

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

OPTIS WIRELESS TECHNOLOGY, LLC,	§	
PANOPTIS PATENT MANAGEMENT,	§	
LLC, OPTIS CELLULAR TECHNOLOGY,	§	Case No. 2:17-cv-00123-JRG-RSP
LLC.,	§	
	§	
<i>Plaintiffs,</i>	§	
	§	
v.	§	
	§	
HUAWEI TECHNOLOGIES CO. LTD.,	§	
HUAWEI DEVICE USA, INC., HUAWEI	§	
DEVICE CO. LTD.,	§	
	§	
<i>Defendants.</i>	§	

PRETRIAL ORDER

This patent infringement lawsuit is scheduled for trial before Judge Gilstrap on August 20, 2018. A pretrial conference was held on July 27, 2018. In accordance with FRCP 16(d)-(e), the following pretrial order controls the scope and schedule of the action going forward. This order may be modified “only to prevent manifest injustice.” FRCP 16(e).

Table of Contents

I.	Counsel Roster	2
II.	Jurisdiction.....	3
III.	Nature of the Lawsuit.....	3
IV.	Contentions of the Parties, Stipulations, and Uncontested Facts.....	3
V.	PanOptis’s Motion to Strike Zhang’s Declaration (ECF 188).....	14
VI.	Motions <i>in Limine</i>	15
VII.	Exhibits	19
VIII.	Jury Trial Procedure.....	19
IX.	Bench Trial Procedure	21

APPLE 1019

I. Counsel Roster

A. PanOptis's Counsel

1. From McKool Smith, P.C.:
 - Kevin L. Burgess (Lead)
 - Steve J. Pollinger
 - Scott L. Cole
 - Lindsay M. Leavitt
 - Kevin P. Hess
 - Christine M. Woodin
 - Marcus L. Rabinowitz
 - Samuel F. Baxter
 - Jennifer Truelove
 - Theodore Stevenson, III
2. From Gray Reed & McGraw LLP:
 - Eric S. Tautfest
 - Jared Hoggan
 - David T. DeZern
 - M. Jill Bindler
 - David Lisch

B. Huawei's Counsel

1. From Covington & Burling LLP:
 - Robert T. Haslam (Lead)
 - Stanley Young
 - Anupam Sharma
 - Thomas E. Garten
 - Tess A. Hamilton
 - James Hovard
 - Gregory S. Nieberg
 - Heng Gong
 - Paul J. Wilson
 - Ali Mojibi
 - Christopher G. Higby
2. From Siebman, Burg, Phillips & Smith, LLP:
 - Michael C. Smith

II. Jurisdiction

Except for the dispute concerning Count IX of PanOptis's complaint, the court has subject-matter jurisdiction under 28 U.S.C. §§ 1331, 1338, and 1367.

III. Nature of the Lawsuit

This is an action for patent infringement and declaratory judgment of no breach of FRAND. PanOptis asserts that Huawei infringes claims from U.S. Patent Nos. 7,769,238 ("the '238 patent"), 6,604,216 ("the '216 patent"), 8,385,284 ("the '284 patent"), 8,208,569 ("the '569 patent"), 8,102,833 ("the '833 patent"), and 8,437,293 ("the '293 patent"). PanOptis seeks at least a reasonable royalty for Huawei's infringement. PanOptis additionally seeks a declaratory judgment that it has complied with its contractual commitment to the European Telecommunications Standards Institute ("ETSI") arising from its licensing declarations to ETSI, and any applicable laws, during its negotiations with Huawei concerning a worldwide license to the standard essential patents in the Optis Wireless and Optis Cellular portfolios. (PanOptis' declaratory judgment claim is the subject of a Report and Recommendation by Magistrate Judge Payne that Huawei's motion to dismiss as to non-U.S. patents be granted. Dkt. 214 at 14-16.)

IV. Contentions of the Parties, Stipulations, and Uncontested Facts

A. PanOptis's Contentions

Plaintiffs Optis Wireless Technology, LLC, Optis Cellular Technology, LLC, and PanOptis Patent Management, LLC (collectively, "PanOptis") own and have the right to enforce patents in two relevant portfolios, the Optis Wireless portfolio and the Optis Cellular portfolio. The Optis Wireless portfolio includes patents from Telefonaktiebolaget LM Ericsson ("Ericsson") and Panasonic Corporation ("Panasonic"), and the Optis Cellular portfolio includes patents from Ericsson and LG Electronics Inc. ("LG"). The relevant portfolios include numerous patents essential to the 2G, 3G, and 4G telecommunications standards promulgated by ETSI ("standard essential patents"). Ericsson, Panasonic, LG, and PanOptis have committed to license the standard essential patents on fair, reasonable, and non-discriminatory ("FRAND") terms and conditions, a contractual commitment formed through declarations to ETSI. PanOptis and Huawei began negotiations over the two relevant portfolios nearly four years ago. Huawei has acknowledged that it requires a license to PanOptis' standard essential patents but contends that the royalty rate offered by PanOptis is too high, such that PanOptis' offers are in breach of its contractual FRAND commitment to ETSI. PanOptis contends that it has complied with its FRAND obligations and has offered Huawei a FRAND license to its standard essential patents.

In this case, PanOptis asserts claims from 6 patents from its portfolios against Huawei. Specifically, PanOptis contends that Huawei infringes the following asserted claims from the patents-in-suit:

- Claim 1 of the '238 patent;
- Claims 1, 3, 11, 12, 20 of the '216 patent;
- Claims 1, 4, and 11 of the '284 patent; and

- Claims 11, 16, and 17 of the '569 patent;
- Claims 8 and 13 of the '833 patent;
- Claims 14, 20, 21, and 22 of the '293 patent.

The '216, '284, '569, '833, and '293 patents have been declared essential by their owners to the LTE standard, and PanOptis contends that these patents, and additional patents from its portfolio, are actually essential to the LTE standard. The '238 patent has not been declared essential to any standard. PanOptis seeks at least a reasonable royalty from Huawei for its infringement of these six patents. PanOptis also contends that Huawei's infringement in this case is willful, warranting enhanced damages under 35 U.S.C. § 284 and attorneys' fees under 35 U.S.C. § 285. PanOptis also contends that each of Huawei's asserted defenses and counterclaims lack merit.

PanOptis further contends that it has complied with its contractual commitments to ETSI. PanOptis contends that it is entitled to a declaratory judgment that it has complied with its obligations arising from its licensing declarations to ETSI, ETSI's IPR Policy, and any applicable laws during its negotiations with Huawei concerning a worldwide license to the standard essential patents in the Optis Wireless and Optis Cellular portfolios. PanOptis contends that its most recent offer to Huawei complies with its obligations to ETSI, and if executed, would result in a license on FRAND terms and conditions.

PanOptis contends that Huawei should pay reasonable royalty damages to compensate PanOptis for its infringement, as well as enhanced damages and attorneys' fees. PanOptis further contends that it is entitled to declaratory judgment that it has complied with its FRAND obligations.

B. Huawei's Contentions

Huawei denies that its accused products literally infringe any of the asserted claims of the asserted claims of the patents-in-suit. Huawei further denies that its accused products infringe any of the asserted claims of the patents-in-suit under the doctrine of equivalents. Finally, Huawei denies that it has contributorily infringed the patents-in-suit, and Huawei denies that it has induced infringement of the patents-in-suit. Huawei denies that the patents-in-suit, as well as additional patents from PanOptis' portfolio, are essential to the LTE standards.

Huawei disputes and opposes PanOptis' claims for reasonable royalty damages, enhanced damages, and attorneys' fees. PanOptis' claim for attorneys' fees pursuant to 35 U.S.C. § 285 lacks merit. Huawei contends that PanOptis' purported claims for relief are limited due to failure to comply with the marking and notice requirements of 35 U.S.C. § 287(a).

Huawei contends that the asserted patents are invalid. Specifically, Huawei contends that the asserted claims of the patents-in-suit are invalid for being anticipated or obvious in view of the prior art under 35 U.S.C. §§ 102 and/or 103. Huawei further contends that certain claims of the '293 patent are invalid under 35 U.S.C. § 101.

Huawei disputes that PanOptis has complied with its FRAND obligations or that it has offered Huawei a FRAND license to its declared standard-essential patents. Huawei disputes that

PanOptis has complied with its contractual commitments to ETSI and does not believe that PanOptis is entitled to a declaratory judgment¹ that it has complied with its obligations arising from its licensing declarations to ETSI, ETSI's IPR Policy, or any applicable laws during its negotiations with Huawei concerning a worldwide license under the PanOptis declared standard-essential patents. Huawei does not agree that PanOptis' most recent offer to Huawei complies with PanOptis' obligations to ETSI, and if executed, would result in a license on FRAND terms and conditions.

Huawei contends that PanOptis in its complaint alleged that Huawei's LTE products infringed U.S. Patent 7,940,851 (the '851 patent) and alleged that the '851 patent was declared to be essential to the LTE Standard. Huawei contends that PanOptis now no longer asserts the '851 patent in this case.

C. Stipulations and Uncontested Facts

1. Subject matter jurisdiction is proper in this Court as to PanOptis' patent claims.
2. The parties do not contest that the Court has personal jurisdiction over the parties for the purposes of this litigation.
3. The parties agree that venue is proper for this litigation in the United States District Court for the Eastern District of Texas, Marshall Division.
4. PanOptis owns all rights necessary to bring this action for the six patents-in-suit. Trial exhibits PX 0001 through PX 0006 are accurate copies of the patents-in-suit.
5. Plaintiff Optis Wireless Technology, LLC ("Optis Wireless") is a limited liability company organized and existing under the laws of the State of Delaware, and maintains its principal place of business at 7160 Dallas Parkway, Suite 250, Plano, TX 75024.
6. Plaintiff Optis Cellular Technology, LLC ("Optis Cellular") is a limited liability company organized and existing under the laws of the State of Delaware, and maintains its principal place of business at 7160 Dallas Parkway, Suite 250, Plano, TX 75024.
7. Plaintiff PanOptis Patent Management, LLC ("PPM") is a limited liability company organized and existing under the laws of the State of Delaware, and maintains its principal place of business at 7160 Dallas Parkway, Suite 250, Plano, TX 75024.
8. Huawei Device USA, Inc. ("Huawei Device") is a corporation organized under the laws of Texas, having its principal place of business at 5700 Tennyson Parkway, Suite 500, Plano, Texas 75024.
9. Huawei Device Co. Ltd., now known as Huawei Device (Shenzhen) Co., Ltd. ("Huawei Device China") is a corporation organized under the laws of China, having a principal place of business at Bantian, Longgang District, Shenzhen, and People's Republic of China.
10. The accused products for the asserted claims of the '216, '284, '569, '833, and '293 patents ("Asserted LTE Patents") are:

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.