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Attorneys for Plaintiff and  
 Counterclaim-Defendant Apple Inc.

**UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
 SAN JOSE DIVISION**

16 APPLE INC., a California corporation,  
 17 Plaintiffs,

18 vs.

19 SAMSUNG ELECTRONICS CO., LTD., a  
 Korean business entity, SAMSUNG  
 20 ELECTRONICS AMERICA, INC., a New  
 York corporation, and SAMSUNG  
 21 TELECOMMUNICATIONS AMERICA,  
 LLC, a Delaware limited liability company,  
 22 Defendants.  
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Civil Action No. 11-CV-01846-LHK

**JURY TRIAL DEMANDED**

**COUNTERCLAIM DEFENDANT APPLE  
 INC.'S ANSWER, DEFENSES, AND  
 COUNTERCLAIMS IN REPLY TO  
 SAMSUNG'S COUNTERCLAIMS**

1 SAMSUNG ELECTRONICS CO., LTD., a  
2 Korean business entity, SAMSUNG  
3 ELECTRONICS AMERICA, INC., a New  
4 York corporation, and SAMSUNG  
5 TELECOMMUNICATIONS AMERICA,  
6 LLC, a Delaware limited liability company, a  
7 California corporation,

8 Counterclaim-Plaintiff,

9 v.

10 APPLE INC., a California corporation,

11 Counterclaim-Defendants.

12 **INTRODUCTORY STATEMENT**

13 1. This is Apple Inc.'s ("Apple") responsive pleading under Fed. R. Civ. P. 12, and  
14 contains Apple's defenses to the counterclaims asserted by defendants and counterclaim-  
15 plaintiffs Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., and Samsung  
16 Telecommunications America, LLC (collectively, "Samsung"), as well as Apple's Counterclaims  
17 In Reply to Samsung's Counterclaims.

18 2. Apple responds to the allegations contained in the numbered paragraphs of  
19 Samsung's Counterclaims below, but first provides this overview of its response.

20 3. Apple is a pioneer in mobile phone and tablet computer design and technology.  
21 Apple has designed its mobile phones and tablet computers with distinctive features that make  
22 them immediately recognizable as iPhones and iPads. Apple has coupled these distinguishing  
23 design details with a highly advanced interface that makes the iPhone and iPad user experience  
24 simple, intuitive, and efficient. Apple spends billions of dollars annually on research and  
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1 development, and has applied for and received numerous design and utility patents to protect its  
2 innovations from copying.

3 4. Samsung has illicitly copied Apple’s distinctive design features and innovative  
4 technologies instead of pursuing its own independent and costly product development. Samsung  
5 has launched one product after another that imitate the look, feel, and function of Apple’s  
6 products by misappropriating Apple’s protected designs and technologies.

8 5. Apple filed this case to stop Samsung’s unauthorized copying of Apple’s iPhone  
9 and iPad.

10 6. With respect to Samsung’s counterclaims of patent infringement, Apple denies  
11 that it infringes any valid claim of the patents identified in Counts I - XII of Samsung’s  
12 Counterclaims (“Samsung Asserted Patents”). As set forth in detail below, Samsung has  
13 improperly used patents that it claims to be essential to the Universal Mobile  
14 Telecommunications Standard (“UMTS”) in an attempt to disadvantage Apple.

16 7. Samsung has abusively asserted patents in this action that it claims are standards-  
17 essential to further its strategy of copying Apple products. Apple has repeatedly demanded that  
18 Samsung put a halt to its persistent pattern of copying. In retaliation, and to deflect from its own  
19 copying and to pressure Apple to allow Samsung to continue to imitate, Samsung asserted  
20 counterclaims alleging that Apple infringes Samsung patents that are purportedly essential to the  
21 UMTS standard.

23 8. At various times, Samsung declared seven of the Samsung Asserted Patents to the  
24 European Telecommunications Standards Institute (“ETSI”), a leading Standards Setting  
25 Organization (“SSO”), as purportedly essential to practice the UMTS standard (“Declared-  
26 Essential Patents”). Time and again, however, Samsung deliberately and deceptively failed to  
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1 disclose its purported intellectual property rights (“IPR”) to ETSI before its members decided to  
2 incorporate into the standard technologies purportedly covered by Samsung’s patents, in  
3 violation of the ETSI’s IPR policy. Furthermore, Samsung committed to license its Declared-  
4 Essential Patents on fair, reasonable, and non-discriminatory (“FRAND”) terms. In breach of  
5 those commitments, Samsung now seeks to enjoin Apple from selling its end products because  
6 those products contain UMTS chipsets – which Apples purchases from third parties – that are  
7 allegedly covered by Samsung’s Declared-Essential Patents. To the extent the Samsung  
8 Declared-Essential Patents are determined to be essential to any ETSI standard and, to the extent  
9 any of the alleged inventions described in and allegedly covered by the Declared-Essential  
10 Patents are used, manufactured, or sold by or for Apple, its suppliers, and/or its customers, Apple  
11 is licensed to practice them on FRAND terms, or in the alternative is irrevocably entitled to a  
12 license to those patents on FRAND terms.  
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16 **APPLE’S ANSWER TO SAMSUNG’S COUNTERCLAIMS**

17 Apple hereby responds to each numbered paragraph of the Counterclaims as follows:  
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19 1. Apple admits that Samsung’s Counterclaims purport to seek declarations and  
20 judgments for alleged patent infringement. Except as expressly admitted, Apple denies the  
21 remaining allegations in Paragraph 1 of the Counterclaims.

22 2. Apple admits that Samsung purports to seek declarations of noninfringement and  
23 invalidity for each of the Apple patents in suit and certain trademarks and trade dress in suit.

24 Apple admits that Samsung purports to seek cancellation of the trade dress and trademark  
25 registrations in suit and a declaration of nonviolations under the California Business and  
26 Professions Code, the common law of trademarks and unfair competition, and the law of unjust  
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1 enrichment. Except as expressly admitted, Apple denies the remaining allegations in Paragraph  
2 of the Counterclaims.

### 3 **NATURE OF THE ACTION<sup>1</sup>**

4 3. Apple admits that Samsung's Counterclaims purport to be an action for patent  
5 infringement. Except as expressly admitted, Apple denies the remaining allegations in Paragraph  
6 3 of the Counterclaims.

8 4. Paragraph 4 of the Counterclaims contains no allegation to which a response is  
9 required.

### 10 **THE PARTIES**

11 5. Apple lacks knowledge or information sufficient to form a belief as to the truth of  
12 the allegations in Paragraph 5 of the Counterclaims.

14 6. Apple lacks knowledge or information sufficient to form a belief as to the truth of  
15 the allegations in Paragraph 6 of the Counterclaims.

16 7. Apple lacks knowledge or information sufficient to form a belief as to the truth of  
17 the allegations in Paragraph 7 of the Counterclaims.

18 8. Apple admits the allegations in Paragraph 8 of the Counterclaims.

### 20 **JURISDICTIONAL STATEMENT**

21 9. Apple admits that Samsung's Counterclaims purport to be actions for patent  
22 infringement under the patent laws of the United States, and actions for declaratory relief under  
23 the Declaratory Judgment Act, the patent laws of the United States, the Lanham Act, California  
24 Business and Professions Code, the common law of trademarks and unfair competition, and the  
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28 <sup>1</sup> For convenience and clarity, Apple's Answer uses the same headings as set forth in Samsung's Counterclaims. In so doing, Apple does not admit any of the allegations contained in Samsung's headings.

1 law of unjust enrichment. Except as expressly admitted, Apple denies the remaining allegations  
2 in Paragraph 9 of the Counterclaims.

3 10. Apple admits the allegations in Paragraph 10 of the Counterclaims.

4 11. Apple admits that this Court has personal jurisdiction over Apple for this action.

5 12. Apple admits, for purposes of this action only, that venue is proper in this District.

6 13. Apple admits the allegations in Paragraph 13 of the Counterclaims.

7 14. Apple admits the allegations in Paragraph 14 of the Counterclaims.

8 15. Apple admits the allegations in Paragraph 15 of the Counterclaims.

9 16. Apple admits the allegations in Paragraph 16 of the Counterclaims.

10 17. Apple admits the allegations in Paragraph 17 of the Counterclaims.

11 18. Apple admits the allegations in Paragraph 18 of the Counterclaims.

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14 **FACTUAL BACKGROUND**

15 19. Apple lacks knowledge or information sufficient to form a belief as to the truth of  
16 the allegations in Paragraph 19 of the Counterclaims, and therefore denies the same.

17 20. Apple lacks knowledge or information sufficient to form a belief as to the truth of  
18 the allegations in Paragraph 20 of the Counterclaims, and therefore denies the same.

19 21. Apple lacks knowledge or information sufficient to form a belief as to the truth of  
20 the allegations in Paragraph 21 of the Counterclaims, and therefore denies the same.

21 22. Apple lacks knowledge or information sufficient to form a belief as to the truth of  
22 the allegations in Paragraph 22 of the Counterclaims, and therefore denies the same.

23 23. Apple lacks knowledge or information sufficient to form a belief as to the truth of  
24 the allegations in Paragraph 23 of the Counterclaims, and therefore denies the same.  
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1           24.     Apple lacks knowledge or information sufficient to form a belief as to the truth of  
2 the allegations in Paragraph 24 of the Counterclaims, and therefore denies the same.

3           25.     Apple lacks knowledge or information sufficient to form a belief as to the truth of  
4 the allegations in Paragraph 25 of the Counterclaims, and therefore denies the same.

5           26.     Apple lacks knowledge or information sufficient to form a belief as to the truth of  
6 the allegations in Paragraph 26 of the Counterclaims, and therefore denies the same.

7           27.     Apple lacks knowledge or information sufficient to form a belief as to the truth of  
8 the allegations in Paragraph 27 of the Counterclaims, and therefore denies the same.

9           28.     Apple lacks knowledge or information sufficient to form a belief as to the truth of  
10 the allegations in Paragraph 28 of the Counterclaims, and therefore denies the same.

11           29.     Apple lacks knowledge or information sufficient to form a belief as to the truth of  
12 the allegations in Paragraph 29 of the Counterclaims, and therefore denies the same.

13           30.     Apple lacks knowledge or information sufficient to form a belief as to the truth of  
14 the allegations in Paragraph 30 of the Counterclaims, and therefore denies the same.

15   **SAMSUNG'S INTELLECTUAL PROPERTY RIGHTS**

16           31.     Apple lacks knowledge or information sufficient to form a belief as to the truth of  
17 the allegations in Paragraph 31 of the Counterclaims, and therefore denies the same.

18           32.     Apple admits the allegations in the first three sentences in Paragraph 32. Apple  
19 lacks knowledge or information sufficient to form a belief as to the truth of the remaining  
20 allegations in Paragraph 32 of the Counterclaims, and therefore denies the same.

21           33.     Apple admits the allegations in the first three sentences in Paragraph 33. Apple  
22 lacks knowledge or information sufficient to form a belief as to the truth of the remaining  
23 allegations in Paragraph 33 of the Counterclaims, and therefore denies the same.

1           34.     Apple lacks knowledge or information sufficient to form a belief as to the truth of  
2 the allegations in Paragraph 34 of the Counterclaims, and therefore denies the same.

3           35.     Apple lacks knowledge or information sufficient to form a belief as to the truth of  
4 the allegations in Paragraph 35 of the Counterclaims, and therefore denies the same.

5           36.     Apple lacks knowledge or information sufficient to form a belief as to the truth of  
6 the allegations in Paragraph 36 of the Counterclaims, and therefore denies the same.

7           37.     Apple admits that the increase in usage of mobile device networks has increased  
8 demand for capacity and throughput, particularly in data-demanding applications such as video.  
9 Apple lacks knowledge or information sufficient to form a belief as to the truth of the remaining  
10 allegations in Paragraph 37 of the Counterclaims, and therefore denies the same.

11           38.     Apple lacks knowledge or information sufficient to form a belief as to the truth of  
12 the allegations in Paragraph 38 of the Counterclaims, and therefore denies the same.

13           39.     Apple admits that Samsung's U.S. Patent Nos. 7,069,055, 7,079,871, 7,456,893,  
14 7,577,460, and 7,698,711 purport to relate to generating and displaying time, viewing and  
15 transmitting images, playing music, and dividing of window displays on mobile devices.

16           40.     Apple lacks knowledge or information sufficient to form a belief as to the truth of  
17 the allegations in Paragraph 40 of the Counterclaims, and therefore denies the same.

18           41.     Apple lacks knowledge or information sufficient to form a belief as to the truth of  
19 the allegations in Paragraph 41 of the Counterclaims, and therefore denies the same.

20           42.     Apple lacks knowledge or information sufficient to form a belief as to the truth of  
21 the allegations in Paragraph 42 of the Counterclaims, and therefore denies the same.

22           43.     Apple admits the allegations in the first sentence in Paragraph 43 of the  
23 Counterclaims. Apple lacks knowledge or information sufficient to form a belief as to the truth  
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1 of the remaining allegations in Paragraph 43 of the Counterclaims, and therefore denies the  
2 same.

3 44. Apple lacks knowledge or information sufficient to form a belief as to the truth of  
4 the allegations in Paragraph 44 of the Counterclaims, and therefore denies the same.  
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6 45. Apple lacks knowledge or information sufficient to form a belief as to the truth of  
7 the allegations in Paragraph 45 of the Counterclaims, and therefore denies the same.

8 46. Apple denies the allegations in Paragraph 46 of the Counterclaims.

9 47. Apple admits that the '604 Patent is entitled "Turbo Encoding/Decoding Device  
10 and Method for Processing Frame Data According to QOS"; that the '604 Patent indicates that it  
11 was issued by the United States Patent and Trademark Office ("USPTO") on August 9, 2005;  
12 and that an uncertified copy of the '604 Patent is attached to the Complaint as Exhibit 1. Apple  
13 lacks knowledge or information sufficient to form a belief as to whether Samsung is the current  
14 owner of all rights, title, and interest in the '604 Patent, and whether Exhibit 1 is a true and  
15 correct copy. Except as expressly admitted, Apple denies the remaining allegations in Paragraph  
16 47 of the Counterclaims.  
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18 48. Apple admits that the '410 Patent is entitled "Apparatus and Method for  
19 Controlling a Demultiplexer and a Multiplexer Used for Rate Matching in a Mobile  
20 Communication System"; that the '410 Patent indicates that it was issued by the USPTO on May  
21 23, 2006; and that an uncertified copy of the '410 Patent is attached to the Complaint as Exhibit  
22 2. Apple lacks knowledge or information sufficient to form a belief as to whether Samsung is  
23 the current owner of all rights, title, and interest in the '410 Patent, and whether Exhibit 2 is a  
24 true and correct copy. Except as expressly admitted, Apple denies the remaining allegations in  
25 Paragraph 48 of the Counterclaims.  
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1           49.     Apple admits that the '055 Patent is entitled "Mobile Telephone Capable of  
2     Displaying World Time and Method for Controlling the Same"; that the '055 Patent indicates  
3     that it was issued by the USPTO on June 27, 2006; and that an uncertified copy of the '055  
4     Patent is attached to the Complaint as Exhibit 3. Apple lacks knowledge or information  
5     sufficient to form a belief as to whether Samsung is the current owner of all rights, title, and  
6     interest in the '055 Patent, and whether Exhibit 3 is a true and correct copy. Except as expressly  
7     admitted, Apple denies the remaining allegations in Paragraph 49 of the Counterclaims.  
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9           50.     Apple admits that the '871 Patent is entitled "Portable Telephone and Method of  
10    Displaying Data Thereof"; that the '871 Patent indicates that it was issued by the USPTO on July  
11    18, 2006; and that an uncertified copy of the '871 Patent is attached to the Complaint as Exhibit  
12    4. Apple lacks knowledge or information sufficient to form a belief as to whether Samsung is  
13    the current owner of all rights, title, and interest in the '871 Patent, and whether Exhibit 4 is a  
14    true and correct copy. Except as expressly admitted, Apple denies the remaining allegations in  
15    Paragraph 50 of the Counterclaims.  
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17           51.     Apple admits that the '792 Patent is entitled "Interleaving Apparatus and Method  
18    for Symbol Mapping in an HSDPA Mobile Communication System"; that the '792 Patent  
19    indicates that it was issued by the USPTO on April 3, 2007; and that an uncertified copy of the  
20    '792 Patent is attached to the Complaint as Exhibit 5. Apple lacks knowledge or information  
21    sufficient to form a belief as to whether Samsung is the current owner of all rights, title, and  
22    interest in the '792 Patent, and whether Exhibit 5 is a true and correct copy. Except as expressly  
23    admitted, Apple denies the remaining allegations in Paragraph 51 of the Counterclaims.  
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25           52.     Apple admits that the '867 Patent is entitled "Apparatus and Method for  
26    Generating Scrambling Code in UMTS Mobile Communication System"; that the '867 Patent  
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1 indicates that it was issued by the USPTO on April 22, 2008; and that an uncertified copy of the  
2 '867 Patent is attached to the Complaint as Exhibit 6. Apple lacks knowledge or information  
3 sufficient to form a belief as to whether Samsung is the current owner of all rights, title, and  
4 interest in the '867 Patent, and whether Exhibit 6 is a true and correct copy. Except as expressly  
5 admitted, Apple denies the remaining allegations in Paragraph 52 of the Counterclaims.  
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7 53. Apple admits that the '001 Patent is entitled "Apparatus and Method for Channel  
8 Coding and Multiplexing in CDMA Communication System"; that the '001 Patent indicates that  
9 it was issued by the USPTO on June 10, 2008; and that an uncertified copy of the '001 Patent is  
10 attached to the Complaint as Exhibit 7. Apple lacks knowledge or information sufficient to form  
11 a belief as to whether Samsung is the current owner of all rights, title, and interest in the '001  
12 Patent, and whether Exhibit 7 is a true and correct copy. Except as expressly admitted, Apple  
13 denies the remaining allegations in Paragraph 53 of the Counterclaims.  
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15 54. Apple admits that the '516 Patent is entitled "Method and Apparatus for Data  
16 Transmission in a Mobile Telecommunication System Supporting Enhanced Uplink Service";  
17 that the '516 Patent indicates that it was issued by the USPTO on November 4, 2008; and that an  
18 uncertified copy of the '516 Patent is attached to the Complaint as Exhibit 8. Apple lacks  
19 knowledge or information sufficient to form a belief as to whether Samsung is the current owner  
20 of all rights, title, and interest in the '516 Patent, and whether Exhibit 8 is a true and correct  
21 copy. Except as expressly admitted, Apple denies the remaining allegations in Paragraph 54 of  
22 the Counterclaims.  
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24 55. Apple admits that the '893 Patent is entitled "Method of Controlling Digital  
25 Image Processing Apparatus for Efficient Reproduction and Digital Image Processing Apparatus  
26 Using the Method"; that the '893 Patent indicates that it was issued by the USPTO on November  
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1 25, 2008; and that an uncertified copy of the '893 Patent is attached to the Complaint as Exhibit  
2 9. Apple lacks knowledge or information sufficient to form a belief as to whether Samsung is  
3 the current owner of all rights, title, and interest in the '893 Patent, and whether Exhibit 9 is a  
4 true and correct copy. Except as expressly admitted, Apple denies the remaining allegations in  
5 Paragraph 55 of the Counterclaims.  
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7 56. Apple admits that the '460 Patent is entitled "Portable Composite Communication  
8 Terminal for Transmitting/Receiving and Images, and Operation Method and Communication  
9 System Thereof"; that the '460 Patent indicates that it was issued by the USPTO on August 18,  
10 2009; and that an uncertified copy of the '460 Patent is attached to the Complaint as Exhibit 10.  
11 Apple lacks knowledge or information sufficient to form a belief as to whether Samsung is the  
12 current owner of all rights, title, and interest in the '460 Patent, and whether Exhibit 10 is a true  
13 and correct copy. Except as expressly admitted, Apple denies the remaining allegations in  
14 Paragraph 56 of the Counterclaims.  
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16 57. Apple admits that the '941 Patent is entitled "Method and Apparatus for  
17 Transmitting/Receiving Packet Data Using Pre-Defined Length Indicator in a Mobile  
18 Communication System"; that the '941 Patent indicates that it was issued by the USPTO on  
19 March 9, 2010; and that an uncertified copy of the '941 Patent is attached to the Complaint as  
20 Exhibit 11. Apple lacks knowledge or information sufficient to form a belief as to whether  
21 Samsung is the current owner of all rights, title, and interest in the '941 Patent, and whether  
22 Exhibit 11 is a true and correct copy. Except as expressly admitted, Apple denies the remaining  
23 allegations in Paragraph 57 of the Counterclaims.  
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26 58. Apple admits that the '711 Patent is entitled "Multi-Tasking Apparatus and  
27 Method in Portable Terminal"; that the '711 Patent indicates that it was issued by the USPTO on  
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1 April 13, 2010; and that an uncertified copy of the '711 Patent is attached to the Complaint as  
2 Exhibit 12. Apple lacks knowledge or information sufficient to form a belief as to whether  
3 Samsung is the current owner of all rights, title, and interest in the '711 Patent, and whether  
4 Exhibit 12 is a true and correct copy. Except as expressly admitted, Apple denies the remaining  
5 allegations in Paragraph 58 of the Counterclaims.  
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7 **APPLE'S ALLEGED CLAIMS AGAINST SAMSUNG**

8 59. Apple admits the allegations in Paragraph 59 of the Counterclaims.

9 60. Apple admits the allegations in Paragraph 60 of the Counterclaims.

10 61. Apple admits that it owns the trade dress embodied in Apple's iPhone, iPhone 3G,  
11 iPhone 3GS, iPhone 4, iPod Touch, iPad, and iPad 2 products. Except as expressly admitted,  
12 Apple denies the remaining allegations in Paragraph 61 of the Counterclaims.  
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14 62. Apple admits the allegations in Paragraph 62 of the Counterclaims.

15 63. Apple admits the allegations in Paragraph 63 of the Counterclaims.

16 64. Apple admits the allegations in Paragraph 64 of the Counterclaims.

17 65. Apple admits the allegations in Paragraph 65 of the Counterclaims.

18 66. Apple admits the allegations in Paragraph 66 of the Counterclaims.

19 67. Apple admits the allegations in Paragraph 67 of the Counterclaims.  
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21 **FIRST CLAIM FOR RELIEF**

22 **(Infringement of the '604 Patent)**

23 68. Apple admits that the Samsung Counterclaimants restate and incorporate by  
24 reference each of the allegations in Paragraphs 1 through 67 of the Counterclaims as though fully  
25 set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 67 above,  
26 as if set forth fully herein.  
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69. Apple denies the allegations in Paragraph 69 of the Counterclaims.

70. Apple denies the allegations in Paragraph 70 of the Counterclaims.

71. Apple denies the allegations in Paragraph 71 of the Counterclaims.

**SECOND CLAIM FOR RELIEF**

**(Infringement of the '410 Patent)**

72. Apple admits that the Samsung Counterclaimants restate and incorporate by reference each of the allegations in Paragraphs 1 through 71 of the Counterclaims as though fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 71 above, as if set forth fully herein.

73. Apple denies the allegations in Paragraph 73 of the Counterclaims.

74. Apple denies the allegations in Paragraph 74 of the Counterclaims.

75. Apple denies the allegations in Paragraph 75 of the Counterclaims.

**THIRD CLAIM FOR RELIEF**

**(Infringement of the '055 Patent)**

76. Apple admits that the Samsung Counterclaimants restate and incorporate by reference each of the allegations in Paragraphs 1 through 75 of the Counterclaims as though fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 75 above, as if set forth fully herein.

77. Apple denies the allegations in Paragraph 77 of the Counterclaims.

78. Apple denies the allegations in Paragraph 78 of the Counterclaims.

79. Apple denies the allegations in Paragraph 79 of the Counterclaims.

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**FOURTH CLAIM FOR RELIEF**

**(Infringement of the '871 Patent)**

80. Apple admits that the Samsung Counterclaimants restate and incorporate by reference each of the allegations in Paragraphs 1 through 79 of the Counterclaims as though fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 79 above, as if set forth fully herein.

81. Apple denies the allegations in Paragraph 81 of the Counterclaims.

82. Apple denies the allegations in Paragraph 82 of the Counterclaims.

83. Apple denies the allegations in Paragraph 83 of the Counterclaims.

**FIFTH CLAIM FOR RELIEF**

**(Infringement of the '792 Patent)**

84. Apple admits that the Samsung Counterclaimants restate and incorporate by reference each of the allegations in Paragraphs 1 through 83 of the Counterclaims as though fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 83 above, as if set forth fully herein.

85. Apple denies the allegations in Paragraph 85 of the Counterclaims.

86. Apple denies the allegations in Paragraph 86 of the Counterclaims.

87. Apple denies the allegations in Paragraph 87 of the Counterclaims.

**SIXTH CLAIM FOR RELIEF**

**(Infringement of the '867 Patent)**

88. Apple admits that the Samsung Counterclaimants restate and incorporate by reference each of the allegations in Paragraphs 1 through 87 of the Counterclaims as though fully

1 set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 87 above,  
2 as if set forth fully herein.

3 89. Apple denies the allegations in Paragraph 89 of the Counterclaims.

4 90. Apple denies the allegations in Paragraph 90 of the Counterclaims.

5 91. Apple denies the allegations in Paragraph 91 of the Counterclaims.  
6

7 **SEVENTH CLAIM FOR RELIEF**

8 **(Infringement of the '001 Patent)**

9 92. Apple admits that the Samsung Counterclaimants restate and incorporate by  
10 reference each of the allegations in Paragraphs 1 through 91 of the Counterclaims as though fully  
11 set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 91 above,  
12 as if set forth fully herein.  
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14 93. Apple denies the allegations in Paragraph 93 of the Counterclaims.

15 94. Apple denies the allegations in Paragraph 94 of the Counterclaims.

16 95. Apple denies the allegations in Paragraph 95 of the Counterclaims.  
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18 **EIGHTH CLAIM FOR RELIEF**

19 **(Infringement of the '516 Patent)**

20 96. Apple admits that the Samsung Counterclaimants restate and incorporate by  
21 reference each of the allegations in Paragraphs 1 through 95 of the Counterclaims as though fully  
22 set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 95 above,  
23 as if set forth fully herein.  
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25 97. Apple denies the allegations in Paragraph 97 of the Counterclaims.

26 98. Apple denies the allegations in Paragraph 98 of the Counterclaims.

27 99. Apple denies the allegations in Paragraph 99 of the Counterclaims.  
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1 **NINTH CLAIM FOR RELIEF**

2 **(Infringement of the '893 Patent)**

3 100. Apple admits that the Samsung Counterclaimants restate and incorporate by  
4 reference each of the allegations in Paragraphs 1 through 99 of the Counterclaims as though fully  
5 set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 99 above,  
6 as if set forth fully herein.  
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8 101. Apple denies the allegations in Paragraph 101 of the Counterclaims.

9 102. Apple denies the allegations in Paragraph 102 of the Counterclaims.

10 103. Apple denies the allegations in Paragraph 103 of the Counterclaims.

11 **TENTH CLAIM FOR RELIEF**

12 **(Infringement of the '460 Patent)**

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14 104. Apple admits that the Samsung Counterclaimants restate and incorporate by  
15 reference each of the allegations in Paragraphs 1 through 103 of the Counterclaims as though  
16 fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 103  
17 above, as if set forth fully herein.

18 105. Apple denies the allegations in Paragraph 105 of the Counterclaims.

19 106. Apple denies the allegations in Paragraph 106 of the Counterclaims.

20 107. Apple denies the allegations in Paragraph 107 of the Counterclaims.

21 **ELEVENTH CLAIM FOR RELIEF**

22 **(Infringement of the '941 Patent)**

23  
24 108. Apple admits that the Samsung Counterclaimants restate and incorporate by  
25 reference each of the allegations in Paragraphs 1 through 107 of the Counterclaims as though  
26

1 fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 107  
2 above, as if set forth fully herein.

3 109. Apple denies the allegations in Paragraph 109 of the Counterclaims.

4 110. Apple denies the allegations in Paragraph 110 of the Counterclaims.

5 111. Apple denies the allegations in Paragraph 111 of the Counterclaims.

6  
7 **TWELFTH CLAIM FOR RELIEF**

8 **(Infringement of the '711 Patent)**

9 112. Apple admits that the Samsung Counterclaimants restate and incorporate by  
10 reference each of the allegations in Paragraphs 1 through 111 of the Counterclaims as though  
11 fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 111  
12 above, as if set forth fully herein.

13  
14 113. Apple denies the allegations in Paragraph 113 of the Counterclaims.

15 114. Apple denies the allegations in Paragraph 114 of the Counterclaims.

16 115. Apple denies the allegations in Paragraph 115 of the Counterclaims.

17 **THIRTEENTH CLAIM FOR RELIEF**

18 **(Declaration of Non-infringement of the '828, '002, '381, '915, '891, '607, '163, '129, 'D790,**  
19 **'D334, 'D305, 'D087, 'D677, 'D270, and 'D889 Patents)**

20 116. Apple admits that the Samsung Counterclaimants restate and incorporate by  
21 reference each of the allegations in Paragraphs 1 through 115 of the Counterclaims as though  
22 fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 115  
23 above, as if set forth fully herein.

24  
25 117. Apple admits the allegations in Paragraph 117 of the Counterclaims.

26 118. Apple admits that it has alleged that certain Samsung products infringe the '828,  
27 '002, '381, '915, '891, '607, '163, '129, 'D790, 'D334, 'D305, 'D087, 'D677, 'D270, and 'D889  
28

1 Patents. Apple further admits that the Samsung Counterclaimants have denied that their  
2 activities infringe the '828, '002, '381, '915, '891, '607, '163, '129, 'D790, 'D334, 'D305,  
3 'D087, 'D677, 'D270, and 'D889 Patents and that the Samsung Counterclaimants' denial creates  
4 an actual controversy between the parties. Except as expressly admitted, Apple denies the  
5 remaining allegations in Paragraph 118 of the Counterclaims.  
6

7 119. Apple denies the allegations in Paragraph 119 of the Counterclaims.

#### 8 **FOURTEENTH CLAIM FOR RELIEF**

9 **(Declaration of Invalidity of the '828, '002, '381, '915, '891, '607, '163, '129, 'D790, 'D334,**  
10 **'D305, 'D087, 'D677, 'D270, and 'D889 Patents)**

11 120. Apple admits that the Samsung Counterclaimants restate and incorporate by  
12 reference each of the allegations in Paragraphs 1 through 119 of the Counterclaims as though  
13 fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 119  
14 above, as if set forth fully herein.  
15

16 121. Apple admits that it has alleged that certain Samsung products infringe the '828,  
17 '002, '381, '915, '891, '607, '163, '129, 'D790, 'D334, 'D305, 'D087, 'D677, 'D270, and 'D889  
18 Patents and that these patents are entitled to a presumption of validity. Apple further admits that  
19 the Samsung Counterclaimants have denied the validity of the '828, '002, '381, '915, '891, '607,  
20 '163, '129, 'D790, 'D334, 'D305, 'D087, 'D677, 'D270, and 'D889 Patents and that the  
21 Samsung Counterclaimants' denial creates an actual controversy between the parties. Except as  
22 expressly admitted, Apple denies the remaining allegations in Paragraph 121 of the  
23 Counterclaims.  
24

25 122. Apple denies the allegations in Paragraph 122 of the Counterclaims.  
26  
27  
28

1 **FIFTEENTH CLAIM FOR RELIEF**

2 **(Declaration of No Federal False Designation of Origin Under 15 U.S.C. § 1125(a))**

3 123. Apple admits that the Samsung Counterclaimants restate and incorporate by  
4 reference each of the allegations in Paragraphs 1 through 122 of the Counterclaims as though  
5 fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 122  
6 above, as if set forth fully herein.

7  
8 124. Apple admits that it has alleged that certain Samsung products infringe the Apple  
9 iPhone Trade Dress, Apple iPhone 3G Trade Dress, Apple iPhone 4 Trade Dress, Apple iPad  
10 Trade Dress, and Apple iPad 2 Trade Dress. Apple further admits that the Samsung  
11 Counterclaimants have denied that their activities infringe the Apple iPhone Trade Dress, Apple  
12 iPhone 3G Trade Dress, Apple iPhone 4 Trade Dress, Apple iPad Trade Dress, and Apple iPad 2  
13 Trade Dress and that the Samsung Counterclaimants' denial creates an actual controversy  
14 between the parties. Except as expressly admitted, Apple denies the remaining allegations in  
15 Paragraph 124 of the Counterclaims.  
16

17 125. Apple denies the allegations in Paragraph 125 of the Counterclaims.

18 126. Apple denies the allegations in Paragraph 126 of the Counterclaims.

19 127. Apple denies the allegations in Paragraph 127 of the Counterclaims.

20 128. Apple denies the allegations in Paragraph 128 of the Counterclaims.

21 **SIXTEENTH CLAIM FOR RELIEF**

22 **(Declaration of Noninfringement of Trademark or Trade Dress)**

23  
24 129. Apple admits that the Samsung Counterclaimants restate and incorporate by  
25 reference each of the allegations in Paragraphs 1 through 128 of the Counterclaims as though  
26  
27  
28

1 fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 128  
2 above, as if set forth fully herein.

3 130. Apple admits that it has alleged that certain Samsung products infringe U.S.  
4 Registration Nos. 3,470,983, 3,457,218, and 3,475,327. Apple further admits that SEC and STA  
5 have denied that their activities infringe U.S. Registration Nos. 3,470,983, 3,457,218, and  
6 3,475,327 and that SEC and STA's denial creates an actual controversy between the parties.  
7 Except as expressly admitted, Apple denies the remaining allegations in Paragraph 130 of the  
8 Counterclaims.  
9

10 131. Apple admits that it has alleged that certain Samsung products infringe U.S.  
11 Registration Nos. 3,886,196, 3,889,642, 3,886,200, 3,889,685, 3,886,169, 3,886,197, and  
12 2,935,038. Apple further admits that the Samsung Counterclaimants have denied that their  
13 activities infringe U.S. Registration Nos. 3,886,196, 3,889,642, 3,886,200, 3,889,685, 3,886,169,  
14 3,886,197, and 2,935,038 and that the Samsung Counterclaimants' denial creates an actual  
15 controversy between the parties. Except as expressly admitted, Apple denies the remaining  
16 allegations in Paragraph 131 of the Counterclaims.  
17

18 132. Apple denies the allegations in Paragraph 132 of the Counterclaims.

19 133. Apple denies the allegations in Paragraph 133 of the Counterclaims.

20 134. Apple denies the allegations in Paragraph 134 of the Counterclaims.

21 135. Apple denies the allegations in Paragraph 135 of the Counterclaims.  
22

### 23 **SEVENTEENTH CLAIM FOR RELIEF**

#### 24 **(Declaration of Non-Dilution)**

25 136. Apple admits that the Samsung Counterclaimants restate and incorporate by  
26 reference each of the allegations in Paragraphs 1 through 135 of the Counterclaims as though  
27  
28

1 fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 135  
2 above, as if set forth fully herein.

3 137. Apple admits that it has alleged that the Samsung Counterclaimants' manufacture  
4 and distribution of certain products is likely to cause dilution by blurring of the famous Apple  
5 iPhone Trade Dress, Apple iPhone 3G Trade Dress, Apple iPhone 4 Trade Dress, Apple iPad  
6 iPad Trade Dress, and Apple iPad 2 Trade Dress and that such actions constitute dilution in violation  
7 of Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c). Except as expressly admitted, Apple  
8 denies the remaining allegations in Paragraph 137 of the Counterclaims.  
9

10 138. Apple denies the allegations in Paragraph 138 of the Counterclaims.

11 139. Apple denies the allegations in Paragraph 139 of the Counterclaims.

12 140. Apple denies the allegations in Paragraph 140 of the Counterclaims.

13 141. Apple denies the allegations in Paragraph 141 of the Counterclaims.

14 142. Apple denies the allegations in Paragraph 142 of the Counterclaims.

15  
16 **EIGHTEENTH CLAIM FOR RELIEF**

17 **(Declaration of Invalidity of the '983, '218, '327, '196, '642, '200, '685, '169, '197, and '038**  
18 **Registrations and the '463, '838, '829, '869, and '118 Applications)**

19 143. Apple admits that the Samsung Counterclaimants restate and incorporate by  
20 reference each of the allegations in Paragraphs 1 through 142 of the Counterclaims as though  
21 fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 142  
22 above, as if set forth fully herein.

23  
24 144. Apple admits that it has alleged that certain Samsung products infringe U.S.  
25 Registration Nos. 3,470,983, 3,457,218, 3,475,327, 3,886,196, 3,889,642, 3,886,200, 3,889,685,  
26 3,886,169, 3,886,197, and 2,935,038. Apple further admits that the Samsung Counterclaimants  
27 have denied the validity of U.S. Registration Nos. 3,470,983, 3,457,218, 3,475,327, 3,886,196,  
28

1 3,889,642, 3,886,200, 3,889,685, 3,886,169, 3,886,197, and 2,935,038 and that the Samsung  
2 Counterclaimants' denial creates an actual controversy between the parties. Except as expressly  
3 admitted, Apple denies the remaining allegations in Paragraph 144 of the Counterclaims.

4 145. Apple denies the allegations in Paragraph 145 of the Counterclaims.

5 146. Apple denies the allegations in Paragraph 146 of the Counterclaims.

6  
7 **NINETEENTH CLAIM FOR RELIEF**

8 **(Cancellation of the '983, '218, '327, '196, '642, '200, '685, '169, '197, and '038**  
9 **Registrations) (15 U.S.C. §§ 1119 and 1064)**

10 147. Apple admits that the Samsung Counterclaimants restate and incorporate by  
11 reference each of the allegations in Paragraphs 1 through 146 of the Counterclaims as though  
12 fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 146  
13 above, as if set forth fully herein.

14 148. Apple admits that it has alleged that certain Samsung products infringe U.S.  
15 Registration Nos. 3,470,983, 3,457,218, 3,475,327, 3,886,196, 3,889,642, 3,886,200, 3,889,685,  
16 3,886,169, 3,886,197, and 2,935,038. Apple further admits that the Samsung Counterclaimants  
17 have denied the validity of U.S. Registration Nos. 3,470,983, 3,457,218, 3,475,327, 3,886,196,  
18 3,889,642, 3,886,200, 3,889,685, 3,886,169, 3,886,197, and 2,935,038 and that the Samsung  
19 Counterclaimants' denial creates an actual controversy between the parties. Except as expressly  
20 admitted, Apple denies the remaining allegations in Paragraph 148 of the Counterclaims.

21 149. Apple denies the allegations in Paragraph 149 of the Counterclaims.

22 150. Apple denies the allegations in Paragraph 150 of the Counterclaims.

1 **TWENTIETH CLAIM FOR RELIEF**

2 **(Declaration of Nonviolation of California Business and Professions Code §17200, et seq.)**

3 151. Apple admits that the Samsung Counterclaimants restate and incorporate by  
4 reference each of the allegations in Paragraphs 1 through 150 of the Counterclaims as though  
5 fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 150  
6 above, as if set forth fully herein.

8 152. Apple admits the allegations in Paragraph 152 of the Counterclaims.

9 153. Apple admits the allegations in Paragraph 153 of the Counterclaims.

10 154. Apple denies the allegations in Paragraph 154 of the Counterclaims.

11 155. Apple denies the allegations in Paragraph 155 of the Counterclaims.

12 156. Apple denies the allegations in Paragraph 156 of the Counterclaims.

14 **TWENTY-FIRST CLAIM FOR RELIEF**

15 **(Declaration of Nonviolation of the Law of Unjust Enrichment)**

16 157. Apple admits that the Samsung Counterclaimants restate and incorporate by  
17 reference each of the allegations in Paragraphs 1 through 156 of the Counterclaims as though  
18 fully set forth herein. Apple repeats and re-alleges all the responses in Paragraphs 1 through 157  
19 above, as if set forth fully herein.

21 158. Apple admits the allegations in Paragraph 158 of the Counterclaims.

22 159. Apple denies the allegations in Paragraph 159 of the Counterclaims.

23 160. Apple denies the allegations in Paragraph 160 of the Counterclaims.

24 161. Apple denies the allegations in Paragraph 161 of the Counterclaims.

25 162. Apple denies the allegations in Paragraph 162 of the Counterclaims.



1 **PRAYER FOR RELIEF**

2 Apple denies that the Samsung Counterclaimants are entitled to any relief sought by the  
3 Samsung Counterclaimants in their Prayer for Relief.

4 **APPLE’S DEFENSES TO SAMSUNG’S COUNTERCLAIMS**

5 Apple asserts the following defenses to Samsung’s Counterclaims:

6 **FIRST DEFENSE**  
7 **(Non-Infringement)**

8 Samsung is not entitled to any relief against Apple because Apple has not directly or  
9 indirectly infringed any valid claim of the Samsung Asserted Patents.  
10

11 **SECOND DEFENSE**  
12 **(Invalidity)**

13 One or more of the claims of the Samsung Asserted Patents are invalid for failing to meet  
14 one or more of the requisite statutory and decisional requirements and/or conditions for  
15 patentability under Title 35 of the United States Code, including without limitation, §§ 101, 102,  
16 103, and 112.

17 **THIRD DEFENSE**  
18 **(Limitation of Damages)**

19 Samsung’s right to seek damages is limited, including without limitation by 35 U.S.C. §§  
20 286 and 287.

21 **FOURTH DEFENSE**  
22 **(License)**

23 To the extent that the Declared-Essential Patents are essential to any ETSI standard and  
24 to the extent any of the alleged inventions described in and allegedly covered by the Declared-  
25 Essential Patents are used, manufactured, or sold by or for Apple, its suppliers, and/or its  
26 customers, Apple is licensed to the Declared-Essential Patents pursuant to Samsung’s  
27  
28

1 commitments to license its Declared-Essential Patents on FRAND terms; or, in the alternative,  
2 Apple has the irrevocable right to be licensed on FRAND terms under those patents. In addition,  
3 to the extent that Apple is licensed, expressly, impliedly, or by operation of law, by virtue of any  
4 agreement between Samsung and an Apple supplier, Apple is licensed.  
5

6 **FIFTH DEFENSE**  
7 **(Unenforceability)**

8 One or more of the Samsung Asserted Patents are unenforceable against Apple because  
9 of estoppel, laches, waiver, unclean hands, patent exhaustion, implied license, and/or other  
10 equitable doctrines; Samsung has engaged in standards-setting misconduct, including without  
11 limitation Samsung's breach of its commitments to license the Declared-Essential Patents on  
12 FRAND terms and Samsung's breach of its patent disclosure requirements or based on other  
13 circumstances.  
14

15 **SIXTH DEFENSE**  
16 **(No Injunctive Relief)**

17 To the extent that Samsung seeks injunctive relief for alleged infringement, the relief it  
18 seeks is unavailable because seeking injunctive relief is contrary to its commitment to SSOs to  
19 license the Declared-Essential Patents on FRAND terms and Apple's resulting license or, in the  
20 alternative, irrevocable right to obtain a license by virtue of Samsung's FRAND commitments;  
21 the alleged injury to Samsung is not immediate or irreparable; and Samsung has an adequate  
22 remedy at law for any alleged injury.  
23

24 **APPLE INC.'S COUNTERCLAIMS IN REPLY**

25  
26 Plaintiff Apple, on personal knowledge as to its own acts, and on information and belief  
27 as to all others based on its own and its attorneys' investigation, alleges Counterclaims In Reply  
28

1 against Samsung Electronics Co., Ltd., Samsung Telecommunications America, LLC, and  
2 Samsung Electronics America, Inc. (collectively, “Samsung”) as follows:

3 **NATURE OF THE ACTION**

4 1. Having failed to compete successfully with Apple’s products (including its iPhone  
5 and iPad) by innovating and designing products that customers desire, Samsung has instead  
6 launched product after product that unlawfully misappropriate the distinctive designs and  
7 patented features that are hallmarks of Apple’s success. These Counterclaims In Reply arise  
8 from Samsung’s illegal and abusive assertions of its Declared-Essential Patents relating to the  
9 widely-adopted UMTS telecommunications standard in retaliation for Apple seeking to stop  
10 Samsung from imitating Apple’s iPhone and iPad.  
11

12 2. Samsung’s persistent attempt to compete with Apple by imitation rather than  
13 through its own innovation is manifest in its illegal efforts to coerce Apple into allowing  
14 Samsung to copy its iPhone and iPad with impunity. After Apple informally sought and  
15 eventually sued to halt Samsung’s ongoing pattern of imitation and infringement regarding the  
16 iPhone and iPad, Samsung retaliated by bringing litigation and then counterclaims seeking to  
17 enjoin Apple from selling products that comply with the UMTS telecommunications standard.  
18 Samsung has done so notwithstanding that Apple is licensed or, in the alternative, has the  
19 irrevocable right to a FRAND license to Samsung’s Declared-Essential Patents by virtue of  
20 Samsung’s commitment to license those patents on FRAND terms. At bottom, Samsung is  
21 attempting to coerce Apple into tolerating Samsung’s infringement of its intellectual property  
22 and copying of the innovative features that distinguish Apple products by abusively asserting  
23 Declared-Essential Patents, in breach of its FRAND commitments. Apple brings these  
24  
25  
26  
27  
28

1 Counterclaims In Reply to halt that abuse and protect consumers, the wireless  
2 telecommunications industry, and Apple from further injury.

3           3.       With respect to Apple’s Counterclaims In Reply 1 through 24, Apple seeks  
4 declaratory judgment of non-infringement and invalidity to resolve the legal and factual  
5 questions raised by Samsung’s accusation of infringement of the Samsung Asserted Patents and  
6 to afford relief from the uncertainty and controversy that Samsung’s accusations have  
7 precipitated. Samsung’s allegations of infringement concern UMTS-compliant chipsets that  
8 Apple buys from large manufacturers and then incorporates in its end consumer products  
9 (including the iPhone and iPad) to provide cellular communication capability.

10           4.       With respect to Apple’s Counterclaims In Reply 25 through 32, Apple seeks to  
11 remedy Samsung’s breaches of its FRAND commitments, interference with business relations,  
12 unlawful monopolization, illegal restraints of trade, violation of the California Cartwright Act,  
13 and violation of the California Unfair Competition law. Samsung abused standards-setting  
14 processes that are crucial to bringing pro-competitive benefits to innovators, telecommunications  
15 equipment and network suppliers, and end consumers alike by (i) deliberately and deceptively  
16 failing to disclose purportedly essential IPR during the standards setting process and (ii) making  
17 false commitments to SSOs and designers and sellers of products implementing the UMTS  
18 standard to license its Declared-Essential Patents on FRAND terms. Samsung then exploited the  
19 unlawfully-obtained monopoly positions that UMTS conferred on its claimed standards-essential  
20 technologies and breached its contractual FRAND commitments by suing and then  
21 counterclaiming against Apple notwithstanding that, to the extent any of Samsung’s alleged  
22 inventions described in and allegedly covered by the Declared-Essential Patents are used,  
23 manufactured, or sold by or for Apple, its suppliers, and/or its customers, Apple is licensed or, in  
24  
25  
26  
27  
28

1 the alternative, has the irrevocable right to a FRAND license to Samsung's Declared-Essential  
2 Patents. Samsung sued and then counterclaimed against Apple without even offering a FRAND  
3 license rate. Samsung's refusal to meet its FRAND obligations, motivated by Samsung's desire  
4 to infringe with impunity the designs and the non-essential patents on the functions that have  
5 differentiated Apple's products and made them so successful in the marketplace, is unfair,  
6 unreasonable, and discriminatory and violates Samsung's FRAND commitment. Apple seeks to  
7 bring this misconduct to an end and thereby prevent further harm to the wireless  
8 telecommunications industry, consumers, and Apple.

### 10 **PARTIES**

11 5. Apple is a corporation organized under the laws of the State of California, and its  
12 principal place of business is in Cupertino, California.

14 6. Apple designs and markets a broad range of innovative products including  
15 portable digital music players (the iPod), mobile communications devices (the iPhone), and  
16 tablet computers (the iPad). Apple entities are and have been members of ETSI.

17 7. According to Samsung's Answer and Counterclaims, Samsung Electronics Co.,  
18 Ltd. (referred to individually herein as "SEC") is a corporation organized and existing under the  
19 laws of the country of Korea having its corporate headquarters at 416 Maetan-3dong,  
20 Yeongtong-gu, Suwon-City, Gyeonggi-do, Korea 443-742. Samsung Telecommunications  
21 America, LLC (referred to individually herein as "STA") is a corporation organized and existing  
22 under the laws of the state of Delaware having its corporate headquarters at 1301 East Lookout  
23 Drive, Richardson, Texas 75082.

24 8. Samsung Electronics America, Inc. (referred to individually herein as "SEA") is a  
25 New York corporation with its principal place of business at 105 Challenger Road, Ridgefield  
26  
27  
28

1 Park, New Jersey 07660. On information and belief, SEA was formed in 1977 as a subsidiary of  
2 SEC and markets, sells, or offers for sale a variety of consumer electronics, including mobile  
3 communication devices and tablet computers. On information and belief, SEA also manages the  
4 North American operations of STA, Samsung Electronics Canada, and Samsung Electronics  
5 Mexico.  
6

7 9. Samsung claims to own many patents that it asserts have been incorporated into  
8 various standards for wireless technologies, including the following Declared-Essential Patents:  
9 '604 Patent, '410 Patent, '792 Patent, '867 Patent, '001 Patent, '516 Patent, and '941 Patent.  
10

### 11 **JURISDICTION AND VENUE**

12 10. The Court has jurisdiction over this counterclaim pursuant to the Federal Patent  
13 Act, 28 U.S.C. §§ 1338(a), 2201, and 2202, and pursuant to Section 4 of the Sherman Act, 15  
14 U.S.C. § 4, and 28 U.S.C. §§ 1331, 1337.

15 11. The Court also has supplemental jurisdiction over the state law claims asserted in  
16 this counterclaim under 28 U.S.C. § 1367 because the state and federal claims arise from a  
17 common nucleus of operative facts.  
18

19 12. Samsung has subjected itself to personal jurisdiction by counterclaiming against  
20 Apple in this District, and, in any event, Samsung is subject to personal jurisdiction because it  
21 places wireless communication devices in the stream of commerce knowing that such products  
22 will be sold in the state of California.

23 13. Venue is proper in this District under 28 U.S.C. § 1391 and § 1400(b). SEC,  
24 SEA, and STA transact business within this District and offer for sale in this District products  
25 that infringe Apple's patents. In addition, SEC, SEA and STA have counterclaimed against  
26  
27  
28

1 Apple in this District. Moreover, a substantial part of the events giving rise to the claim occurred  
2 in this District.

### 3 **BACKGROUND**

#### 4 **1. Apple's Attempts to Stop Samsung's Copying of Apple's Products**

5  
6 14. In late summer 2010, Apple and Samsung began discussions related to Samsung's  
7 copying and infringement of Apple's intellectual property relating to its highly successful iPhone  
8 and iPad products. Specifically, the parties discussed Samsung's infringement of Apple's  
9 designs and of certain Apple patents that are not essential to practice any standard. During these  
10 discussions, Samsung for the first time claimed that Apple was required to make royalty  
11 payments for implementation of Samsung's Declared-Essential Patents in Apple's products that  
12 comply with the UMTS wireless telecommunications standard.  
13

14 15. After the parties were unable to resolve their dispute over Samsung's persistent  
15 copying of Apple's protected designs and functionality, Apple sued Samsung in this Court,  
16 bringing claims that include patent, trade dress, and trademark infringement.  
17

18 16. In retaliation for Apple's assertion of its intellectual property rights, Samsung  
19 brought a lawsuit (which it has since dismissed) and then counterclaimed against Apple for  
20 infringement of the Declared-Essential Patents notwithstanding that, to the extent any of  
21 Samsung's alleged inventions described in and allegedly covered by the Declared-Essential  
22 Patents are used, manufactured, or sold by or for Apple, its suppliers, and/or its customers, Apple  
23 is licensed or, in the alternative, has the right to a FRAND license to practice Samsung's  
24 Declared-Essential Patents. Samsung sued and then counterclaimed against Apple  
25 notwithstanding that Samsung has failed even to offer Apple FRAND license terms.  
26  
27  
28

1           17.     Moreover, Samsung's efforts to coerce Apple into tolerating its copying have not  
2 been limited to the counterclaims here. Samsung has launched an aggressive, worldwide  
3 campaign to enjoin Apple from practicing its Declared-Essential Patents. Samsung has sued  
4 Apple for infringement and injunctions in no fewer than seven countries outside the United  
5 States.  
6

7           18.     Through these counterclaims and its other retaliatory actions, Samsung is  
8 abusively using its Declared-Essential Patents as a lever to try to force Apple into allowing  
9 Samsung to infringe Apple's trade dress, trademarks, and non-essential patents, in violation of  
10 the FRAND commitments Samsung made to SSOs.  
11

## 12           **2. Standards Setting Organizations in the Wireless Communications Industry**

13           19.     Mobile wireless carriers offer the consumer access to their "networks" to enable  
14 the consumer to, among other things, place and receive calls and access e-mail, the Internet and a  
15 variety of services. The handsets sold by Apple and Samsung include a computer chipset that  
16 enables the handset to communicate with the carriers' networks. Most handset designers --  
17 including Apple and Samsung -- purchase those chipsets from third-party manufacturers.  
18

19           20.     To facilitate interoperability among the cellular networks and various cellular  
20 mobile devices, carriers, handset manufacturers, and chipset manufacturers, among others,  
21 participate in the development of industry technical standards that establish precise specifications  
22 for the essential components of the technology. Once these standards are established, competing  
23 manufacturers and competing carriers can offer their own products and services that are  
24 compliant with the standards.  
25

26           21.     Technical standards play a critical role in the development of wireless data and  
27 telecommunications technologies. In general, technical standards -- such as those for mobile  
28



1 wireless technology -- have the potential to encourage innovation and promote competition  
2 among telecommunications equipment suppliers and network providers in the wireless  
3 telecommunications industry. The technical specifications for most standards are published and  
4 broadly available. Product designers and manufacturers are thus more willing to invest heavily  
5 in the development of handsets or component parts because, so long as their products are  
6 compliant with the published technical standard, those products will operate effectively within  
7 the carrier networks and be compatible with other products from third parties.  
8

9         22. Standards development also reduces costs for both suppliers and purchasers. For  
10 suppliers, standardization reduces the need in many instances to develop products to a particular  
11 purchaser's specifications. Accordingly, because a single product or product line may be sold to  
12 multiple purchasers and distributed more widely, manufacturing volumes increase, and per unit  
13 costs decrease. Purchasers benefit from increased price competition among suppliers. Because  
14 many suppliers make standards-compliant products, switching suppliers typically does not  
15 require a substantial redesign of one's products or a substantial technical transfer to enable the  
16 new supplier to produce compatible products. The lower "switching cost" intensifies  
17 competition among suppliers, leading to lower prices.  
18

19         23. On the other hand, technical standardization also creates a "lock-in" effect and the  
20 risk of "patent hold-up." Although standards are the products of coordination and compromise  
21 among competitors, certain aspects of standards may be -- and often are -- claimed by patents.  
22 Before standardization, the royalty a patentee can earn from a patent license for its technology is  
23 constrained in part by the availability of alternative technical approaches to perform that  
24 function. If a standard requires a designer to employ that patented technology, however, those  
25 other technological approaches are no longer available substitutes and no longer constrain the  
26  
27  
28

1 patentee's ability to demand royalties far in excess of what is warranted by the intrinsic value of  
2 the technology. As Samsung has explained in other litigation: "The payoff for owners of patents  
3 that are incorporated into the standard is substantial because the entire industry will need a  
4 license to the patents essential to the standard . . . ." First Amended Complaint at 5, *Samsung*  
5 *Elec. Co. v. InterDigital Commc'ns Corp.*, No. 07-0167 (D. Del. Sept. 14, 2007).  
6

7 24. This phenomenon is compounded because designers, such as Apple, invest great  
8 resources developing innovative, new products that also comply with the technical standard.  
9 Even if there were an alternative standard, the costs and disruption associated with switching is  
10 typically prohibitively expensive. The designer that implements a standard thus becomes  
11 "locked-in." Left unconstrained, owners of patents that purportedly cover certain features within  
12 the standard can take advantage of lock-in and demand exorbitant royalties and other terms from  
13 the designers, knowing that it would be less costly for the designer to pay the excessive royalty  
14 or capitulate to unreasonable terms rather than incur the cost of switching or face a risk of  
15 injunction. This dynamic is often called "patent hold-up."  
16

17 25. As Samsung has recognized, "the whole point of a standard setting body is to  
18 create a standard that everyone can follow without fear of lawsuits that are going to stop the  
19 standard." Hearing Transcript at 87, *Certain 3G Wideband Code Division Multiple Access*  
20 *(WCDMA) Mobile Handsets and Components Thereof*, Inv. No. 337-TA-601 (ITC July 8,  
21 2008). Accordingly, most SSOs have adopted IPR policies to address the problem of patent  
22 hold-up. These policies set forth requirements concerning, among other things: (a) disclosure of  
23 IPR that may claim any portion of the specifications of the standard in development; and (b)  
24 whether and to what extent parties holding purported essential IPR must commit to licensing  
25 these IPR on FRAND terms and conditions.  
26  
27  
28

1           26.     Timely disclosure of purportedly essential IPR is critical to ensuring that those  
2 participating in standards development can evaluate technical proposals with knowledge of the  
3 potential licensing costs that designers may incur when developing standards-compliant  
4 products.

5  
6           27.     Additionally, as set forth in greater detail below, the IPR policies at issue here  
7 require participants claiming to own essential IPR to commit to license those IPR on FRAND  
8 terms to any implementer of the standard. Those commitments grant implementers the right to  
9 practice claimed essential patents and preclude parties making FRAND commitments from  
10 seeking to enjoin parties from practicing the relevant standard. Participants in standards  
11 development rely on these contractual undertakings to ensure that the widespread adoption of the  
12 standard will not be hindered by IPR holders seeking to extract unreasonable royalties and terms  
13 from those implementing the standard.  
14

15           28.     Samsung itself has acknowledged, in other litigation, the crucial role that FRAND  
16 commitments play in ensuring that standards setting does not become a mechanism for abusive  
17 practices and in protecting industry participants against exploitation by patentees that gain  
18 monopolies through the standards-setting process. First:  
19

20                   Without certain rules . . . [SSOs] would be illegal trusts because  
21 [SSOs] are a forum in which competitors . . . determine which  
22 products they will and will not make. . . . To prevent patent owners  
23 from imposing monopolistic royalties and to mitigate the threat of  
24 a single patent owner holding up the industry, [SSOs] condition the  
standardization of proprietary technology upon the patent owner's  
promise to make the technology available to the public royalty-free  
or on [FRAND] terms.

25           First Amended Complaint at 5, *Samsung Elec. Co. v. InterDigital Commc'ns Corp.*, No. 07-  
26 0167 (D. Del. Sept. 14, 2007). Second:

27                   [I]n exchange for having its technology included in the standard,  
28 for having the [SSO] promote the standards worldwide, and for

1 having the industry directed to use its patented technology, each  
2 [SSO] member trades away the right to refuse to license its  
3 intellectual property to anyone willing to pay FRAND terms. In  
4 short, the promise of FRAND licenses is the quid pro quo of the  
bargain struck between the [SSO] and the intellectual property  
owner.

5 *Id.* at 6.

6 29. Breaching FRAND commitments, as Samsung has done here, undermines the  
7 safeguards that SSOs put in place to guard against abuse. By seeking to unfairly exploit a  
8 patent's actual or purported incorporation into a standard, the patentee violates the very  
9 commitment that led to incorporation of that technology in the first place.  
10

### 11 **3. The Evolution of Mobile Wireless Telecommunications Standards**

12 30. Mass marketing of cell phones began in the 1980s with phones that operated on  
13 analog networks. The two principal disadvantages of analog signals -- compared to the digital  
14 signals on which later generations of cell phone networking were based -- are that analog  
15 transmissions have "noise," creating signal loss and distortion, and analog networks are ill-  
16 equipped to handle high volumes of voice traffic or data transmissions.  
17

18 31. The second generation of mobile wireless technology, commonly referred to as  
19 "2G," began the transition to digital technology. The rollout of 2G networks -- which used  
20 available bandwidth for voice traffic more efficiently than did analog and provided support for  
21 the data transmission necessary for paging and text messaging -- coincided with the proliferation  
22 of consumer mobile wireless sales.  
23

24 32. 2G networks and advanced 2G networks, sometimes referred to as 2.5G networks,  
25 also began supporting more data-intensive applications, such as email, web browsing, and  
26 sending and receiving pictures by phone. The third generation ("3G") technologies were  
27 developed to support even more data-intensive operations commonly associated with  
28

1 smartphones like the iPhone, such as multimedia, more sophisticated web browsing, music and  
2 video downloading, and global positioning systems.

3 33. Nearly all mobile wireless carriers now support 2G technology, and in the United  
4 States 3G networks. As this is happening, fourth generation (“4G”), known as Long Term  
5 Evolution (LTE) for Global System for Mobile Communications (“GSM”)-based networks, has  
6 been standardized and some carriers are beginning to introduce those networks.  
7

8 34. The most widely implemented digital telecommunications standards worldwide  
9 are based on the GSM technology, a 2G standard. Development of GSM began in Europe with  
10 the formation of the Groupe Special Mobile within the European Conference of Postal and  
11 Telecommunications Administrations (“CEPT”).  
12

13 35. In 1988, at the urging of the European Commission, European national posts and  
14 telecommunications ministries formed the European Telecommunications Standards Institute  
15 (“ETSI”). ETSI, a non-profit SSO, is headquartered in France. In 1989, development of GSM  
16 was transferred to the auspices of ETSI, where standardization of GSM was completed.  
17

18 36. Subsequent generations of the GSM standard have featured technical  
19 enhancements that permit greater data rates and increased voice capacity. Many GSM carriers  
20 have adopted a technology known as GSM Packet Radio Service (“GPRS”), 2.5G technology.  
21 In addition, a technology known as Enhanced Data Rates for GSM Evolution (“EDGE”) is  
22 employed by most carriers as an add-on to the GPRS to achieve higher data rates.  
23

24 37. The third generation of the GSM family of standards is the UMTS, which  
25 employs wide-band CDMA (“WCDMA”) technology. The UMTS standard was designed to  
26 efficiently support significantly increased speeds and capacity over limited spectrum bandwidth,  
27 thereby enabling new and enhanced services and applications such as mobile e-commerce,  
28

1 broadcast television, position location, and mobile multimedia web browsing, including music  
2 and video downloads.

3           38. UMTS has been standardized by the 3rd Generation Partnership Project  
4 (“3GPP”). 3GPP is a collaboration of six SSOs from around the world, including ETSI, the  
5 Telecommunications Technology Association (“TTA”), the Association of Radio Industries and  
6 Businesses (“ARIB”), the Alliance for Telecommunications Industry Solutions (“ATIS”), the  
7 China Communications Standards Association (“CCSA”), and the Telecommunication  
8 Technology Committee (“TTC”). 3GPP promotes global convergence in the design of mobile  
9 phone systems based on GSM by producing globally-applicable specifications for those systems  
10 that SSOs can incorporate into their standards. Its initial mission was to develop a 3G system  
11 specification, but having met that goal it now develops successor specifications, including LTE.  
12  
13

14           39. Cellular technology has continued to develop. Driven by demand for an  
15 increasing number of wireless applications and improved quality of existing applications, carriers  
16 wish to offer newer technologies that provide ever-increasing bandwidth supporting more  
17 advanced applications such as video and multimedia applications.  
18

19                           **SAMSUNG’S DELIBERATE NON-DISCLOSURE**  
20                           **OF AND FALSE COMMITMENTS CONCERNING ITS**  
21                           **PURPORTED ESSENTIAL INTELLECTUAL PROPERTY**

22           40. Because SSOs -- including 3GPP and its organizational partners -- purportedly  
23 incorporated Samsung’s patented technology into the UMTS standard, unless constrained,  
24 Samsung has the ability to demand and potentially extract exorbitant royalties and unreasonable  
25 terms for patents it asserts are essential to those standards. To encourage its technologies to be  
26 incorporated into the standard and to avoid the SSO’s consideration of the cost of standardizing  
27 purportedly patented technology, Samsung deliberately and deceptively failed to disclose during  
28

1 the standards-setting process IPR that it now claims to be essential to UMTS. In fact, in some  
2 cases, a named inventor on the application for the concealed patent or other Samsung personnel  
3 participated in the relevant working group, championed Samsung's technical proposal, and  
4 affirmatively steered the SSO to standardize technology that Samsung now claims to be covered  
5 by its patents. Samsung disclosed certain of its IPR only *after* the relevant standard or standard  
6 specification was finalized.

8 41. For standards developed under the 3GPP umbrella, participants, such as Samsung,  
9 were required to follow the IPR Policy of the organizations in which it held membership. Third  
10 Generation Partnership Project (3GPP) Partnership Project Description 2 - 4 (December 1998), at  
11 46. As a member of ETSI, therefore, Samsung was bound to follow the ETSI IPR Policy in  
12 connection with all of its relevant activities.

14 42. Samsung deceptively concealed certain of its IPR during the standards-setting  
15 process to maximize its chances of having the technology incorporated into the standard.

16 43. Had Samsung timely disclosed the relevant IPR, ETSI either would have selected  
17 viable alternative technologies to perform or excluded from the relevant standard the functions  
18 that Samsung claims are covered by its patents.

20 44. Samsung's abuse of the standards-setting process went far beyond untimely  
21 disclosure of its IPR. Samsung's representations that it would license its purported standards-  
22 essential patents on FRAND terms were false; Samsung explicitly promised not to exploit the  
23 "hold-up" power it now abusively seeks to wield.

24 45. Had Samsung revealed that it would not offer FRAND license terms to those  
25 implementing the standard and that it would take the position that parties implementing the  
26 standard were not entitled to practice its Declared-Essential Patents, SSO members would have  
27

28

1 either removed Samsung's purported IPR from the relevant standard in favor of other viable  
2 alternative technologies capable of performing functions incorporated in the standard, or  
3 declined to incorporate the feature into the standard. *See* ETSI IPR Policy Clause 8.1.1, 8.1.2.

4 46. Samsung has violated its FRAND commitments by (i) counterclaiming against  
5 Apple for infringement and seeking to enjoin Apple from selling its standards-compliant  
6 products, notwithstanding that, to the extent any of the alleged inventions described in and  
7 allegedly covered by the Declared-Essential Patents are used, manufactured, or sold by or for  
8 Apple, its suppliers, and/or its customers, Apple is licensed to any valid patents covering those  
9 alleged inventions or, in the alternative, has the right to a FRAND license to Samsung's  
10 Declared-Essential Patents and failing even to offer FRAND license terms; and (ii)  
11 discriminating against and acting unfairly and unreasonably towards Apple in its licensing  
12 practices because Samsung wishes to infringe Apple's trade dress, trademarks, and non  
13 standards-essential patents with impunity.  
14

15  
16 47. To facilitate its standard setting activity, ETSI promulgated an IPR policy, set  
17 forth in Annex 6 of its Rules of Procedure.  
18

19 48. Clause 4 of the policy requires, among other things, that members timely disclose  
20 to the organization any IPR they own that may be essential to standards that have been developed  
21 or are being developed. Participants in ETSI standard development understand that this  
22 provision requires disclosure of all IPR that they believe might be essential to standards under  
23 consideration. Clause 4 requires in particular that a participant submitting a technical  
24 specification to ETSI, as Samsung did, make ETSI aware of any IPR that might be essential if  
25 that proposal is adopted. Clause 4.1 states:  
26

27 [E]ach MEMBER shall use its reasonable endeavors, in particular  
28 during the development of a STANDARD or TECHNICAL



1 SPECIFICATION where it participates, to inform ETSI of  
2 ESSENTIAL IPRs in a timely fashion. In particular, a MEMBER  
3 submitting a technical proposal for a STANDARD or  
4 TECHNICAL SPECIFICATION shall, on a bona fide basis, draw  
the attention of ETSI to any of that MEMBER's IPR which might  
be ESSENTIAL if that proposal is adopted.

5 Under ETSI's IPR policies, the term "IPR" is defined to include patent applications as well as  
6 issued patents:

7 "IPR" shall mean any intellectual property right conferred by statute law  
8 including applications therefore other than trademarks.

9 49. Clause 6 of ETSI's IPR policy governs the availability of licenses to essential  
10 IPR. In relevant part, Clause 6.1 states:

11 When an ESSENTIAL IPR relating to a particular STANDARD or  
12 TECHNICAL SPECIFICATION is brought to the attention of  
13 ETSI, the Director-General of ETSI shall immediately request the  
14 owner to give within three months an irrevocable undertaking in  
15 writing that it is prepared to grant irrevocable licenses on fair,  
reasonable and non-discriminatory [FRAND] terms and conditions  
under such IPR to at least the following extent:

- 16 • MANUFACTURE, including the right to make or have made  
17 customized components and sub-systems to the licensee's own  
18 design for use in MANUFACTURE;
- 19 • sell, lease, or otherwise dispose of EQUIPMENT so  
20 MANUFACTURED;
- 21 • repair, use, or operate EQUIPMENT; and
- 22 • use METHODS.

23 The above undertaking may be made subject to the condition that  
those who seek licenses agree to reciprocate.

24 50. If an owner of an essential IPR refuses to undertake a FRAND commitment with  
25 respect to that IPR, then, as provided in Section 8 of the ETSI IPR Policy, ETSI may suspend  
26 work on relevant parts of the standard or redesign the standard to render the IPR non-essential.  
27  
28

1           51.     ETSI’s IPR Policy was designed to benefit all ETSI members, as well as all other  
2 parties that implement an ETSI standard. In particular, the stated objective of the policy,  
3 described in Clause 3.1, is to “reduce the risk” to those implementing the standards or other  
4 technical specifications “that investment in the preparation, adoption and application of the  
5 STANDARDS could be wasted as a result of an ESSENTIAL IPR for a STANDARD or  
6 TECHNICAL SPECIFICATION being unavailable.” The IPR Policy specifies that it “shall be  
7 governed by the laws of France.” Clause 12.  
8

9           52.     During all times relevant to these allegations, Samsung has been a member of  
10 ETSI. Samsung actively participated in ETSI’s development of the UMTS standard. As a result  
11 of its membership and participation in ETSI, Samsung was and is bound by the ETSI Rules of  
12 Procedure, including the ETSI IPR Policy. As was required by the ETSI IPR policy, Samsung  
13 submitted declarations to ETSI promising to license its Declared-Essential Patents on FRAND  
14 terms.  
15

16           53.     Samsung has represented to Apple, and has alleged in its Counterclaims here, that  
17 it owns several patents that are essential to the UMTS standard.  
18

19           **1. Samsung’s Deliberate Non-Disclosure of IPR During the Standards-Setting Process**

20           54.     Samsung deliberately failed to disclose the existence of its claimed IPR during the  
21 standards-setting process even though, in some cases, Samsung personnel (including named  
22 inventors on applications for the concealed patents) participated in the relevant working groups  
23 and aggressively advocated adoption of the relevant technology into the standard. Samsung’s  
24 non-disclosure of IPR is part of its pattern of abusing the standards-setting process. For  
25 example:  
26

27                   (a) Samsung asserts that the ’516 patent, which purports to claim a  
28                   “method and apparatus for data transmission in a mobile

1 telecommunication system supporting enhanced uplink service,” is  
2 essential to specification 25.214 of UMTS, yet Samsung concealed  
3 the existence of its IPR during the standards-setting process. In  
4 particular, the claimed priority date for the ’516 patent, based on  
5 the filing of a related Korean patent application, is June 9, 2004.  
6 In May 2005, one of the inventors of the ’516 patent made a  
7 presentation to a 3GPP working group in connection with a change  
8 request that included the technology on which Samsung was  
9 pursuing a patent. That technology was included in the version of  
10 the standard adopted in June 2005. Samsung, however, did not  
11 disclose to ETSI the existence of its purported IPR until a year  
12 later, in May 2006.

13 (b) Samsung asserts that the ’941 patent, which purports to claim a  
14 “method and apparatus for transmitting/receiving packet data using  
15 pre-defined length indicator in a mobile communication system,”  
16 is essential to the UMTS standard, yet Samsung concealed the  
17 existence of its IPR during the standards-setting process. In  
18 particular, the claimed priority date for the ’941 patent, based on  
19 the filing of a related Korean patent application, is May 4, 2005.  
20 That same month Samsung authored a change request that included  
21 the technology on which Samsung was pursuing a patent and  
22 presented it to a 3GPP working group. That technology was  
23 included in the version of the standard adopted in September 2006.  
24 Samsung, however, did not disclose to ETSI its purported IPR until  
25 August 2007.

26 (c) Samsung asserts that the ’001 patent, which purports to claim a  
27 “Apparatus and Method for Channel Coding and Multiplexing in  
28 CDMA Communication System,” is essential to specification  
29 25.212 of UMTS, yet Samsung concealed the existence of its IPR  
30 during the standards-setting process. In particular, the claimed  
31 priority date for the ’001 patent, based on the filing of the U.S.  
32 patent application, is June 25, 1999. A few weeks later, in July  
33 1999, two of the named inventors attended a meeting at which a  
34 Samsung proposal was made to a 3GPP working group in  
35 connection with a change request that included the technology on  
36 which Samsung was pursuing a patent. That technology was  
37 included in the version of the standard adopted in October 1999.  
38 Samsung, however, did not disclose to ETSI its purported IPR until  
39 September 19, 2003.

40 55. Had Samsung properly disclosed the existence of its IPR, the relevant SSO would  
41 have selected a viable alternative technology or would have decided not to incorporate that  
42 proposal into the standard.

1 **2. Samsung's False FRAND Commitments**

2 56. Samsung has submitted declarations to ETSI committing to irrevocably license  
3 the Declared-Essential Patents on FRAND terms pursuant to Clause 6.1 of ETSI's IPR policy.  
4 That FRAND commitment constitutes a promise that all interested parties will be licensed to  
5 claimed standards-essential patents on FRAND terms, foreclosing the patentee from claiming  
6 infringement of its patents or seeking to obtain an injunction to prohibit an implementer from  
7 practicing the standard.  
8

9 57. Samsung's FRAND declarations were intended to and did induce the relevant  
10 SSO to include in the UMTS standard technology that Samsung claims is covered by Samsung's  
11 patents. Samsung's FRAND declarations falsely represented that Samsung would license its  
12 claimed essential patents on FRAND terms. None of Samsung's FRAND declarations covering  
13 any of the Samsung Asserted Patents disclosed that Samsung would take the position that parties  
14 practicing the relevant standard were not licensed or entitled to a FRAND license to its claimed  
15 essential patents, refuse to offer FRAND license terms to certain parties, or attempt to prevent  
16 parties from practicing the relevant standard.  
17

18 58. On information and belief, Samsung has declared essential many patents that are  
19 in fact not essential to practicing the UMTS standard.  
20

21 59. Once the relevant SSO's participants selected technologies that Samsung claims  
22 are covered by its patents, they effectively lost the option to instead include or use alternative  
23 technologies capable of performing those functions, thereby excluding such technologies from  
24 the relevant Input Technologies Markets (defined below), or of omitting the selected  
25 technologies from the standard altogether. Accordingly, to the extent that Samsung's Declared  
26 Essential Patents are essential to any standard, it was Samsung's untimely disclosure of its IPR  
27  
28

1 and/or its false FRAND declarations -- not the inherent attributes of its purportedly essential  
2 technologies or the uncorrupted operation of the standards-setting process -- that conferred  
3 monopoly power on Samsung with respect to the technologies that perform the functions  
4 included in the standard.

5  
6 60. Samsung's FRAND declarations are binding contractual commitments made to  
7 ETSI, its members and designers and sellers of products implementing ETSI standards  
8 (including Apple), for the benefit of ETSI, its members, and any entity that implements UMTS  
9 (or any other ETSI standard for which Samsung declared essential IPR and undertook a FRAND  
10 commitment). Samsung therefore, in accordance with Clause 6.1 of ETSI's IPR policy, bound  
11 itself to license on FRAND terms to Apple, a seller of products that implement the UMTS  
12 standard and a member of ETSI. Indeed, Samsung has admitted as much in other litigation  
13 where it has acknowledged that its membership in ETSI created an "actual or implied contract to  
14 comply with ETSI's governing documents, including, but not limited to, ETSI's Intellectual  
15 Property Rights Policy." First Amended Complaint at 9, *Samsung Elec. Co. v. InterDigital*  
16 *Commc'ns Corp.*, No. 07-0167 (D. Del. Sept. 14, 2007). Samsung has also admitted that by  
17 making a FRAND declaration to ETSI, the declarant "expressly promised the wireless telecom  
18 SDOs . . . all members [of those SDOs] and any potential licensee of technology allegedly  
19 essential for compliance with the respective 3G wireless telecommunications standard, that [the  
20 declarant] would be prepared to grant irrevocable licenses to its 3G IPR on FRAND terms." *Id.*  
21 at 22-23.

22  
23  
24 61. Apple, other members of ETSI, and other companies implementing the UMTS  
25 standard have reasonably relied on Samsung's FRAND commitments to: (a) grant licenses to  
26 those patents and patent applications that Samsung claims are essential on fair, reasonable, and  
27  
28

1 non-discriminatory terms; and (b) not to seek to impose unfair, unreasonable, or discriminatory  
2 conditions on licensing, such as cross-licenses of patents covering proprietary technology that is  
3 not essential to any standard. In particular, Apple and others have relied on Samsung's  
4 commitments that preclude Samsung from seeking to enjoin them from practicing the UMTS  
5 standard (given that they are licensed as a resulting of Samsung's FRAND commitments), and  
6 that require Samsung to provide fair, reasonable and non-discriminatory royalties and other  
7 license terms that would permit efficient competitors such as Apple profitably to offer standards-  
8 compliant products in competition with Samsung and other owners of purportedly essential  
9 patents.  
10

11 62. As Samsung has admitted in other litigation, "[c]onsistent with the purposes of  
12 standardization," an ETSI member "knew or reasonably should have expected" that its promise  
13 to license on FRAND terms "would induce potential licensees . . . to take or refrain from taking  
14 certain actions." First Amended Complaint at 23, *Samsung Elec. Co. v. InterDigital Commc'ns*  
15 *Corp.*, No. 07-0167 (D.Del. Sept. 14, 2007). Apple has invested substantial resources in  
16 developing and marketing its iPhone and iPad products in reliance on Samsung's FRAND  
17 commitments. Samsung reasonably should have expected that Apple would do so.  
18  
19

20 **SAMSUNG'S BREACH OF ITS FRAND OBLIGATIONS REGARDING ITS**  
21 **PURPORTED ESSENTIAL PATENTS**

22 63. Samsung has breached its FRAND obligation regarding its Declared-Essential  
23 Patents.

24 **1. Qualcomm-Samsung License Agreement**

25 64. Apple purchases from Qualcomm, Inc. ("Qualcomm"), a non-party to this action,  
26 chipsets for use in Apple 3G handsets.  
27  
28

1           65. Samsung entered into one or more license agreements with Qualcomm, in which  
2 Samsung granted a license to Qualcomm to IPR that is essential or that Samsung claims is  
3 essential to practicing the UMTS standard and other widely-adopted telecommunications  
4 standards.<sup>2</sup> By letter dated April 21, 2011, Samsung informed Apple that Samsung was  
5 immediately exercising its purported right to exclude Qualcomm's sales of chipsets to Apple  
6 from the coverage of covenants in the license agreement(s) that provide that Samsung will not  
7 assert its claimed essential IPR against Qualcomm's chipset customers. Samsung said that it was  
8 doing so because Apple had sued Samsung on several *non-essential* patents in this litigation.  
9

10           66. At bottom, Samsung is seeking to terminate Apple's right to practice Samsung's  
11 Declared Essential Patents through chipsets that it purchases from Qualcomm solely because  
12 Apple owns *non-essential* patents that Samsung wishes to infringe with impunity and Apple has  
13 not permitted it to do so. Samsung's actions constitute yet another instance of Apple seeking to  
14 leverage its claimed essential patents to coerce Apple into tolerating Samsung's copying of its  
15 distinctive product designs and functions. By treating Apple differently than other Qualcomm  
16 customers because Apple holds non-essential patents that Samsung wishes to infringe with  
17 impunity, Samsung is engaging in unfair, unreasonable, and discriminatory conduct that  
18 constitutes a clear violation of its FRAND commitments.  
19  
20

21                           **2. Samsung's Refusal to Abide By Its FRAND Commitments**  
22   **for its Declared-Essential Patents**

23           67. Apple introduced its innovative and highly successful iPhone in early 2007. From  
24 that time forward, Apple has had a continuing substantial business relationship with Samsung.  
25 But it was not until late Summer 2010, that Samsung claimed for the first time that Apple was  
26 infringing any of its Declared Essential Patents by selling the iPhone.  
27

28           <sup>2</sup> As alleged in Paragraph 74 below, Samsung has repeatedly refused to provide Apple any information about the Qualcomm-Samsung License Agreement.

1           68. Samsung's assertion arose in the course of discussions between Apple and  
2 Samsung related to Samsung's continuing pattern of copying and infringement of certain Apple  
3 patents that are not essential to practice any standard, including patents that cover the distinctive  
4 designs and proprietary features that have been the hallmarks of Apple's highly successful  
5 products (including the iPhone and iPad).  
6

7           69. After the parties were unable to resolve their dispute over Samsung's copying of  
8 Apple's products, Apple sued Samsung for infringing Apple's trade dress, trademarks, and non-  
9 essential patents.

10           70. In retaliation, Samsung first sued and then counterclaimed against Apple seeking  
11 to enjoin Apple from selling products compliant with the UMTS standard. It did so  
12 notwithstanding that, as a matter of law, to the extent any of the alleged inventions described in  
13 and allegedly covered by the Declared-Essential Patents are used, manufactured, or sold by or for  
14 Apple, its suppliers, and/or its customers, Apple is licensed or, in the alternative, has the right to  
15 a FRAND license to the Declared-Essential Patents by virtue of Samsung's FRAND  
16 commitments and Apple's acceptance thereof.  
17

18           71. Since Samsung sued Apple,<sup>3</sup> Apple has asked Samsung to quote FRAND license  
19 terms no fewer than six times. It has also repeatedly asked Samsung to provide basic  
20 information necessary for Apple to determine whether any rate that Samsung quotes is in fact  
21 fair, reasonable, and non-discriminatory, including (a) the royalty basis to which Samsung  
22 contends the FRAND royalty rate would apply (e.g., the full price of the end-user product or  
23 only the component of the end-user product that allegedly practices the Declared-Essential  
24 Patents), (b) confirmation that other companies are also paying any royalty rate that Samsung  
25  
26

27 \_\_\_\_\_  
28 <sup>3</sup> Samsung initially sued Apple alleging infringement of a number of patents, including the Declared-Essential Patents, in a separate action which it has since withdrawn.



1 would seek from Apple, and (c) copies or summaries of license agreements with manufacturers  
2 of UMTS-compliant chipsets.

3           72.     After months of repeated Apple requests for a FRAND offer, Samsung has  
4 recently claimed that it is willing to quote Apple FRAND license terms, but it has not yet done  
5 so or given any indication what those terms will be. In particular, in breach of its FRAND  
6 commitments, Samsung has yet to provide license terms for its Declared-Essential Patents,  
7 standing alone, and has taken the position in prior talks with Apple that discussions over FRAND  
8 license terms need to be tied to a broader licensing deal that would include a cross-license to  
9 Apple *non standards-essential* patents – including patents covering the distinctive design and  
10 functions of the iPhone and iPad.  
11

12           73.     Although Apple believes that Samsung has entered into license agreements  
13 covering the Declared-Essential Patents with other implementers of the UMTS standard, at the  
14 time of this filing, Samsung has refused to identify the terms and conditions of those licenses.  
15 Indeed, while now claiming that it will quote FRAND license terms, Samsung has expressly  
16 reconfirmed that it will refuse to provide this information.  
17

18           74.     Samsung has also refused to provide copies, summaries, or any other information  
19 regarding license agreements between Samsung and manufacturers of UMTS chipsets, and  
20 recently reconfirmed that it will not supply such information. This information is particularly  
21 critical given that Apple buys from third-party manufacturers the UMTS-compliant chipsets that  
22 Apple incorporates into its finished consumer products, the consumer products that Samsung  
23 claims practice its Declared-Essential Patents. Insofar as Samsung has licensed third-party  
24 manufacturers, those licenses may, among other things, (i) include covenants under which  
25 Samsung agrees not to assert its Declared-Essential Patents against Apple or other customers of  
26  
27  
28

1 the chipset manufacturer or (ii) render Samsung's Declared-Essential Patents unenforceable  
2 against Apple or other customers by virtue of the doctrines of patent exhaustion or implied  
3 license.

4           75. Samsung asserts these counterclaims against Apple for infringement of the  
5 Declared-Essential Patents to retaliate for and provide settlement leverage in this action, which  
6 Apple has brought against Samsung for infringement of its designs, trademarks, and non  
7 standards-essential patents. Indeed, not only did Samsung claim that Apple was infringing its  
8 Declared-Essential Patents only after Apple sought to halt Samsung's copying of Apple's iPhone  
9 and iPad and then repeatedly refuse to offer a FRAND rate for its Declared-Essential Patents  
10 standing alone or any of the information necessary to evaluate whether a supposedly FRAND  
11 offer is actually fair, reasonable, and non-discriminatory, but Apple believes that Samsung has  
12 neither demanded royalties from nor sued for infringement other implementers of the UMTS  
13 standard that, unlike Apple, do not own non-essential patents that Samsung wishes to practice.  
14 Thus, Samsung is seeking, unlawfully and in breach of its FRAND commitments, to leverage the  
15 monopoly power it wrongly obtained in the Input Technologies Markets (defined below) from its  
16 untimely disclosures and/or its false FRAND commitments to ETSI in a discriminatory manner  
17 to try to coerce Apple into tolerating Samsung's pattern of repeatedly infringing Apple's designs,  
18 trademarks and non standards-essential patents or licensing to Samsung its proprietary  
19 technology (to which Samsung is not entitled). Left unaddressed, this conduct will chill  
20 innovation, quality, and price competition for end products that comply with the UMTS standard  
21 by allowing Samsung to free ride on Apple's massive investments in innovation and product  
22 development rather than invest in its own distinctive products that consumers desire.  
23  
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1           76.     Samsung itself objected to precisely this sort of violation of FRAND obligations  
2 in another litigation. After observing that ETSI rules permit a holder of claimed essential patents  
3 to ask for a “reciprocal license” to a potential licensees’ patents that are *essential* to the relevant  
4 standard, Samsung drew a sharp distinction between that and an attempt to leverage claimed-  
5 essential patents by demanding that the licensee agree not to assert *non-essential* patents as a  
6 condition to the license, which Samsung recognized is a clear breach of ETSI rules:  
7

8                   What [the patent holder] demanded was not [a reciprocal license to  
9 essential patents] but much, much more. They demanded a  
10 nonassert by Samsung, i.e., an agreement by Samsung that it would  
11 not assert any of its patents against *any* of [the patent holder’s]  
potential products, well beyond what ETSI rules permitted and,  
therefore, clearly not FRAND.

12                   Hearing Transcript at 91-92, Certain 3G Wideband Code Division  
13 Multiple Access (WCDMA) Mobile Handsets and Components  
14 Thereof, Inv. No. 337-TA-601 (USITC July 8, 2008) (emphasis  
added).

15 At another point in the same hearing, Samsung explained in somewhat different terms how  
16 similar behavior violates FRAND rules:

17                   [The patent holder] condition [sic] our taking a license under the  
18 standard of ETSI . . . on our taking another license that’s not  
19 covered by that standard. So, in other words, they are not just  
20 going to offer us a license on what they are obligated to license us.  
21 They say if you take that, you have also got to take another license.  
22 So they are tying the two. ETSI rules don’t permit that. And that  
obviously increases dramatically the cost of the license to  
Samsung. That is not consonant with their FRAND obligation.

23                   Hearing Transcript at 89, Certain 3G Wideband Code Division Multiple Access  
24 (WCDMA) Mobile Handsets and Components Thereof, Inv. No. 337-TA-601  
(USITC July 8, 2008).

1                   **SAMSUNG HAS ENGAGED IN ANTICOMPETITIVE AND UNFAIR**  
2                   **CONDUCT THAT HAS INJURED AND WILL CONTINUE TO INJURE**  
3                   **COMPETITION AND APPLE IN THE INPUT TECHNOLOGIES MARKETS**

4                   77.       Samsung's unlawful conduct has had, and will continue to have, a substantial  
5                   anticompetitive effect on the Input Technologies Markets defined below.

6                   78.       In developing UMTS, ETSI participants sought to select the most appropriate  
7                   technology to provide each individual function within the standards. ETSI participants evaluated  
8                   whether to incorporate particular proposed functionalities and whether to include viable  
9                   alternative competing technologies into the standards. They made these decisions based on  
10                  technical and commercial merit and intellectual property considerations, including whether the  
11                  proposed technology was covered by disclosed IPR and, if so, whether the party claiming to hold  
12                  patents covering that technology had committed to make it available on FRAND terms.

13                 79.       UMTS consists of many different technologies performing a variety of functions.  
14                 The technologies that perform each of these functions are essential inputs into the manufacture of  
15                 products and services that comply with the standards.

16                 80.       Because UMTS specifies a set of distinct technologies to perform the various  
17                 functions within the standard, once the standard was adopted, for those functions included in the  
18                 standard, there were (by definition) no substitutes for the standardized technologies that perform  
19                 each function.

20                 81.       Once ETSI participants selected a single technology to perform a particular  
21                 function needed to practice the standard, any alternative technologies that had been capable of  
22                 performing that function were no longer viable alternatives for Apple and other parties seeking to  
23                 implement UMTS. Thus, the selection of a particular technology during the standards-setting  
24                 process reduced to a single option the technology to perform each function that ETSI determined  
25                 process reduced to a single option the technology to perform each function that ETSI determined  
26                 process reduced to a single option the technology to perform each function that ETSI determined  
27                 process reduced to a single option the technology to perform each function that ETSI determined  
28                 process reduced to a single option the technology to perform each function that ETSI determined

1 to include in the standard. Parties implementing the standard such as Apple are thus “locked-in”  
2 to the technology.

3           82.     If a technology selected for inclusion in the standard is protected by patents, the  
4 patent owner controls the supply of that particular technological input for the standard. This is  
5 true for each function comprising the standard for which patented technology was selected.  
6

7           83.     Samsung claims to own patents essential to practicing technologies that are used  
8 for certain functions of UMTS.

9           84.     The relevant markets in which to assess the anticompetitive effects of Samsung’s  
10 conduct, therefore, are the various markets for technologies that -- before the standard was  
11 implemented -- were competing to perform each of the various functions covered by each of  
12 Samsung’s purported essential patents for UMTS (collectively, the relevant “Input Technologies  
13 Markets”). Each functionality, therefore, comprises its own relevant market for antitrust  
14 purposes. Before standardization, the sellers in these Input Technologies Markets were the  
15 companies supplying technologies capable of performing the relevant function incorporated in  
16 the standard. After standardization, however, the holder of patents covering the technology that  
17 performs a given function holds a monopoly in the relevant Input Technology Market. That is  
18 because, post-standardization, formerly viable alternative technologies are no longer viable  
19 because of the lock-in effect discussed at Paragraphs 23 and 24.  
20  
21

22           85.     UMTS is employed throughout the world and alternative technologies competing  
23 to be incorporated into UMTS standard were offered by suppliers from around the world.  
24 Accordingly, the geographic scope of each of the relevant Input Technologies Markets described  
25 above is worldwide.  
26  
27  
28

1 86. If Samsung in fact has patents covering technologies that have been incorporated  
2 into the relevant standard, it has the power to raise prices and exclude competition with respect  
3 to each of the technologies covered by its patents and incorporated in the relevant standard. And  
4 it acquired that power as a result of its misconduct in connection with the standards-setting  
5 process, including untimely disclosure of its IPR and/or false FRAND commitments. Barriers to  
6 entry into these markets are high because, among other reasons, the post-standardization lock-in  
7 effect means that other technologies are no longer viable substitutes for the technologies the  
8 standard specifies to perform functions included in the standard.  
9

10 **SAMSUNG HAS ENGAGED IN UNFAIR AND**  
11 **ANTICOMPETITIVE CONDUCT THAT THREATENS TO**  
12 **INJURE APPLE AND COMPETITION IN THE DOWNSTREAM**  
13 **MARKETS FOR MOBILE WIRELESS COMMUNICATIONS DEVICES**

14 87. Samsung deliberately and deceptively failed to timely disclose IPR that it now  
15 claims are essential to the relevant industry standard and made false FRAND commitments.  
16 This course of misconduct enabled Samsung to obtain monopoly power in the Input  
17 Technologies Markets that it could assert against licensees to obtain excessive royalties.  
18 Samsung wrongfully asserted this power when it refused to specify FRAND license terms for  
19 Apple, a more successful competitor in the downstream markets for mobile wireless  
20 communications devices in which Apple and Samsung compete.  
21

22 88. By (a) wrongfully obtaining monopoly power in the Input Technologies Markets  
23 through non-disclosure of its IPR during the standards-setting process and false commitments to  
24 offer FRAND license terms to implementers of the UMTS standard; and (b) by attempting to  
25 coerce Apple to accept unfair, unreasonable, discriminatory licensing terms by abusively  
26 accusing Apple of infringement and seeking an injunction, Samsung seeks to exclude from the  
27 manufacture and sale of downstream wireless devices and raise the costs of its rival, Apple.  
28

1 Moreover, Samsung's conduct more broadly has and continues to threaten unlawfully to exclude  
2 rivals from and increase royalties and other costs associated with the manufacture and sale of  
3 downstream wireless communications devices that implement the UMTS standard and chill  
4 competition to develop and sell innovative new UMTS-compliant products, resulting in  
5 increased prices and decreased quality and innovation in downstream product markets and  
6 complementary innovation markets.  
7

### 8 **ANTICOMPETITIVE EFFECTS OF SAMSUNG'S CONDUCT**

9 89. The foregoing conduct by Samsung has caused and threatens to cause harm to  
10 competition. These anticompetitive effects include each of the following:

- 11 (a) By deliberately failing to disclose purportedly essential IPR during the standards-  
12 setting process and by making false FRAND commitments to ETSI, Samsung has  
13 improperly foreclosed competition in each of the relevant Input Technologies Markets.  
14 Before standardization, each functionality that is purportedly covered by one of  
15 Samsung's claimed essential patents and included in the standard and all available  
16 technical alternatives competed in a relevant product market; following standardization,  
17 alternative technologies to perform functions necessary to practice the standard are no  
18 longer viable.
- 19 (b) Samsung's unlawful monopolization has increased prices and decreased quality and  
20 innovation for technologies in Input Technologies Markets.
- 21 (c) Samsung's conduct has and, unless enjoined, will continue to substantially increase  
22 costs associated with the manufacture and sale of downstream of mobile wireless  
23 communications devices that are compliant with the UMTS standard, potentially exclude  
24 rivals from the manufacture and sales of such devices, and chill innovation and quality  
25 competition for products that comply with the UMTS standard.

26 90. Such harm will continue unless and until the Court issues appropriate relief as  
27 requested below.  
28

1 **APPLE'S COUNTERCLAIMS IN REPLY**

2  
3 **FIRST COUNTERCLAIM**  
4 **(Declaratory Judgment of Non-Infringement of the '604 Patent)**

5 91. Apple incorporates and realleges Paragraphs 1 through 90 of this Counterclaim.

6 92. Apple has not directly or indirectly infringed and is not directly or indirectly  
7 infringing any valid claim of the '604 Patent.

8 93. To resolve the legal and factual questions raised by Samsung and to afford relief  
9 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
10 entitled to a declaratory judgment that it has not infringed and is not infringing any valid,  
11 enforceable claim of the '604 Patent.

12  
13 **SECOND COUNTERCLAIM**  
14 **(Declaratory Judgment of Invalidity of the '604 Patent)**

15 94. Apple incorporates and realleges Paragraphs 1 through 93 of this Counterclaim.

16 95. One or more of the claims of the '604 Patent are invalid for failing to meet one or  
17 more of the requisite statutory and decisional requirements and/or conditions for patentability  
18 under Title 35 of the United States Code, including without limitation, §§ 101, 102, 103, and/or  
19 112.

20 96. To resolve the legal and factual questions raised by Samsung and to afford relief  
21 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
22 entitled to a declaratory judgment that the '604 Patent is invalid.

23  
24 **THIRD COUNTERCLAIM**  
25 **(Declaration of Non-Infringement of the '410 Patent)**

26 97. Apple incorporates and realleges Paragraphs 1 through 96 of this Counterclaim.  
27  
28



1 98. Apple has not directly or indirectly infringed and is not directly or indirectly  
2 infringing any valid claim of the '410 Patent.

3 99. To resolve the legal and factual questions raised by Samsung and to afford relief  
4 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
5 entitled to a declaratory judgment that it has not infringed and is not infringing any valid,  
6 enforceable claim of the '410 Patent.  
7

8 **FOURTH COUNTERCLAIM**  
9 **(Declaratory Judgment of Invalidity of the '410 Patent)**

10 100. Apple incorporates and realleges Paragraphs 1 through 99 of this Counterclaim.

11 101. One or more of the claims of the '410 Patent are invalid for failing to meet one or  
12 more of the requisite statutory and decisional requirements and/or conditions for patentability  
13 under Title 35 of the United States Code, including without limitation, §§ 101, 102, 103, and/or  
14 112.

15 102. To resolve the legal and factual questions raised by Samsung and to afford relief  
16 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
17 entitled to a declaratory judgment that the '410 Patent is invalid.  
18

19 **FIFTH COUNTERCLAIM**  
20 **(Declaratory Judgment of Non-Infringement of the '055 Patent)**

21 103. Apple incorporates and realleges Paragraphs 1 through 102 of this Counterclaim.

22 104. Apple has not directly or indirectly infringed and is not directly or indirectly  
23 infringing any valid claim of the '055 Patent.

24 105. To resolve the legal and factual questions raised by Samsung and to afford relief  
25 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
26  
27  
28

1 entitled to a declaratory judgment that it has not infringed and is not infringing any valid,  
2 enforceable claim of the '055 Patent.

3  
4 **SIXTH COUNTERCLAIM**  
**(Declaratory Judgment of Invalidity of the '055 Patent)**

5 106. Apple incorporates and realleges Paragraphs 1 through 105 of this Counterclaim.

6 107. One or more of the claims of the '055 Patent are invalid for failing to meet one or  
7 more of the requisite statutory and decisional requirements and/or conditions for patentability  
8 under Title 35 of the United States Code, including without limitation, §§ 101, 102, 103, and/or  
9 112.

10  
11 108. To resolve the legal and factual questions raised by Samsung and to afford relief  
12 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
13 entitled to a declaratory judgment that the '055 Patent is invalid.

14  
15 **SEVENTH COUNTERCLAIM**  
16 **(Declaratory Judgment of Non-Infringement of the '871 Patent)**

17 109. Apple incorporates and realleges Paragraphs 1 through 108 of this Counterclaim.

18 110. Apple has not directly or indirectly infringed and is not directly or indirectly  
19 infringing any valid claim of the '871 Patent.

20 111. To resolve the legal and factual questions raised by Samsung and to afford relief  
21 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
22 entitled to a declaratory judgment that it has not infringed and is not infringing any valid,  
23 enforceable claim of the '871 Patent.

24  
25 **EIGHTH COUNTERCLAIM**  
26 **(Declaratory Judgment of Invalidity of the '871 Patent)**

27 112. Apple incorporates and realleges Paragraphs 1 through 111 of this Counterclaim.  
28

1 113. One or more of the claims of the '871 Patent are invalid for failing to meet one or  
2 more of the requisite statutory and decisional requirements and/or conditions for patentability  
3 under Title 35 of the United States Code, including without limitation, §§ 101, 102, 103, and/or  
4 112.

5  
6 114. To resolve the legal and factual questions raised by Samsung and to afford relief  
7 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
8 entitled to a declaratory judgment that the '871 Patent is invalid.

9  
10 **NINTH COUNTERCLAIM**  
**(Declaratory Judgment of Non-Infringement of the '792 Patent)**

11 115. Apple incorporates and realleges Paragraphs 1 through 114 of this Counterclaim.

12 116. Apple has not directly or indirectly infringed and is not directly or indirectly  
13 infringing any valid claim of the '792 Patent.

14 117. To resolve the legal and factual questions raised by Samsung and to afford relief  
15 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
16 entitled to a declaratory judgment that it has not infringed and is not infringing any valid,  
17 enforceable claim of the '792 Patent.

18  
19 **TENTH COUNTERCLAIM**  
20 **(Declaratory Judgment of Invalidity of the '792 Patent)**

21 118. Apple incorporates and realleges Paragraphs 1 through 117 of this Counterclaim.

22 119. One or more of the claims of the '792 Patent are invalid for failing to meet one or  
23 more of the requisite statutory and decisional requirements and/or conditions for patentability  
24 under Title 35 of the United States Code, including without limitation, §§ 101, 102, 103, and/or  
25 112.

1           120. To resolve the legal and factual questions raised by Samsung and to afford relief  
2 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
3 entitled to a declaratory judgment that the '792 Patent is invalid.

4  
5                                   **ELEVENTH COUNTERCLAIM**  
6                                   **(Declaratory Judgment of Non-Infringement of the '867 Patent)**

7           121. Apple incorporates and realleges Paragraphs 1 through 120 of this Counterclaim.

8           122. Apple has not directly or indirectly infringed and is not directly or indirectly  
9 infringing any valid claim of the '867 Patent.

10          123. To resolve the legal and factual questions raised by Samsung and to afford relief  
11 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
12 entitled to a declaratory judgment that it has not infringed and is not infringing any valid,  
13 enforceable claim of the '867 Patent.

14  
15                                   **TWELFTH COUNTERCLAIM**  
16                                   **(Declaratory Judgment of Invalidity of the '867 Patent)**

17          124. Apple incorporates and realleges Paragraphs 1 through 123 of this Counterclaim.

18          125. One or more of the claims of the '867 Patent are invalid for failing to meet one or  
19 more of the requisite statutory and decisional requirements and/or conditions for patentability  
20 under Title 35 of the United States Code, including without limitation, §§ 101, 102, 103, and/or  
21 112.

22          126. To resolve the legal and factual questions raised by Samsung and to afford relief  
23 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
24 entitled to a declaratory judgment that the '867 Patent is invalid.

25  
26                                   **THIRTIETH COUNTERCLAIM**  
27                                   **(Declaratory Judgment of Non-Infringement of the '001 Patent)**

28          127. Apple incorporates and realleges Paragraphs 1 through 126 of this Counterclaim.

1 128. Apple has not directly or indirectly infringed and is not directly or indirectly  
2 infringing any valid claim of the '001 Patent.

3 129. To resolve the legal and factual questions raised by Samsung and to afford relief  
4 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
5 entitled to a declaratory judgment that it has not infringed and is not infringing any valid,  
6 enforceable claim of the '001 Patent.  
7

8 **FOURTEEN COUNTERCLAIM**  
9 **(Declaratory Judgment of Invalidity of the '001 Patent)**

10 130. Apple incorporates and realleges Paragraphs 1 through 129 of this Counterclaim.

11 131. One or more of the claims of the '001 Patent are invalid for failing to meet one or  
12 more of the requisite statutory and decisional requirements and/or conditions for patentability  
13 under Title 35 of the United States Code, including without limitation, §§ 101, 102, 103, and/or  
14 112.

15 132. To resolve the legal and factual questions raised by Samsung and to afford relief  
16 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
17 entitled to a declaratory judgment that the '001 Patent is invalid.  
18

19 **FIFTEEN COUNTERCLAIM**  
20 **(Declaratory Judgment of Non-Infringement of the '516 Patent)**

21 133. Apple incorporates and realleges Paragraphs 1 through 132 of this Counterclaim.

22 134. Apple has not directly or indirectly infringed and is not directly or indirectly  
23 infringing any valid claim of the '516 Patent.

24 135. To resolve the legal and factual questions raised by Samsung and to afford relief  
25 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
26  
27  
28

1 entitled to a declaratory judgment that it has not infringed and is not infringing any valid,  
2 enforceable claim of the '516 Patent.

3  
4 **SIXTEENTH COUNTERCLAIM**  
**(Declaratory Judgment of Invalidity of the '516 Patent)**

5 136. Apple incorporates and realleges Paragraphs 1 through 135 of this Counterclaim.

6 137. One or more of the claims of the '516 Patent are invalid for failing to meet one or  
7 more of the requisite statutory and decisional requirements and/or conditions for patentability  
8 under Title 35 of the United States Code, including without limitation, §§ 101, 102, 103, and/or  
9 112.

10  
11 138. To resolve the legal and factual questions raised by Samsung and to afford relief  
12 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
13 entitled to a declaratory judgment that the '516 Patent is invalid.

14  
15 **SEVENTEEN COUNTERCLAIM**  
**(Declaratory Judgment of Non-Infringement of the '893 Patent)**

16 139. Apple incorporates and realleges Paragraphs 1 through 138 of this Counterclaim.

17 140. Apple has not directly or indirectly infringed and is not directly or indirectly  
18 infringing any valid claim of the '893 Patent.

19  
20 141. To resolve the legal and factual questions raised by Samsung and to afford relief  
21 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
22 entitled to a declaratory judgment that it has not infringed and is not infringing any valid,  
23 enforceable claim of the '893 Patent.

24  
25 **EIGHTEEN COUNTERCLAIM**  
**(Declaratory Judgment of Invalidity of the '893 Patent)**

26 142. Apple incorporates and realleges Paragraphs 1 through 141 of this Counterclaim.  
27  
28

1 143. One or more of the claims of the '893 Patent are invalid for failing to meet one or  
2 more of the requisite statutory and decisional requirements and/or conditions for patentability  
3 under Title 35 of the United States Code, including without limitation, §§ 101, 102, 103, and/or  
4 112.

5  
6 144. To resolve the legal and factual questions raised by Samsung and to afford relief  
7 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
8 entitled to a declaratory judgment that the '893 Patent is invalid.

9  
10 **NINETEENTH COUNTERCLAIM**  
**(Declaratory Judgment of Non-Infringement of the '460 Patent)**

11 145. Apple incorporates and realleges Paragraphs 1 through 144 of this Counterclaim.

12 146. Apple has not directly or indirectly infringed and is not directly or indirectly  
13 infringing any valid claim of the '460 Patent.

14 147. To resolve the legal and factual questions raised by Samsung and to afford relief  
15 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
16 entitled to a declaratory judgment that it has not infringed and is not infringing any valid,  
17 enforceable claim of the '460 Patent.

18  
19 **TWENTIETH COUNTERCLAIM**  
20 **(Declaratory Judgment of Invalidity of the '460 Patent)**

21 148. Apple incorporates and realleges Paragraphs 1 through 147 of this Counterclaim.

22 149. One or more of the claims of the '460 Patent are invalid for failing to meet one or  
23 more of the requisite statutory and decisional requirements and/or conditions for patentability  
24 under Title 35 of the United States Code, including without limitation, §§ 101, 102, 103, and/or  
25 112.  
26  
27  
28

1           150. To resolve the legal and factual questions raised by Samsung and to afford relief  
2 from the uncertainty and controversy that Samsung’s accusations have precipitated, Apple is  
3 entitled to a declaratory judgment that the ’460 Patent is invalid.

4  
5                                   **TWENTY-FIRST COUNTERCLAIM**  
6                                   **(Declaratory Judgment of Non-Infringement of the ’941 Patent)**

7           151. Apple incorporates and realleges Paragraphs 1 through 150 of this Counterclaim.

8           152. Apple has not directly or indirectly infringed and is not directly or indirectly  
9 infringing any valid claim of the ’941 Patent.

10           153. To resolve the legal and factual questions raised by Samsung and to afford relief  
11 from the uncertainty and controversy that Samsung’s accusations have precipitated, Apple is  
12 entitled to a declaratory judgment that it has not infringed and is not infringing any valid,  
13 enforceable claim of the ’941 Patent.

14  
15                                   **TWENTY-SECOND COUNTERCLAIM**  
16                                   **(Declaratory Judgment of Invalidity of the ’941 Patent)**

17           154. Apple incorporates and realleges Paragraphs 1 through 153 of this Counterclaim.

18           155. One or more of the claims of the ’941 Patent are invalid for failing to meet one or  
19 more of the requisite statutory and decisional requirements and/or conditions for patentability  
20 under Title 35 of the United States Code, including without limitation, §§ 101, 102, 103, and/or  
21 112.

22           156. To resolve the legal and factual questions raised by Samsung and to afford relief  
23 from the uncertainty and controversy that Samsung’s accusations have precipitated, Apple is  
24 entitled to a declaratory judgment that the ’941 Patent is invalid.

25  
26                                   **TWENTY-THIRD COUNTERCLAIM**  
27                                   **(Declaratory Judgment of Non-Infringement of the ’711 Patent)**

28           157. Apple incorporates and realleges Paragraphs 1 through 156 of this Counterclaim.



1 158. Apple has not directly or indirectly infringed and is not directly or indirectly  
2 infringing any valid claim of the '711 Patent.

3 159. To resolve the legal and factual questions raised by Samsung and to afford relief  
4 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
5 entitled to a declaratory judgment that it has not infringed and is not infringing any valid,  
6 enforceable claim of the '711 Patent.  
7

8 **TWENTY-FOURTH COUNTERCLAIM**  
9 **(Declaratory Judgment of Invalidity of the '711 Patent)**

10 160. Apple incorporates and realleges Paragraphs 1 through 159 of this Counterclaim.

11 161. One or more of the claims of the '711 Patent are invalid for failing to meet one or  
12 more of the requisite statutory and decisional requirements and/or conditions for patentability  
13 under Title 35 of the United States Code, including without limitation, §§ 101, 102, 103, and/or  
14 112.

15 162. To resolve the legal and factual questions raised by Samsung and to afford relief  
16 from the uncertainty and controversy that Samsung's accusations have precipitated, Apple is  
17 entitled to a declaratory judgment that the '711 Patent is invalid.  
18

19 **TWENTY-FIFTH COUNTERCLAIM**  
20 **(Breach of Contract – FRAND and Other Standard-Related Misconduct)**

21 163. Apple incorporates and realleges Paragraphs 1 through 162 of this Counterclaim.

22 164. As set forth above, by committing to license the Declared-Essential Patents to  
23 adopters of the UMTS standard on FRAND terms, Samsung entered into contractual  
24 commitments with ETSI, ETSI's members, and designers and sellers of products that implement  
25 the Relevant Standards.  
26

27 165. Each party implementing the Relevant Standards – including Apple – is an  
28 intended third party beneficiary and obtains the benefits of Samsung's contractual commitments.

1 It was material, indeed critical, to Samsung's contractual commitments that Samsung offer  
2 FRAND licensing terms to all adopters of the Relevant Standards – including Apple.

3 166. Samsung breached these contracts by claiming infringement and seeking to enjoin  
4 Apple from practicing the UMTS standard, notwithstanding that, to the extent any of the alleged  
5 inventions described in and allegedly covered by the Declared-Essential Patents are used,  
6 manufactured, or sold by or for Apple, its suppliers, and/or its customers, Apple is licensed to  
7 any valid patents covering those claimed inventions or, in the alternative, has the right to a  
8 FRAND license to the Declared-Essential Patents by virtue of Samsung's FRAND commitments  
9 and Apple's acceptance thereof; and by acting unreasonably and unfairly towards and  
10 discriminating against Apple because Apple holds owns designs, trademarks, and non standards-  
11 essential patents that Samsung wishes to infringe with impunity.  
12  
13

14 167. Additionally, as an independent breach of its contractual obligations to ETSI, and  
15 to Apple, Samsung failed to timely disclose its allegedly essential patents in accordance with the  
16 requirements of the ETSI IPR Policy.

17 168. As a result of these multiple contractual breaches, Apple has been injured,  
18 including in its business or property. Apple has been forced to expend resources resolving this  
19 licensing dispute, including defending counterclaims against it for patent infringement, and is  
20 threatened, in particular, by loss of profits, loss of customers and potential customers, loss of  
21 goodwill and product image, uncertainty in business planning, and uncertainty among customers  
22 and potential customers.  
23  
24

25 **TWENTY-SIXTH COUNTERCLAIM**  
26 **(Promissory Estoppel)**

27 169. Apple incorporates and realleges Paragraphs 1 through 168 of this Counterclaim.  
28

1           170. Samsung made clear and definite promises to potential licensees through its  
2 commitments to ETSI that it would license the Declared-Essential Patents on FRAND terms.

3           171. The intended purpose of Samsung's promises was to induce reliance. Samsung  
4 knew or should have reasonably expected that these promises would induce sellers of mobile  
5 wireless devices, like Apple, to develop products compliant with the UMTS standard.  
6

7           172. Apple developed and marketed its products and services in reliance on Samsung's  
8 promises, as described above, including making its products and services compliant with the  
9 UMTS standard.

10           173. Samsung is estopped from renegeing on these promises to ETSI, its members,  
11 designers, and sellers of products implementing the UMTS standard, under the doctrine of  
12 promissory estoppel.  
13

14           174. Apple has been harmed as a result of its reasonable reliance on Samsung's  
15 promises. Apple has been forced to expend resources resolving this licensing dispute, including  
16 defending counterclaims against it for patent infringement notwithstanding its license to  
17 Samsung's purported standards-essential patents, or in the alternative its right to a FRAND  
18 license to the Declared-Essential Patents by virtue of Samsung's FRAND commitments and  
19 Apple's acceptance thereof, and is threatened by the loss of profits, loss of customers and  
20 potential customers, loss of goodwill and product image, uncertainty in business planning, and  
21 uncertainty among customers and potential customers.  
22

23           175. Apple invokes the Court's equitable powers to address this cause of action. Apple  
24 requests that the Court find that Samsung's standards-related misconduct recited herein renders  
25 unenforceable Samsung's purported standards-essential patents, including those allegedly  
26 essential to the UMTS standard, such as the Declared-Essential Patents.  
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1 **TWENTY-SEVENTH COUNTERCLAIM**  
2 **(Violation of Section 2 of the Sherman Act, 15 U.S.C. § 2)**

3 176. Apple incorporates and realleges Paragraphs 1 through 175 of this Counterclaim.

4 177. Samsung has unlawfully monopolized each of the relevant Input Technologies  
5 Markets by deliberately and deceptively failing to timely disclose – before standardization – IPR  
6 that Samsung claims covers essential elements of the standard and making false commitments to  
7 license IPR on FRAND terms, and by reneging on its FRAND commitments. Samsung has  
8 undertaken this cumulative course of misconduct with the intent to monopolize the relevant Input  
9 Technologies Markets.  
10

11 178. As to its (i) Declared-Essential Patents that Samsung untimely declared essential,  
12 had Samsung properly disclosed its IPR in a timely manner and (ii) as to its Declared-Essential  
13 Patents that Samsung timely declared essential, if any, had Samsung disclosed its true intent to  
14 assert that parties implementing the standard were not licensed to its claimed essential patents or  
15 not to meet its FRAND obligations with respect to all parties implementing the standard, a viable  
16 alternative technology performing the same functionality would have been adopted instead or the  
17 relevant functionality would not have been incorporated into the standard at all. Samsung thus  
18 would not have obtained a monopoly in the relevant Input Technologies Markets.  
19

20 179. Samsung's non-disclosure and false FRAND commitments proximately resulted  
21 in incorporation into the standard of technology over which Samsung claims patent rights.  
22 Samsung has therefore unlawfully excluded competing technologies from each of the relevant  
23 Input Technologies Markets and unlawfully acquired monopoly power in those markets.  
24

25 180. As a direct and proximate result of Samsung's monopolization, Apple has  
26 suffered injury to its business and property and is threatened by the imminent loss of profits, loss  
27 of customers and potential customers, and loss of goodwill and product image. Apple suffers  
28

1 anticompetitive injury as a purchaser in the Input Technologies Markets because reasonable  
2 substitutes have been excluded. Because Samsung has abused its wrongfully-obtained monopoly  
3 power, Apple has been forced to expend significant resources. Moreover, Apple also incurred  
4 substantial costs in defending against Samsung's baseless patent infringement counterclaims.  
5

6 **TWENTY-EIGHTH COUNTERCLAIM**  
7 **(Violation of Section 1 of the Sherman Act, 15 U.S.C. § 1, California Business and**  
8 **Professions Code, §§ 16720, et seq.)**

8 181. Apple incorporates and realleges Paragraphs 1 through 180 of this Counterclaim.

9 182. The standards-setting process by which 3GPP standardized the technologies that  
10 Samsung claims are covered by its Declared-Essential Patents constitutes concerted activity for  
11 purpose of Section 1 of the Sherman Act and the California Cartwright Act.  
12

13 183. As Samsung, itself, has recognized (*see* ¶ 28), the ETSI rules set forth in  
14 Paragraphs 48 through 51 above regarding disclosure of IPR and FRAND commitments are  
15 essential to ensuring that the standards-setting benefits competition and consumers and does not  
16 instead become a vehicle for abusive conduct that injures competition and consumers and an  
17 unlawful restraint of trade. By breaking those rules, Samsung undermined the rules of conduct  
18 on which the legality of the standards-setting depended, caused the standards-setting process to  
19 injure competition in the Input Technologies Markets, and engaged in an unlawful restraint of  
20 trade.  
21

22 184. As a direct and proximate result of Samsung's violation of Section 1 of the  
23 Sherman Act and the Cartwright Act, Apple has suffered injury to its business and property and  
24 is threatened by the imminent loss of profits, loss of customers and potential customers, and loss  
25 of goodwill and product image. Apple suffers anticompetitive injury as a purchaser in the Input  
26 Technologies Markets because reasonable substitutes have been excluded. Because Samsung  
27 has engaged in an unlawful restraint of trade, Apple has been forced to expend significant  
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1 resources. Moreover, Apple also incurred substantial costs in defending against Samsung's  
2 baseless patent infringement counterclaims.

3 **TWENTY-NINTH COUNTERCLAIM**  
4 **(Unfair Competition Under Cal. Bus. & Prof. Code § 17200)**

5 185. Apple incorporates and realleges Paragraphs 1 through 184 of this Counterclaim.

6 186. By the acts alleged, Samsung has engaged in unfair competition within the  
7 meaning of Cal. Bus. & Prof. Code § 17200, *et seq.*

8 187. Specifically, Samsung's untimely disclosures of its claimed essential IPR and/or  
9 false FRAND commitments to ETSI, and its refusal to meet its FRAND obligations regarding  
10 patents that it claims to be essential to the UMTS standard constitute (1) unlawful business acts  
11 or practices in violation of the federal antitrust laws and the California Cartwright Act, (2)  
12 fraudulent conduct and (3) unfair business acts or practices, including unfair business practices  
13 violating the policy or spirit of the antitrust laws, and otherwise significantly threatening and  
14 harming competition in California and elsewhere.  
15

16 188. Samsung committed unlawful business acts or practices by violating Sections 1  
17 and 2 of the Sherman Act and the California Cartwright Act.  
18

19 189. Samsung engaged in fraudulent conduct by engaging in fraudulent non-  
20 disclosures with respect to its claimed essential IPR and making false statement regarding its  
21 FRAND commitments.  
22

23 190. Samsung committed unfair business acts or practices by (i) failing to timely  
24 disclose its claimed essential IPR, (ii) making false FRAND commitments, (iii) suing and then  
25 asserting counterclaims against Apple for patent infringement and an injunction, notwithstanding  
26 that – as both Samsung knew and a reasonable person would know – Apple is licensed or, in the  
27 alternative, has the right to a FRAND license to Samsung's Declared-Essential Patents by virtue  
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1 of Samsung's FRAND commitments and that Apple is licensed by virtue of authorized chipset  
2 sales to Apple by suppliers that Samsung has licensed, thereby unfairly competing for the  
3 downstream manufacture and sales of standard-compliant wireless devices, (iv) acting unfairly  
4 and unreasonably towards and discriminating against Apple in its licensing practices because  
5 Apple owns designs, trademarks, and non standards-essential patents that Samsung wishes to  
6 infringe with impunity, and (v) interfering with Apple's actual and prospective business  
7 relationships. Each of these acts and practices is unfair in the circumstances when the effect of  
8 the act or practice on Apple is balanced against Samsung's reasons, justifications, and motives.  
9

10         191. The acts complained of above violate and threaten to violate the federal antitrust  
11 laws and Cartwright Act, threaten to violate the policy of the antitrust laws and the Cartwright  
12 Act, and otherwise significantly threaten and/or harm competition. By the deceptive acts,  
13 practices, and conduct alleged above, Samsung wrongfully acquired monopoly power in the  
14 Input Technologies Markets, and has abused that power by refusing to license its purported  
15 essential patents on FRAND terms, and by seeking an injunction.  
16

17         192. As a direct, proximate, and foreseeable result of Samsung's wrongful conduct, as  
18 alleged above, Apple has suffered harm in California and elsewhere, including the unavailability  
19 of a FRAND license despite Samsung's assurance that it would offer such FRAND licenses,  
20 being forced to expend resources to defend counterclaims for patent infringement, and is  
21 threatened, in particular, by loss of profits, loss of customers and potential customers, loss of  
22 goodwill and product image, uncertainty in business planning, and uncertainty among customers  
23 and potential customers.  
24

25         193. As a direct, proximate, and foreseeable result of Samsung's wrongful conduct, as  
26 alleged above, competition has been injured in the Input Technologies Markets, and there is a  
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1 significant threat of injury in downstream markets for mobile wireless communication devices  
2 and complementary innovation markets, thereby causing injury to consumers in California and  
3 elsewhere, including the inevitable passing on to consumers of improper royalties demanded by  
4 Samsung and decreases in innovation and quality competition for end products that comply with  
5 the UMTS standard.  
6

7 **THIRTIETH COUNTERCLAIM**  
8 **(Declaratory Judgment that Apple is Licensed**  
9 **to Samsung's Declared-Essential Patents)**

10 194. Apple incorporates and realleges Paragraphs 1 through 193 of this Counterclaim.

11 195. There is a dispute between the parties concerning whether, to the extent any of the  
12 alleged inventions described in and allegedly covered by the Declared-Essential Patents are used,  
13 manufactured, or sold by or for Apple, its suppliers, and/or its customers, Apple is licensed or, in  
14 the alternative, has an irrevocable right to a FRAND license to Samsung's Declared-Essential  
15 Patents by virtue of Samsung's FRAND commitments.

16 196. The dispute is of sufficient immediacy and reality to warrant the issuance of a  
17 declaratory judgment.

18 197. Apple is entitled to a declaratory judgment that, to the extent any of the alleged  
19 inventions described in and allegedly covered by the Declared-Essential Patents are used,  
20 manufactured, or sold by or for Apple, its suppliers, and/or its customers and covered by valid  
21 patents, Apple is licensed to Samsung's Declared-Essential Patents by virtue of Samsung's  
22 FRAND commitments or, in the alternative, Apple has the irrevocable right to be licensed on  
23 FRAND terms under those patents.  
24

25 198. Because, as a result of Samsung's refusal to make disclosures relating to FRAND  
26 or provide Apple with any information it would need to determine whether any purportedly  
27 FRAND license offer is in fact fair, reasonable, and non-discriminatory, Apple and Samsung  
28



1 have been unable to agree on FRAND terms for Samsung's Declared-Essential Patents, Apple is  
2 further entitled to a declaratory judgment setting forth the FRAND terms and conditions for a  
3 license to the Declared-Essential Patents, including the applicable royalty rate.

4  
5 **THIRTY-FIRST COUNTERCLAIM**  
6 **(Declaratory Judgment of No Entitlement to Injunctive Relief)**

7 199. Apple incorporates and realleges Paragraphs 1 through 198 of this Counterclaim.

8 200. There is a dispute between the parties whether Samsung is entitled to injunctive  
9 relief if it prevails on any of its patent infringement claims. Despite having admitted and  
10 contended in other litigation that a patent holder waives all rights to seek injunctive relief upon  
11 making a FRAND commitment, Samsung seeks injunctive relief against Apple in its  
12 Counterclaims. Apple contends, as Samsung has acknowledged in other litigation, that  
13 Samsung's sole remedy in this case is to seek payment of royalties on FRAND terms.

14 201. The dispute is of sufficient immediacy and reality to warrant the issuance of a  
15 declaratory judgment.

16 202. Apple is entitled to a declaratory judgment that Samsung is not entitled to  
17 injunctive relief even if it proves patent infringement.

18  
19 **THIRTY-SECOND COUNTERCLAIM**  
20 **(Declaratory Judgment of Unenforceability)**

21 203. Apple incorporates and realleges Paragraphs 1 through 202 of this Counterclaim.

22 204. Samsung has counterclaimed against Apple for patent infringement, and the  
23 parties dispute whether Samsung's asserted patents are enforceable. The dispute is of sufficient  
24 immediacy and reality to warrant the issuance of a declaratory judgment.

25 205. Samsung deliberately and deceptively failed to disclose certain IPR during the  
26 standards-setting process and then disclosed those patents only after the claimed technology had  
27 been incorporated into the relevant standard. Samsung's representations to ETSI that it would  
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1 license the patents it declared essential, including the Declared-Essential Patents, on FRAND  
2 terms were false. Samsung breached those FRAND commitments by first suing and then,  
3 counterclaiming against Apple for patent infringement and seeking an injunction, even though to  
4 the extent any of the alleged inventions described in and allegedly covered by the Declared-  
5 Essential Patents are used, manufactured, or sold by or for Apple, its suppliers, and/or its  
6 customers, Apple is licensed to any valid patents covering those claimed inventions as a matter  
7 of law; and by acting unfairly and unreasonably towards and discriminating against Apple in its  
8 licensing practices.  
9

10 206. Apple is entitled to a declaratory judgment that Samsung's course of misconduct  
11 in connection with the standards-setting process described above and/or other circumstances  
12 renders Samsung's Declared-Essential Patents unenforceable by virtue of estoppel, laches,  
13 waiver, unclean hands, patent exhaustion, implied license, and/or other equitable doctrines  
14 applicable to such misconduct.  
15

16  
17 **PRAYER FOR RELIEF**

18 WHEREFORE, Apple requests that the Court:

- 19 a. Dismiss Samsung's Counterclaims in their entirety, with prejudice;  
20 b. Enter judgment in favor of Apple and against Samsung;  
21 c. Adjudge and decree that Samsung is liable for breach of contract, promissory estoppel,  
22 violation of Section 2 of the Sherman Act, 15 U.S.C. § 2, the California Cartwright Act,  
23 California Business and Professions Code, §§ 16720, *et seq.*, and/or violation of Cal. Bus.  
24 & Prof. Code § 17200;  
25 d. On Apple's Twenty-Fifth, Twenty-Sixth, and/or Twenty-Seventh, claims for relief, enter  
26 judgment against Samsung for the amount of damages Apple proves at trial and, as an  
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equitable remedy, enter judgment declaring that Samsung's purported essential patents, including the Declared-Essential Patents, are unenforceable by virtue of standards-related misconduct including (i) Samsung's breach of its FRAND commitments and/or (ii) Samsung's breach of its disclosure obligations at ETSI;

e. On Apple's Twenty-Seventh, and Twenty-Eighth, claims for relief, pursuant to Section 4 of the Clayton Act, 15 U.S.C. § 15, and/or California Business and Professions Code, §§ 16720, *et seq*; enter judgment against Samsung for treble the amount of Apple's damages, enjoin Samsung from demanding from Apple non-FRAND terms for Samsung's purportedly essential patents, and award Apple all reasonable attorneys' fees and costs;

f. On Apple's Twenty-Ninth claim for relief, enter judgment that Samsung has violated the California Unfair Competition Law; enjoin Samsung from further violations of that Law; and award all reasonable attorneys' fees and costs;

g. On Apple's Thirtieth claim for relief, enter judgment declaring that, to the extent any of the alleged inventions described in and allegedly covered by the Declared-Essential Patents are used, manufactured, or sold by or for Apple, its suppliers, and/or its customers, Apple is licensed to Samsung's Declared-Essential Patents by virtue of Samsung's FRAND commitments or, in the alternative, Apple has the irrevocable right to be licensed on FRAND terms under those patents;

h. On Apple's Thirty-First claim for relief, enter judgment declaring that Samsung is not entitled under any circumstances to seek injunctive relief preventing Apple from practicing the UMTS standard, and that Samsung is not otherwise entitled to use its purported essential patents to pursue injunctive relief;

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- i. On Apple’s Thirty-Second claim for relief, enter judgment declaring that Samsung’s purported essential patents, including the Declared-Essential Patents, are unenforceable by virtue of Samsung’s waiver of its right to enforce its purported essential patents, including the Declared-Essential Patents;
- j. Declare that Apple has not infringed, and is not infringing, each of the Samsung asserted patents;
- k. Declare that one or more of the claims of each of the Samsung asserted patents are invalid, void and/or unenforceable against Apple; and
- l. Grant such further relief as the Court deems just and proper.

**DEMAND FOR JURY TRIAL**

Apple hereby demands trial by jury on all issues so triable raised by the Amended Complaint or by this Counterclaim in Reply.

1 Dated: July 21, 2011

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the above and foregoing document has been served on July 21, 2011, to all counsel of record who are deemed to have consented to electronic service via the Court's CM/ECF system per Civil Local Rule 5.4. Any other counsel of record will be served by electronic mail, facsimile and/or overnight delivery.

/s/ Mark. D Selwyn  
Mark D. Selwyn