

# Exhibit A

1 IN THE UNITED STATES DISTRICT COURT  
2 FOR THE EASTERN DISTRICT OF TEXAS  
3 TYLER DIVISION

4 WI-LAN, INC. )  
5 -vs- ) DOCKET NO. 6:10cv521  
6 ALCATEL-LUCENT USA, INC., ) Tyler, Texas  
7 ET AL ) 12:45 p.m.  
8 ) July 9, 2013

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10 WI-LAN, INC. )  
11 -vs- ) DOCKET NO. 6:13cv252  
12 HTC CORPORATION, )  
13 ET AL )

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16 TRANSCRIPT OF TRIAL  
17 AFTERNOON SESSION  
18 BEFORE THE HONORABLE LEONARD DAVIS,  
19 UNITED STATES CHIEF DISTRICT JUDGE, AND A JURY

20

21

22

23 COURT REPORTERS: MS. SHEA SLOAN  
24 MS. JUDY WERLINGER  
25 211 W. Ferguson  
Tyler, Texas 75702  
shea\_sloan@txed.uscourts.gov

Proceedings taken by Machine Stenotype; transcript was produced by a Computer.

25

1 Q. Okay. How many -- is Wi-LAN a publicly traded  
2 company?

3 A. It is. We're on the NASDAQ Stock Exchange.

4 Q. So nothing secret about your business or what  
5 you do?

6 A. No. We're an open book. You know, we have to  
7 file reports and give analysts calls and give  
8 shareholder calls, so...

9 Q. How many employees do you have at Wi-LAN?

10 A. We have a little over 50 employees.

11 Q. And what do your employees do?

12 A. They do a lot of things. People have an  
13 opinion that we're a lot of lawyers. We're actually  
14 more engineers than lawyers. So we have a lot of  
15 lawyers, engineers, master's, Ph.D.s, and then people  
16 like myself that have both a, you know, finance and  
17 engineering degree.

18 Q. So we know from this lawsuit that the  
19 discussions in opening statements and things, that  
20 Wi-LAN is in the business of licensing technology.

21 Can you tell the jury generally what it means  
22 to be in the technology licensing business and what that  
23 means your business does day-to-day?

24 A. Sure. We -- so maybe I'll step back a bit.

25 We -- we started with our own patents. We are

1 a product company, and those initial products we had  
2 developed patents on. And what we found were companies  
3 were infringing those patents.

4 In 2006, we changed from a product company.  
5 We sold -- there were companies that wanted to buy our  
6 product lines, and we sold our product lines. And then  
7 we went forward licensing those patents that we owned.

8 We also knew that -- you know, we wanted to  
9 continue with that business, so what we do is we -- we  
10 do due diligence on companies, and people bring us  
11 patents and technology, and we buy -- buy those patents  
12 and technology from those companies.

13 We also have an R&D program within the company  
14 so we develop our own -- we continue to develop our own  
15 technology on a small scale, and develop -- you know,  
16 try to sell the algorithms and software and also develop  
17 patents.

18 Q. So would it be fair to say that the customers  
19 for your business are the people that take licenses to  
20 the technology that you have so that they can then use  
21 and implement that technology?

22 A. Yes, it is. I would consider all our  
23 customers to be like -- you know, we would call them  
24 customers or licensees, so...

25 Q. Now, how many licensees would you say you

1 have?

2 A. We have close to 280 license -- companies that  
3 are licensed to our technology.

4 Q. Is it all your technology, or do some  
5 companies license different parts?

6 A. Yeah, we're quite flexible. So if a company  
7 comes in and wants a license to our wireless portfolio  
8 only, we'll do that. You know, sometimes they want  
9 more. We also have a television DSL, and that's  
10 basically the main product lines.

11 Q. How does Wi-LAN rank in terms of companies  
12 that are in the patent licensing business? Are you a  
13 big player, top 10? Are you a small fry?

14 A. I would -- we're definitely not the biggest.  
15 I think we're higher than -- I think we're definitely in  
16 the top 10 of companies.

17 Q. Okay. And let's talk a little bit about --  
18 well, let me -- I want to show you something before  
19 we -- before we move on and talk about some of these  
20 other things to do with these licenses.

21 A. Sure.

22 Q. I want to show you a slide that was used in  
23 opening statements, one of the Defendants' slides. I  
24 think it was No. 13.

25 Now, take a look at that slide. Do you

1 remember this from the opening statements?

2 A. Yes, I do. Yeah, I was here.

3 Q. All right. This was put up in front of the

4 jury during opening to show the members of the 3GPP

5 standards-setting body.

6 Do you recall that?

7 A. I do.

8 Q. Now, I don't know if you ever played this game

9 when you were a kid, but I want to -- I want to play it

10 now, if we can, if you're familiar with it.

11 There are some of these names that have

12 something in common.

13 A. Okay.

14 Q. You agree with that?

15 A. Yeah. There's some familiar names on the

16 list, yeah.

17 Q. Okay. I want you to do me a favor. Now, you

18 can give it a practice run, if you need to; but if you

19 would take your finger and you can draw on that screen,

20 and I want you to circle for me the companies that you

21 think, with regard to Wi-LAN, have something in common?

22 A. With Wi-LAN?

23 Q. Yes.

24 A. Nokia -- this isn't working very well for me

25 here.

1 Q. All right.

2 A. Let me try to underline.

3 Q. Okay.

4 A. Samsung. I think -- I think that's --

5 Q. You think that's all you see there?

6 A. Yeah. There are some other companies where we

7 have -- you know, these are all --

8 Q. Hold on a second. We don't want to spoil the

9 mystery.

10 Tell us, what do these companies have in

11 common?

12 A. They are all companies that would -- that have

13 taken licenses from Wi-LAN for various technologies.

14 Q. Okay. Are there any of the companies that are

15 listed on this slide that were members of the 3GPP

16 standard-setting process that have taken license to the

17 patents-in-suit in this case?

18 A. Yes, there are.

19 Q. All right. Which ones?

20 A. We have Motorola, Samsung, Panasonic was --

21 and we're negotiating with them again -- Fujitsu, and

22 LG.

23 Q. Okay. So despite having participated in the

24 3GPP standard-setting process, these companies came to

25 Wi-LAN and took a patent -- took a license to the

- 1 patents that are involved in this lawsuit?
- 2 A. They did. Yes.
- 3 Q. In fact, more than that. They took a license
- 4 to your wireless portfolio, in fact?
- 5 A. Yes, they did.
- 6 Q. Let's talk a little bit more about that.
- 7 How many licensees do you think Wi-LAN has had
- 8 to the patents in this case?
- 9 A. I would put the number at about 70 companies
- 10 have taken licenses that included the patents-in-suit.
- 11 Q. Okay. And you mention here on this slide
- 12 Samsung, LG, Motorola. What about RIM?
- 13 A. Yes, they have a license. Did I miss their
- 14 name?
- 15 Q. They're not on the slide. I'm asking you
- 16 about some others.
- 17 A. Sure. No problem.
- 18 Q. RIM has. What does RIM make? They make a
- 19 product. Most people know it by a different name.
- 20 A. Yeah, they make the BlackBerry smartphone.
- 21 Q. How about Sharp?
- 22 A. Yes. Sharp took a license as well.
- 23 Q. Okay. And so all total, you think it's close
- 24 to 70?
- 25 A. Yeah. Roughly, yes.

1 Q. All right.

2 MR. HILL: We can take that slide down.

3 Q. (By Mr. Hill) Now, I want to talk to you about  
4 one other thing we heard in opening statement,  
5 Mr. Parolin, as we get started here.

6 We heard about lawsuits. Do you remember  
7 that?

8 A. Yes.

9 Q. Pertinent subject. I mean, that's what we're  
10 here to do, isn't it?

11 A. Yeah. That's why we're here today.

12 Q. Okay. Does Wi-LAN file a lot of lawsuits?

13 A. I wouldn't say we file a lot of lawsuits. We  
14 file lawsuits when we have to.

15 Q. Do you file lawsuits because you're seeking to  
16 abuse the system in some way?

17 A. No, not at all. Not at all. I mean, the  
18 problem we have is there's -- you know, there's no  
19 patent police out there; and so, you know, the only way,  
20 once -- after licensing discussions, if we can't come to  
21 an agreement with a company, you know, they have their  
22 opinion, we have our opinion, and really the only  
23 circumstance is to, you know, get to the bottom of it is  
24 to do it in court.

25 Q. Now, you may have heard the implication in

1 opening that Wi-LAN uses litigation as a cost driver to  
2 leverage costs against parties, litigation costs, to  
3 force them to take a license.

4 Remember that?

5 A. I do remember that statement. Yes.

6 Q. Would you like to respond to that allegation?

7 A. Yeah. Cost is one factor. I mean, it's  
8 expensive for us, too. So it goes for both parties.

9 That's going to cost them a lot of money; it's  
10 going to cost us a lot of money, too.

11 But I thought the statements actually  
12 ignored -- when we make those presentations and we have  
13 these discussions, we talk about a lot of things. One  
14 is cost of litigation. The other is the patents  
15 themselves. So we talk about the patents, how strong  
16 they are, you know, the validity.

17 We talk about who's taken licenses, you know,  
18 have their competitors taken a license. You know,  
19 that's quite often an important thing. There's, you  
20 know, five to ten factors that we talk about.

21 Q. Now, if a party refuses to respect property  
22 rights that Wi-LAN owns --

23 A. Sure.

24 Q. -- is there a way that you can enforce those  
25 property rights other than filing a lawsuit against

1 them?

2 A. No, there's really no other way. I mean, if  
3 we -- if we truly believe that someone's infringing our  
4 property rights, then really the only way to have them  
5 pay is to litigate.

6 Q. So there's no patent enforcement police out  
7 there you can go to that can help you with somebody  
8 who's just going to disregard your property rights and  
9 trespass on you?

10 A. No. As I mentioned before, there's --  
11 there's -- there's no system set up like that here.

12 Q. And, you know, you didn't design the patent  
13 system, did you?

14 A. No. No, I did not.

15 Q. You didn't set up the U.S. patent laws such  
16 that the only way to stop a trespass is to file a  
17 lawsuit, did you?

18 A. No, I did not.

19 Q. So does Wi-LAN simply play by those rules?

20 A. Yeah. That's -- that's the way the system is  
21 set up is -- you know, the USPTO does their due  
22 diligence. They grant the patent. We have the patent.  
23 It's up to us to enforce the patent ourselves.  
24 So it's up to us to enforce our own patent rights.

25 There's no -- there's no Bureau -- FBI or

1 police out there that's going to do it for us.

2 Q. What if the person you believe is infringing  
3 your patent is bigger and has more money?

4 A. I'm sorry. I didn't understand the question.

5 Q. What if the person against whom you're  
6 enforcing your patent is bigger than you and has more  
7 money, does it deter you?

8 A. Does it what?

9 Q. Does it deter you?

10 A. No, it can't. I mean -- and that's why  
11 licensing is very difficult. And you saw, you know,  
12 Mr. Brant there from Airspan talk about -- you know,  
13 they had these patents, and they weren't licensing them  
14 or doing anything with them and licensing is very tough.

15 You know, you need the right skill set. You  
16 need to have the right financial setup. But just  
17 because a company is big, you know, they should still  
18 respect property rights. And we can't just say, oh,  
19 you're big; you're bigger than us; oh, we're going to  
20 ignore you. That's not the case and you cannot do that.

21 Q. So if you believe in what you own, is it fair  
22 to say you have to stand up for it?

23 A. Absolutely. We're the only ones that are  
24 going to stand up for ourselves here.

25 Q. Now, let's talk about the way some people

1 respond to Wi-LAN as a company.

2 What percentage of your licensees would you  
3 say are the result of litigation?

4 A. So as I mentioned before, we have about 270  
5 licensees, and 90 percent of those were done without  
6 litigation. So just through -- you know, we put them on  
7 notice. We told them about our patents. We would have  
8 discussions with them, and they took licenses without  
9 litigation.

10 So 90 percent of those companies were without  
11 litigation.

12 Q. So less than 10 percent require you to file a  
13 lawsuit; is that right?

14 A. Approximately, yes.

15 Q. Okay. So by and large, most companies who are  
16 respectful of property rights will sit down and  
17 negotiate a business resolution with you?

18 A. Yeah. We pride ourselves on being flexible.  
19 And that's why, you know, all our licenses are  
20 different, because the company on the other side is  
21 different and they want different things; and we're  
22 willing to work with them.

23 Q. How would your licensees that have come to you  
24 voluntarily and taken a license to your patents, because  
25 they chose to respect your property rights, respond to

1 you if you let other companies walk all over you?

2 A. We hear that a lot. You know, typically,  
3 we'll get phone calls or even during the negotiations,  
4 why isn't our competitor, you know, Company X not taken  
5 a license? And, you know, it's not fair that, you know,  
6 we're going to be doing this; we're going to be doing  
7 the right thing; and this company is -- is getting off.  
8 They will use the word Scott free.

9 And, you know, so it would -- if we don't  
10 enforce our patent rights against everybody, then, you  
11 know, when it comes time to renew a license, the company  
12 won't renew with us. Why would they if we're not going  
13 to enforce our rights.

14 Q. Does the patent give you a right to do  
15 anything other than exclude someone else from doing what  
16 you have a patent on?

17 A. I'm not a lawyer, but that's the meaning to  
18 me.

19 Q. All right. Let's talk about licensing  
20 practices a little bit, since that's what you handle at  
21 Wi-LAN; is that right?

22 A. Absolutely. Yes.

23 Q. You're the man in charge of licensing there,  
24 correct?

25 A. Correct. I run the licensing program.

1 A. LG paid \$29 million.

2 Q. All right. And let's look at our chart.

3 MR. HILL: Can we see LG's line about  
4 midway down?

5 Q. (By Mr. Hill) Did you do better or worse than  
6 Mr. Houston projected?

7 A. By my calculations, we did much better.

8 Q. All right. We've got two more to go.

9 Plaintiff's Exhibit 169, which this is  
10 Motorola Solutions; is that correct?

11 A. That's correct, yes.

12 Q. All right. Lump sum or running royalty?

13 A. That was a lump sum.

14 Q. And how much did they pay?

15 A. I think they paid around \$6 million.

16 Q. I'll let you look at the license agreement.

17 A. \$5.949,900 million (sic), so it's close to 6.

18 Q. Okay. Now, let's look at the last one,

19 Plaintiff's Exhibit 170. That's Motorola Mobility?

20 A. That's correct. Yes, it's Motorola Mobility.

21 Q. And how much did Motorola Mobility pay?

22 A. They paid \$24.5 million.

23 Q. Mr. Parolin, are you the person that  
24 personally negotiated a large number of these licenses?

25 A. A large number. I was either the prime

1 negotiator or I was, you know, second -- second or third  
2 person.

3 Q. Did each of these licenses allow rights to the  
4 patents-in-suit?

5 A. I believe so, yes.

6 Q. And I know the jury is going to hear about a  
7 hypothetical negotiation. These are examples of actual  
8 negotiations, and you were the negotiator?

9 A. Absolutely. These were -- these are real  
10 licenses, and they're paying us or have paid us. And,  
11 you know, hard-fought negotiations for sure.

12 Q. And engaging in these negotiations, did you  
13 follow the licensing practices that you described for me  
14 earlier?

15 A. We did. We always follow our licensing  
16 practices.

17 Q. Mr. Parolin, is Wi-LAN bringing this lawsuit  
18 because it wants to exert pain on people, or because it  
19 is concerned about legitimate violations of its legal  
20 rights?

21 A. It's definitely not to exert pain, and it's  
22 really -- you know, we have a lot of companies that have  
23 taken licenses to these patents, and we feel these  
24 companies should as well.

25 Q. 90 percent of your licensees are voluntary?

1           A.   Yes.  As I said before, 90 percent are  
2  voluntary.

3                   MR. HILL:  Pass the witness, Your Honor.

4                   THE COURT:  All right.

5  Cross-examination.

6                   MR. JONES:  Thank you, Your Honor.  May I  
7  approach the witness, Your Honor?

8                   THE COURT:  Yes.

9                   MR. JONES:  More papers.

10                  THE WITNESS:  Yes.  Thanks.

11                               CROSS-EXAMINATION

12  BY MR. JONES:

13           Q.   Mr. Parolin, I will try to get your name  
14  right.  My name is Mike Jones.  Welcome to Tyler.  I  
15  hope you enjoy your visit.

16           A.   Thank you very much, sir.

17           Q.   Let me dive right in.  We went through a bunch  
18  of licenses, and let me dive in first by talking about  
19  these licenses.

20                   Have you ever heard the term comparing apples  
21  to oranges?

22           A.   Oh, yes, most definitely.

23           Q.   In order to make sure we know that something  
24  is comparable that we need to rely upon it, we need --  
25  if we're going to rely upon the comparison -- to make

1 sure we're comparing the same things. Right?

2 A. Yeah, I think so. Yes.

3 Q. Okay. Okay. And what we also need to  
4 remember about these particular licenses is that in this  
5 case, for example, my client, Alcatel, has been sued on  
6 three patents, right?

7 A. In this case, yes, they have.

8 Q. Okay. And, for example, another Defendant,  
9 HTC, has been sued on one patent, right?

10 A. In this case, yes.

11 Q. And none of these licenses, not one of these  
12 licenses apply only to the four patents we're talking  
13 about in this suit, right?

14 A. Yeah. Very few companies want to take  
15 licenses just to a few patents. That's correct, yes.

16 Q. Right. But these -- these licenses here  
17 concern a whole lot of patents in addition to the four  
18 we're talking about in this suit, right, sir?

19 A. I wouldn't quite place it that way. But,  
20 yeah, the rights given are more than the patents in this  
21 suit.

22 Q. Okay. I don't want to quibble with you.  
23 Let's go through them one at a time.

24 A. Sure.

25 Q. But let me just say this: As you told me at

1 MR. JONES: Should we go to Slide 13?

2 Q. (By Mr. Jones) And this letter, again, talks  
3 about more patents. It adds the '530 patent and the  
4 '834 patent, and it says that more products of -- of  
5 Airspan infringe your patents, right, sir?

6 A. Yes. For those additional patents, we thought  
7 their WiMAX products infringed.

8 Q. It specifically talks about MicroMAX base  
9 stations, base stations, WiMAX products, and things like  
10 that, right, sir?

11 A. I'm assuming this is the letter.

12 Q. Right.

13 A. So if this letter, it's -- yeah, those are the  
14 products.

15 Q. Now, let's then move on, because even after  
16 those letters, a deal is not done, right? They don't  
17 take a license from you. You've approached them and  
18 you've told Airspan, we think you infringe our patents;  
19 we want to you take a license.

20 A. Right.

21 Q. They don't take a license, right, sir?

22 A. What timeframe are you talking about?

23 Q. Let's say by May of 2008, they haven't taken a  
24 license.

25 A. 2008, Airspan had not taken a license. No.

1 Q. And at that point in time, you prepared what  
2 is DX 56 before you, an Airspan license review, right,  
3 sir? You see it there?

4 A. You saying me personally or --

5 Q. No. Wi-LAN.

6 A. Yes. It looks like a license review.

7 Q. Okay. Thank you.

8 Now, Mr. -- Mr. Hill brought this up, and I  
9 want to dive into it further. He said that sometimes  
10 litigation costs or costs of defense, the cost that  
11 other parties like Airspan are going to expend in  
12 defending a lawsuit, come up in negotiations.

13 Didn't he say that?

14 A. Absolutely, yes.

15 Q. And, in fact, they did come up in this  
16 negotiation.

17 MR. JONES: Let's go to Slide 15.

18 Q. (By Mr. Jones) And is this what you told them  
19 there -- and, again, this is estimated costs to defend,  
20 right? These are not your costs. We're talking about  
21 their costs, right?

22 A. Absolutely. We're familiar with our costs,  
23 yes.

24 Q. So you're telling them that their costs, if  
25 they defend the lawsuit, will be -- number one, they

1 will need to get a legal opinion, and that would cost  
2 them 60,000 to a hundred thousand, right?

3 A. That's what the chart says. Yes.

4 Q. Okay. And then you tell them that it will  
5 cost them 5 to \$8 million to defend it, right, sir?

6 A. That's what it says. Yes.

7 Q. And then you tell them that they are going to  
8 lose opportunities, because all their employees and  
9 their executives will be distracted, and that will cost  
10 them another \$1 million, right?

11 A. That's what that says. Yes.

12 Q. Okay. And this is -- this is a presentation.

13 Again, it's prepared by Wi-LAN to talk about  
14 the costs of Airspan, if they had to defend the lawsuit,  
15 right?

16 A. I disagree with that comment.

17 Q. Okay.

18 A. This is a presentation that talks about the  
19 value of the license. And as I mentioned before, the  
20 cost of litigation is certainly one aspect of it.

21 But if you look, it also talks about where the  
22 patents came from, the history, you know, what other  
23 companies have said. Like, for instance, as I said in  
24 my previous testimony, you know, if you look at Slide --  
25 third or fourth slide in there, you have a company like

1 Dell saying Wi-LAN invented 802.11A.

2           So as I mentioned before in my previous  
3 testimony, cost of litigation is certainly a factor.  
4 It's not the only one. And these presentations are set  
5 up so that they show the complete picture.

6           Q. Well, let's look at this presentation further.  
7 Let's drill down on another slide, Slide 16.

8           Now, in this particular slide, you give  
9 Airspan three scenarios, right?

10          A. Yeah. Sure.

11          Q. You tell them that they can accept your offer,  
12 and they can pay \$3 million, right?

13          A. Yes.

14          Q. You tell them they can fight; they can defend  
15 the lawsuit; and you say that if they win and a jury  
16 just like this finds that they do not infringe, then  
17 they will expend \$4.1 million, right, sir?

18          A. Yeah, that's our estimate. Yes.

19          Q. And you tell them that if they lose, it will  
20 cost them \$14.8 million, right?

21          A. Yeah. I think we calculated out what -- you  
22 know, a long license and a 2-percent royalty. That's  
23 what it would cost.

24          Q. So what you're saying here is even if they're  
25 right and it's true they don't infringe, it's going to

1 cost them \$4.1 million when they could have settled for  
2 3, right, sir?

3 A. Yeah. That's what that says. If we were  
4 wrong, Wi-LAN was wrong and we sued them on those  
5 patents, all those eight to ten patents, and we were  
6 wrong, yeah, Airspan would end up paying \$4.1 million.

7 Q. So even if they win, they lose under this  
8 scenario, right, sir? Because they're losing money by  
9 having not taken your settlement agreement, right, sir?

10 A. Yeah. If we had sued Airspan on those eight  
11 to ten patents and we thought they infringed, like  
12 everybody if -- yeah, they would be out \$4.1 million.

13 Q. Well, now, you know, it's not unusual for  
14 Wi-LAN to send out presentations like this, right, sir?  
15 Nothing unusual about it at all, right?

16 A. I disagree with that.

17 Q. Okay. Let's go -- one of the license  
18 agreements you have in front of you --

19 A. Sir, can I explain my answer or not?

20 Q. Sure.

21 A. There was -- there was a time -- there was  
22 about a year where we actually sent out and included  
23 this information. You know, we stopped doing it after a  
24 while, because we knew people already understood that.

25 So I wouldn't say we used it all the time in

1 this particular presentation format. We only used it  
2 for a little bit, but -- so I just wanted to clarify.

3 Q. One of the agreements that you and Mr. Hill  
4 pointed out to us that deals with all of Wi-LAN's  
5 patents that relate to certain standards, not just the  
6 patents in this suit, one of those is the Casio deal,  
7 which is PX 159. Right?

8 A. That is the Casio deal. Yes.

9 Q. Yeah.

10 MR. JONES: Let's go -- can we go to  
11 Slide 17?

12 Q. (By Mr. Jones) And here we see that you did a  
13 Wi-LAN/Casio license review in that case, right?

14 A. Yes.

15 Q. Okay.

16 MR. JONES: And if we could go to  
17 Slide 18.

18 Q. (By Mr. Jones) You used the same figures with  
19 them, right?

20 A. Yeah. That was around the same timeframe.

21 Q. Okay. In fact, you told us before your  
22 deposition that you yourself personally have told people  
23 that it costs 5 million to \$8 million to defend a single  
24 patent suit, right, sir?

25 A. Yes, for sure.

1           A.    Right.  But he's not an employee of -- this is  
2 where it gets a little -- you know, Mr. Struhsaker is  
3 not an employee of Airspan, so he really -- I'm not sure  
4 what his obligations are to Airspan.

5                    But, basically, you know, the intent of that  
6 paragraph is to say, if Airspan can help us, they will;  
7 if they can't, they can't.

8           Q.    Mr. Lysejko is also an inventor.  Has he  
9 provided technical assistance in connection with the  
10 commercialization of these patents?

11          A.    So if you let me finish my answer, the -- for  
12 Wi-LAN directly, I don't think he has; but I think he --  
13 you know, as part of this litigation, he has.

14          Q.    Thank you, sir.

15          A.    Sure.

16          Q.    Now, is -- has he been in Tyler?  Has he  
17 helped in Tyler?

18          A.    I'm not aware of that, but --

19          Q.    Okay.  Is he planning to testify?

20          A.    I don't think so.  I'm not quite sure.

21          Q.    Okay.  Thank you, sir.

22                    Now, in 2010, one of your personal goals was  
23 to launch the Airspan litigation; is that right, sir?

24          A.    One of my personal goals?

25          Q.    Yes.

1           A.    I'd have to look back.  I have a lot of  
2 objectives in my -- my job.

3           Q.    Does Wi-LAN's policies with regard to  
4 launching litigation like this, does it include suing  
5 the same company repeatedly?

6           A.    It really depends.  You know, as we mentioned  
7 before, we don't like to sue; and 90 percent are without  
8 litigation.  So typically what will happen is, if a  
9 company is not respecting our rights, we'll sue once and  
10 see if that helps them a bit.

11                   And then, you know, what happens is, we have  
12 patents on different technologies.  So we'll sue again  
13 maybe a year, a year-and-a-half later if we feel that,  
14 you know, they're still at loggerheads, and we'll sue  
15 again typically on another technology.

16                   MR. JONES:  Could we go to Slide 28?

17           Q.    (By Mr. Jones) This is Wi-LAN's corporate  
18 overview dated April the 2nd, 2013, right, sir?

19           A.    Yes.  It's labeled that, yes.

20           Q.    And it's Defendants' Exhibit 434.

21                   If we could go to the next slide, it gives a  
22 timeline, and it says:  Core Licensing Methodology.

23                   And, again, this is a Wi-LAN document, right,  
24 sir?

25           A.    Yeah, exactly.

1 Q. And it says: An illustrative example, right?

2 A. Ill -- yeah, illustrative (pronouncing).

3 Q. Illustrative? I'll go with that one.

4 Now, if you look at this, what it shows us on  
5 this timeline is that you initiate contact, right?

6 A. Right.

7 Q. Then it says, 12 months after you contact  
8 them, you sue them with the first litigation on two  
9 patents, right, sir?

10 A. That's what it says, yes.

11 Q. And then it says, 24 months later, you  
12 initiate the second litigation; and you sue them on  
13 three patents, right?

14 A. Yeah, that's correct.

15 Q. Okay. And then it says, 18 months later, you  
16 initiate the third litigation; and you sue them on two  
17 more patents, right, sir?

18 A. That's what this slide says, yes.

19 Q. Okay. Okay. And, again, this is Wi-LAN's  
20 core licensing methodology, right, sir, that we see from  
21 your Wi-LAN corporate overview, right, sir?

22 A. I think this is a framework that -- that's  
23 done. I think the timeframes are -- historically have  
24 been different.

25 Typically -- although it says, you know, one

1 year, it typically runs two, three, or four years. I  
2 mean, you know, although our CEO likes one year; in  
3 practice, we do -- typically, it's two or three or four  
4 years.

5 Q. And you told --

6 A. Uh --

7 Q. -- you told -- excuse me.

8 A. And I was saying, you know, it's a framework,  
9 so the number of patents -- you know, sometimes it's  
10 one; sometimes it's two; sometimes it's three.

11 So this is kind of a -- you know, a -- one  
12 slide that we show -- that our CEO shows people as --  
13 you know, tries to catch it all, but the reality is the  
14 program is a little different than this.

15 Q. And -- and you've told people that to defend  
16 even one lawsuit can cost you 5 to \$8 million, right,  
17 sir?

18 A. In 2008, we said that, yeah.

19 Q. Okay.

20 A. Although companies tend to tell us it was a  
21 lot less than that.

22 Q. Okay. Now, in fact, Wi-LAN believes that  
23 additional litigation brings additional pressure on the  
24 people you're trying to get to take a license, right,  
25 sir?

1           A.    Yeah.  We think if a company is infringing our  
2  property rights and it's been, you know, years when they  
3  haven't really engaged with us and we feel strongly  
4  about it, as I mentioned before, that's -- that's our  
5  only recourse is to, you know, put our money where our  
6  mouth is and litigate on those patents.

7           Q.    Well, let's see how this has worked in this  
8  case with regard to one of the Defendants, HTC.  Let's  
9  just see how it plays out.

10          A.    Sure.

11                         MR. JONES:  If we could, let's go to  
12  Slide 33.

13          Q.    (By Mr. Jones) Here we see you first filed  
14  with them in this suit on the '211 patent on October the  
15  5th, right, sir?

16          A.    Yes.  Yes.

17          Q.    Then you sued them in Marshall, Texas, on  
18  February the 2nd on the '802 and '222 patents of Wi-LAN,  
19  right, sir?

20          A.    That's correct, yes.

21          Q.    And then you sued them again on the '802 and  
22  '222 patents on September the 1st in 2011; is that  
23  right, sir?

24          A.    Yeah.  The same two patents, yes.

25          Q.    And then you sued them again in Miami,

1 Florida, on the '640 and the '040 patent on December the  
2 6th, 2012, right, sir?

3 A. Yes.

4 Q. And then you sued them again on June the  
5 28th -- not too long ago -- June the 28th, 2013, again,  
6 in Tyler on the '688 patent, right, sir?

7 A. Yeah, I agree. That's our litigation. I  
8 think the slide is missing a lot of things, but  
9 that's -- that's pure litigation. I would actually  
10 start that slide much earlier --

11 Q. Okay.

12 A. -- 2007 when we first put them on notice.

13 Q. Well, let me ask you this: With regard to my  
14 other client, Alcatel, isn't it true that with regard to  
15 these four patents, you never went to them and you've  
16 never alleged to them that they infringed those four  
17 patents prior to filing suit?

18 That's true, isn't it?

19 A. It's -- it's true, but we had been in  
20 discussions since 2006 with Alcatel-Lucent.

21 Q. No. I'm talking about these four patents.

22 A. These four patents --

23 Q. I know you want -- I know you want to answer  
24 another question, but please answer my question.

25 A. I don't want to answer another question.

1 Q. Okay. But it's still in the millions of  
2 dollars; is that --

3 A. Yes. Most of the time they would say, it was,  
4 you know, 1-1/2 to 2 million.

5 Q. Were you present in the courtroom for opening  
6 statements?

7 A. I was, yes.

8 Q. And you understand that during Mr. Weaver's  
9 presentation, he told the jury that he was going to ask  
10 the jury to award \$500,000 for Sony Mobile's  
11 infringement of the patent?

12 A. I believe I remember that one, yes.

13 Q. Okay.

14 MR. WYNNE: Pass the witness, Your Honor.

15 THE COURT: All right. Redirect?

16 MR. HILL: Thank up, Your Honor.

17 REDIRECT EXAMINATION

18 BY MR. HILL:

19 Q. Mr. Parolin, let's start with that last point.

20 What would happen if you send some  
21 companies --

22 (REPORTER'S NOTE: Mr. Hill informed his  
23 mic is off.)

24 THE COURT: I think you turned off your  
25 mic.

1 MR. HILL: Oh. Is it working now?

2 THE COURT: Yes.

3 MR. HILL: Okay. Sorry about that.

4 A. No problem.

5 Q. (By Mr. Hill) What can happen if you send some  
6 companies a notice letter before you file a lawsuit  
7 against them for patent infringement?

8 A. Yeah. Typically, what happens is -- and we  
9 actually have companies threaten us all the time -- is,  
10 if I send a notice letter to a particular company, they  
11 can actually sue me right away. And with some  
12 companies, we feel there's a very high threat of people  
13 suing us right away.

14 So it's this catch-22. You want to let the  
15 people know; but at the same time, you know, just by  
16 sending a letter, they can sue me.

17 Q. So there are some people in this world who, if  
18 you approach them about your patent rights, they will  
19 sue you first; and they know that's a deterrent to keep  
20 people from approaching them about their rights.

21 A. Absolutely. We hear that all the time, and  
22 we're threatened by that all the time. And it's  
23 happened to -- and it's not only a threat. We've had  
24 companies do this to us, where we went. We've done the  
25 right thing. I've sent them a letter and said, I think

1 you're infringing our patents, and we'd like to discuss  
2 it with you; and then we get back a lawsuit.

3           So for some companies and in some  
4 circumstances, you know, we're left with very little  
5 choice.

6       Q.    So is it a bully tactic that some companies,  
7 who have the resources to do that, pursue?

8       A.    Yes.  It tends to be the larger companies  
9 that, you know, they've got lots of money.  I mean,  
10 you've got to understand, we're -- you know, we do about  
11 \$80 million a year, which is -- which is good, but many  
12 of the companies we're trying to license do tens of  
13 billions of dollars a year, and we're quite a bit  
14 smaller.

15           So, you know, if we're worried about being  
16 sued by that company, we will definitely -- you know, in  
17 some cases, we will sue first, yeah.

18       Q.    Are there contractual arrangements that you  
19 may have had in the past with some companies that  
20 require you to actually file suit to initiate a case  
21 against them rather than some informal process?

22       A.    There is.  And that's why some of the  
23 questions were a little uncomfortable for me.

24           We've got some -- some companies, you know,  
25 we'll do an agreement on a specific technology, and then

1 they'll -- they've actually put in the agreement,  
2 because they think it's a deterrent for little ol'  
3 Wi-LAN, you know, that they don't want to sue, they'll  
4 actually say, you know, damages can't accrue or, you  
5 know, we won't even consider paying you until you sue  
6 us.

7           So these are the type of things that go on in  
8 the licensing business all the time.

9           Q.    Tell me, Mr. Parolin, what's the number of  
10 potential licensees that you've had to sue more than  
11 once?

12          A.    It's a very small number. I can think off the  
13 top of my head it's maybe four or five companies where  
14 we've had to sue multiple times.

15               Typically, what will happen, is -- as I said,  
16 90 percent is done without litigation, and then there is  
17 a set of companies that, you know, maybe the numbers are  
18 very high, and they want to fight, or maybe they have a  
19 strong opinion, and we litigate.

20               But usually what happens is, you resolve a lot  
21 of issues in one litigation.

22          Q.    What's the number of companies that you've had  
23 to sue more than once that are sitting at this table in  
24 this courtroom today?

25          A.    It's three of these companies we've had to sue

1 more than once.

2 Q. So you said you could think of maybe four or

3 five, and three of them are sitting here?

4 A. Yeah. Today I can think of four or five,

5 yeah, and three of them are sitting here today.

6 Q. Well, let's talk about that. When we're  
7 talking about lawsuits and Wi-LAN's business model and  
8 the business of patents, frankly, patent ownership, are  
9 you -- let me ask you, have you ever heard the saying  
10 people in glass houses shouldn't throw rocks?

11 A. I've definitely heard that saying, yes.

12 Q. Are you aware of Alcatel-Lucent and Ericsson's

13 participation in patent licensing business just like

14 Wi-LAN is engaged in?

15 A. Absolutely, yeah. You know, it's -- it's  
16 funny. A lot of these companies that throw rocks at us  
17 actually do the same thing as us.

18 Q. Do they do it in their own name?

19 A. Not all the time. They -- you know, to --  
20 sort of shelter themselves. We see this with a lot of  
21 companies; but specifically, the companies you mentioned  
22 as well, is that they'll actually put patents in a trust  
23 or they'll sell them to a company like Wi-LAN or  
24 somebody else that licenses. Or they'll put them in a  
25 subsidiary called, you know, some name that's -- that's,

1 you know, not with those companies, and then they'll go  
2 assert those patents against companies like -- usually,  
3 they're not in their product field.

4 Q. Let me give you a name. Unwired Planet, have  
5 you ever heard of them?

6 A. I have, yes. They're a licensing company.

7 Q. Tell us about Unwired Planet.

8 A. They're a -- they're a licensing company that  
9 had some patents, and I believe they're public. You  
10 know, they took -- they were given 2,000 patents from  
11 Ericsson to go off and try to -- in the wireless space  
12 to go off and try to license Ericsson's competitors.

13 And what it allows is, it allows companies to  
14 license their own portfolio and also have this other  
15 portfolio there to be licensed, not under their own  
16 name.

17 Q. Did Ericsson have a back-end interest in that?

18 A. Yeah. It's public knowledge; and you can, you  
19 know, go to the Unwired Planet site and see what the  
20 back-end is. There's -- you know, they get a pretty  
21 hefty percentage, you know, up to 20, 50, 70 percent of  
22 the -- the royalties from that licensing program.

23 Q. And let's talk about -- with regard to  
24 Alcatel-Lucent, have you ever heard of the Multimedia  
25 Patent Trust?

1 A. Yes, I have, yes.

2 Q. What do you know about the Multimedia Patent  
3 Trust?

4 A. It's a -- it's a -- it's a set of patents set  
5 up by Lucent mostly in the multimedia space, video  
6 space; and they go off and they license -- they litigate  
7 a lot, and they license companies that, you know, aren't  
8 competitors of theirs.

9 So they have some video patents, so they'll go  
10 off and sue, you know, Canon and Nikon and, you know,  
11 companies that, you know, aren't really competitors, so  
12 they can't really fight back against Alcatel directly.

13 Q. Would it surprise you to learn that the  
14 Multimedia Patent Trust has filed over 30 lawsuits in  
15 the last five years?

16 A. It would not surprise me at all. And that  
17 number, I think, is actually higher than ours, so...

18 Q. Are you familiar with the fact that the  
19 Multimedia Patent Trust was actually sued by a  
20 standard-setting organization that Alcatel-Lucent was a  
21 part of because they saw it as just a mask for  
22 Alcatel-Lucent to violate its standards obligation?

23 A. Yeah. My understanding is, you know, before  
24 the -- just before the acquisition by Alcatel of  
25 Lucent -- and Alcatel had a -- so what happens is,

1 when you -- when you join a licensing pool or -- you'll  
2 say: I'm going to donate all my patents, and this  
3 licensing pool is going to go out and license on your  
4 behalf.

5 And what they try to do in the pool is, they  
6 try to get all the companies in that market involved.  
7 But what some companies do is they say -- just before  
8 they join, they -- you know, they shelve off a few  
9 patents, and they keep it out. So it allows them to go  
10 license in particular.

11 I'm not sure what happened from the lawsuit,  
12 but the lawsuit -- that type of thing was insinuated by  
13 the filing of the lawsuit.

14 Q. Are you aware of the fact that Ericsson was a  
15 plaintiff in this courtroom and got a judgment less than  
16 three weeks ago?

17 MR. JONES: Your Honor, can we approach  
18 the bench?

19 THE COURT: Yes, you may.

20 (Bench conference.)

21 MR. JONES: My objection is, none of this  
22 is none of this -- my objection is none of this is  
23 relevant. Nobody has said they can't license their  
24 patents, number one.

25 Number two, we're getting off into every

1 lawsuit in the world, which if we want to try, we can.  
2 This is -- this is not relevant, and I object for that  
3 reason, and also --

4                   MR. HILL: Your Honor, they have, as a  
5 theme in their trial, indicted our business model; and  
6 in doing so, they make relevant their own business  
7 practices.

8                   THE COURT: Overruled.

9                   (Bench conference.)

10           Q. (By Mr. Hill) So three weeks ago, Ericsson, in  
11 this courtroom, Plaintiff, right?

12           A. That's what I understand, yes.

13           Q. Do you know who any of the Defendants were in  
14 that case?

15           A. I think they were smaller companies, like  
16 D-Link and that type of -- size company, little  
17 companies.

18           Q. Smaller than Ericsson?

19           A. Oh, yes, much smaller.

20           Q. You were asked earlier some questions about  
21 HTC, about whether you had discussions with HTC about  
22 these patents before you sued them.

23                   Has HTC ever expressed to Wi-LAN a resistance  
24 to taking a license to anything?

25           A. Absolutely. As I mentioned before, you know,