. Sept. 23, 2024, D.I. 329.

<sup>107</sup> Pl. Opp'n MSJ Ex. 44 Intro and § 27.4; Ex. 15 34:16-19; Defs. MSJ Damages Ex. 16 LG-IV-0068754.

<sup>108</sup> Defs. MSJ Damages Ex. 15 33:21-34:2, 270:12-13; Ex. 16 § 3; Ex. 21 § 24; Ex. 44 § 27.4.

obligations of its subsidiaries even where the subsidiary is wholly owned.”<sup>109</sup> To the extent LG voluntarily decided to assume the [REDACTED] of its subsidiaries, that is not “damage” related to IV’s breach— it is a choice LG made. These obligations cannot be properly passed through to IV. Accordingly, such [REDACTED] are not recoverable damages against IV.

#### 4. The License Agreement Caps LG’s Damages at [REDACTED].

IV argues that the plain language of [REDACTED] of the License Agreement cap LG’s recoverable damages at [REDACTED].<sup>110</sup> [REDACTED] states that IV’s [REDACTED] [REDACTED]<sup>111</sup> The [REDACTED] is defined in [REDACTED] as [REDACTED].<sup>112</sup> LG does not seriously dispute this reading of the plain language. Rather, it argues that because IV did not assert the damage cap in their answer, any argument related to it is waived.<sup>113</sup> Yet, a damage limitation imposed by clear contractual language is not an affirmative defense. Thus, failing to raise it in an Answer waives a party’s right to apply the cap. The Court does not lightly set aside the clear contractual language parties’ have negotiated, and LG has

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<sup>109</sup> *CL Investments, L.P. v. Advanced Radio Telecom Corp.*, 2000 WL 1868096, at \*7 (Del. Ch. Dec. 15, 2000).

<sup>110</sup> Defs. MSJ Damages at 18.

<sup>111</sup> Pl. MSJ Ex. A [REDACTED]

<sup>112</sup> *Id.* [REDACTED].

<sup>113</sup> Pl. Opp’n MSJ at 57-58; *Zaman v. Amedeo Holdings, Inc.*, 2008 WL 2168397, at \*15 (Del. Ch. 2008).

provided no basis for doing so here.<sup>114</sup> Hence, the License Agreement’s plain language applies, and LG’s maximum recoverable damages from IV under the License Agreement are [REDACTED].

**5. There is a Genuine Dispute of Material Fact Regarding the Sufficiency of LG’s Notice.**

[REDACTED] of the License Agreement states that recovery under the agreement is measured from the [REDACTED].<sup>115</sup> IV argues that LG failed to comply with the notice requirements detailed in [REDACTED] of the License Agreement and is, therefore, barred from recovery.<sup>116</sup> LG makes two arguments in response. First, LG claims that the notice requirement does not bar its recovery as a matter of law because the notice provision does not show an intent to prohibit suit absent notice.<sup>117</sup> Second, as a factual matter, LG argues that its pre-suit negotiation efforts gave notice of IV’s alleged breach.<sup>118</sup>

LG’s legal argument has merit. Delaware courts generally enforce pre-suit notice provisions.<sup>119</sup> However, where the contract has no language that “clearly evidence an intent that litigation be pursued only after notice and an opportunity to

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<sup>114</sup> *Cartel Media*, 2021 WL 3673215, at \*2.

<sup>115</sup> Pl. MSJ Ex. A [REDACTED] *see* Pl. MSJ Ex. A [REDACTED]

<sup>116</sup> Pl. MSJ Ex. A [REDACTED]; Defs. MSJ Damages at 18-20

<sup>117</sup> Pl. Opp’n MSJ at 60-61; *See VoterLabs, Inc. v. Ethos Group Consulting Services, LLC*, 2021 WL 11959616, at \*2 n.2 (D. Del. Nov. 10, 2021) (applying Delaware Law).

<sup>118</sup> Pl. Opp’n MSJ at 62-64.

<sup>119</sup> *U.S. Bank Nat. Ass’n v. U.S. Timberlands Klamath Falls, L.L.C.*, 2004 WL 1699057, at \*3 n.24 (Del. Ch. July 29, 2004).

cure,” a breach claim will not fail for lack of notice.”<sup>120</sup> The case IV relies upon does not compel a different result, because the contract there contained a clear statement that a failure to give notice [REDACTED] to remedy for breach.<sup>121</sup> The License Agreement has no equivalent clear statement of the parties’ intent that failure to give proper notice waives any right to sue for breach. Accordingly, even if LG failed to properly give notice under [REDACTED], that does not preclude its ability to recover. The sufficiency of LG’s notice, however, may go to other issues such as mitigation. Accordingly, discussion of LG’s notice is not precluded from the case but, the sufficiency of that notice is a matter of fact for trial.

#### **6. IV Implicitly Waived their Argument that GM and Toyota Waived any Damages Due to LG.**

In their Opening Brief in Support of their Motion to Dismiss on Damages, IV originally asserted that LG sought to collect damages that GM and Toyota previously waived.<sup>122</sup> In response, LG argued that IV’s position was incorrect as both a factual and legal matter, because LG was not a party to the IV-Toyota/GM settlement agreements.<sup>123</sup> IV’s reply in support of their Motion to Dismiss does not respond to or reassert this portion of the argument. Thus, the argument can be considered

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<sup>120</sup> *WyPie Investments, LLC v. Homschek*, 2018 WL 1581981, at \*13 (Del. Super. Mar. 28, 2018); see *Anvil Holding Corp. v. Iron. Acq. Co.*, 2013 WL 2249655, at \*10 (Del. Ch. May 17, 2013).

<sup>121</sup> *Ophrys LLC v. OneMain Financial Inc.*, 846 Fed. Appx. 133, 135 (3d. Cir. 2021).

<sup>122</sup> Defs. MSJ Damages at 20-21.

<sup>123</sup> Pl. Opp’n MSJ at 64-66.

implicitly waived.<sup>124</sup> Even if not waived, IV's position is unconvincing. As a non-party, LG's claims against IV for breach of contract could not be released by the settlement agreements between IV and GM and Toyota.<sup>125</sup>

### **7. Whether LG Properly Mitigated its Damages is an Issue of Fact for Trial.**

It is a basic principle of contract law that a party suing for breach of contract must mitigate damages once a breach occurs.<sup>126</sup> Where a party fails to mitigate, their damages are limited to what they would have been had mitigation occurred.<sup>127</sup> A parties' duty to mitigate "is subject to reasonableness and whether the loss is mitigable."<sup>128</sup> Accordingly, whether a party met its duty to mitigate is a factual issue best resolved at trial.<sup>129</sup>

Here, both LG and IV identify documents supporting their position on the mitigation issue.<sup>130</sup> The Court will not weigh the credibility of this dueling evidence on a motion for summary judgment. Accordingly, whether LG met its obligation to

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<sup>124</sup> See *Gone GB LTD. v. Intel Services Division, LLC*, 2022 WL 17494811, at \*4 (Del. Super. Dec. 8, 2022).

<sup>125</sup> See *Jones v. Elliott*, 551 A.2d 62, 65 (Del. 1988); *Delmarva Power & Light Co. v. First S. Util. Const., Inc.*, 2008 WL 495739, at \*4 (Del. Super. Feb. 21, 2008) (applying that general position of law to an attempted release of claims).

<sup>126</sup> *Cadles of West Virginia LLC v. CTE Healthcare, Communications LLC*, 2022 WL 17684769, at \*2 (Del. Super. Dec. 13, 2022).

<sup>127</sup> *SLH General Contractors, Inc. v. Ambience Inc.*, 2020 WL 1130325, at \*6 (Del. Comm. Pl. Mar. 4, 2020).

<sup>128</sup> *Cadles*, 2022 WL 17684769, at \*2.

<sup>129</sup> See *Christiana Mall LLC v. Feet First, LLC*, 2023 WL 605924, at \*2 (Del. Super. Jan. 23, 2023).

<sup>130</sup> Defs. MSJ Damages at 8-11, 21-23; Ex. 23 at ¶¶ 80-165; Exs.5-6, 8-9; Pl. Opp'n MSJ Ex. 40; Ex. 43; Ex. 5 at 142-143; Ex. 60.

mitigate damages after IV's alleged breach is an issue of fact for trial.

While several of IV's arguments regarding damages have merit and do not present a genuine issue of material fact, other damage contentions remain in dispute. At this stage LG need only show a genuine issue of material fact exists regarding its ability to prove even nominal damages. The Court is satisfied that burden has been met, hence IV's Motion for Summary Judgment on Damages is **DENIED**.

**D. There is a Genuine Dispute of Material Fact that IV Breached [REDACTED] of the License Agreement.**

LG asks the Court to grant summary judgment holding that IV breached [REDACTED] of the License Agreement. As discussed above, the elements of breach of contract are "(1) the existence of a contract; (2) that the contract was breached; and (3) that damages were suffered as a result of the breach."<sup>131</sup> Only the second prong is addressed by this motion. The Court addresses each contractual provision in term.

**1. [REDACTED] of the License Agreement**

[REDACTED] of the License Agreement states that IV will not [REDACTED]  
[REDACTED] LG claims that IV breached this provision in two ways: first, by suing LG's customers and extracting settlements based on patents covered by the License Agreement; and

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<sup>131</sup> *Cartel Media*, 2021 WL 3673215, at \*2.

<sup>132</sup> Pl. MSJ Ex. A [REDACTED].

second, by refusing to dismiss the Patent Litigation after LG's 2022 letter.<sup>133</sup>

The core of the [REDACTED] dispute is whether that clause adds substantive obligations under the License Agreement or merely restates the parties' intent to be bound by the other provisions. IV adopts the later position, arguing that [REDACTED] does not add any new contractual obligations.<sup>134</sup> LG argues that the provision broadens its other rights under the License Agreement, prohibiting IV from acting in a way that [REDACTED] of LG's rights but does not constitute a breach of another section of the contract.<sup>135</sup> LG contends that the purpose of this provision was to ensure "patent peace," though the License Agreement does not use that term, based on the litigation between IV and LG preceding the License Agreement.<sup>136</sup>

LG's argument carries the day. Delaware courts strongly disfavor reading a contract such that any provision is superfluous.<sup>137</sup> IV's position would make [REDACTED] superfluous. Conversely, LG's asserted interpretation is consistent with both the License Agreement's language and the preexisting litigious relationship between LG and IV. A prohibition of a party taking any action to [REDACTED] of its counterparty's rights under the contract is most naturally read as an expansion of the preexisting rights under the agreement.

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<sup>133</sup> Pl. MSJ at 12.

<sup>134</sup> Defendants Opposition to Plaintiff's Motion for Entry of Partial Summary Judgment, D.I. 271 (hereafter "Defs. Opp'n MSJ") at 15-17.

<sup>135</sup> Pl. MSJ at 11-13.

<sup>136</sup> LG MSJ at 2-3.

<sup>137</sup> *Intel Corp. v. American Guarantee & Liability Ins. Co.*, 51 A.3d 442, 451 (Del. 2012).

IV argues that even if [REDACTED] does confer additional rights under the License Agreement, there is a genuine dispute of material fact regarding if they breached that provision.<sup>138</sup> Much of IV's argument is a restatement of their [REDACTED] discussion in their own Motion for Summary Judgment.<sup>139</sup> For the reasons already discussed, the [REDACTED] exception does not apply to telematic units LG sold to Toyota and GM. Whether IV's initiation of the Patent Litigation breached [REDACTED] however, remains a genuine issue of material fact for the jury. LG has not shown that no reasonable jury could find IV did not breach [REDACTED] under its interpretation of that provision.

2. [REDACTED]

[REDACTED] of the License Agreement states:

[REDACTED]

LG argues that the telematic units it sold to Toyota and GM were Licensed Offerings, whereby Toyota and GM's use of the units was covered by the release.<sup>141</sup>

IV responds first by reasserting their argument that the telematic units are not Licensed Offerings because they are [REDACTED].<sup>142</sup> For the reasons discussed

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<sup>138</sup> Defs. Opp'n MSJ 17-21.

<sup>139</sup> Defs. Opp'n MSJ 15, 17-21.; *see* Defs. MSJ Breach at 5-12.

<sup>140</sup> *Id.*

<sup>141</sup> Pl. MSJ at 19-24.

<sup>142</sup> Defs. Opp'n MSJ at 24-25.



above, this argument is contrary to the License Agreement's text. IV also argues that [REDACTED] is "inapplicable" because, that section only covers suits pertaining to products LG's customers bought prior to the License Agreement's effective date.<sup>143</sup> This argument disregards [REDACTED]'s plain language. The provision releases LG customers who use LG products [REDACTED].<sup>144</sup> The [REDACTED] is defined as the length of IV's patent rights.<sup>145</sup> Hence, the plain language of the release covers products bought by LG's customers before and after the parties signed the License Agreement. As a matter of contractual interpretation LG's argument prevails. However, a genuine issue of material fact exists regarding whether IV breached [REDACTED] under that interpretation. As with [REDACTED], LG has not shown that no reasonable jury could find that IV did not breach [REDACTED]. Accordingly, granting LG's Motion for Partial Summary Judgment on Breach is improper.

No genuine dispute of material fact exists regarding the meaning of [REDACTED]. [REDACTED] For both Sections, LG has demonstrated that the plain language supports its asserted interpretation. Hence, the Court adopts LG's interpretations of [REDACTED]. However, summary judgment is DENIED, because genuine issues of material fact remain regarding whether IV breached [REDACTED].

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<sup>143</sup> *Id.*

<sup>144</sup> Pl. MSJ Ex. A [REDACTED]

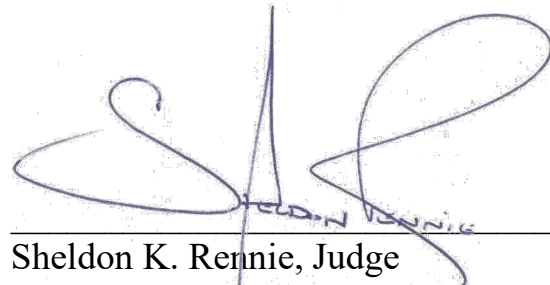
<sup>145</sup> Pl. MSJ Ex. A [REDACTED]

██████████ Plaintiff's Motion for Partial Summary Judgment is **DENIED**.

## V. CONCLUSION

For the foregoing reasons, IV's Motion for Summary Judgment on LG's declaratory judgment claim is **GRANTED**. IV's Motion for Summary Judgment on LG's breach of contract claim is **DENIED**. IV's Motion for Summary Judgment on damages is **DENIED**. LG's Motion for Partial Summary Judgment is **DENIED**.

**IT IS SO ORDERED** this 25<sup>th</sup> day of September, 2024.



Sheldon K. Rennie, Judge