

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

**OPTIS WIRELESS TECHNOLOGY, LLC,
OPTIS CELLULAR TECHNOLOGY, LLC,
UNWIRED PLANET, LLC, UNWIRED
PLANET INTERNATIONAL LIMITED,
AND PANOPTIS PATENT MANAGEMENT,
LLC**

Plaintiffs,

v.

TESLA INC.,

Defendant.

Civil Action No. 2:20-cv-310

JURY TRIAL REQUESTED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiffs Optis Wireless Technology, LLC, Optis Cellular Technology, LLC, Unwired Planet, LLC, Unwired Planet International Limited, and PanOptis Patent Management, LLC (collectively and/or individually referred to as the “Plaintiff(s)” herein) file this Complaint against Tesla Inc. (“Tesla”), and allege as follows:

NATURE OF THE ACTION

1. This is a claim for patent infringement arising under the patent laws of the United States, Title 35 of the United States Code. For example, Tesla has infringed and continues to infringe, contribute to the infringement of, and/or actively induce others to infringe U.S. Patent Nos. 8,149,727 (“the ’727 patent”), 8,199,792 (“the ’792 patent”), 8,223,863 (“the ’863 patent”), 8,254,335 (“the ’335 patent), and 8,320,319 (“the ’319 patent”) (collectively, the “Patents-in-Suit”). The Patents-in-Suit are valid and enforceable, and Plaintiffs believe that they

are necessary to practice the 3GPP LTE cellular technical specifications. Tesla is not currently licensed to practice the Patents-in-Suit.

2. The Plaintiffs have attempted to negotiate with Tesla to reach an agreement for a FRAND license to the Plaintiffs' cellular patent portfolios. For example, Plaintiffs first contacted Tesla in March 2017, and sent six letters over the course of nearly a year before receiving any response from Tesla. When Tesla finally responded, Tesla told Plaintiffs that Tesla preferred to deal with Avanci LLC. On information and belief, Tesla declined to take a license to Plaintiffs' SEPs through Avanci despite Avanci's multiple license proposals. In fact, Tesla has yet to provide any counter-offer (FRAND or otherwise) for a license to Plaintiffs' SEPs to either Plaintiffs or Avanci.

3. The negotiations have been unsuccessful because Tesla is not acting in good faith, is holding out and is frustrating performance of Plaintiffs' FRAND commitment. Therefore, the Plaintiffs file this Complaint seeking a judgment of and relief for Tesla's conduct.

PARTIES

4. Plaintiff Optis Wireless Technology, LLC ("Optis Wireless") is a limited liability company organized and existing under the laws of the State of Delaware, and maintains its principal place of business at 7160 Dallas Parkway, Suite 250, Plano, TX 75024.

5. Plaintiff Optis Cellular Technology, LLC ("Optis Cellular") is a limited liability company organized and existing under the laws of the State of Delaware, and maintains its principal place of business at 7160 Dallas Parkway, Suite 250, Plano, TX 75024.

6. Plaintiff Unwired Planet, LLC ("Unwired Planet") is a limited liability company organized and existing under the laws of the State of Nevada, and maintains its principal place of business at 7160 Dallas Parkway, Suite 250, Plano, TX 75024.

7. Plaintiff Unwired Planet International Limited (“UPIL”) is a limited liability company organized and existing under the laws of Ireland, and maintains its principal place of business at Unit 32, Hyde Bldg., The Park, Carrickmines, Dublin 18, Ireland.

8. Plaintiff PanOptis Patent Management, LLC (“PPM”) is a limited liability company organized and existing under the laws of the State of Delaware, and maintains its principal place of business at 7160 Dallas Parkway, Suite 250, Plano, TX 75024.

9. On information and belief, Defendant Tesla Inc. is a corporation organized under the laws of the State of Delaware, having a principal place of business at 3500 Deer Creek Road, Palo Alto, CA 94304. Tesla may do business with the fictitious name Tesla Motors, Inc.

10. Optis Wireless is the assignee of numerous patents, many originally assigned to Panasonic Corporation (“Panasonic”), that are, and remain, essential (as that term is defined by ETSI) to practicing the LTE Standard.

11. Optis Wireless is also the assignee of numerous patents, many originally assigned to Telefonaktiebolaget LM Ericsson (“Ericsson”), that are, and remain, essential (as that term is defined by ETSI) to practicing the LTE Standard.

12. Optis Cellular is the assignee of numerous patents, many originally assigned to LG Electronics Inc. (“LG”), that are, and remain, essential (as that term is defined by ETSI) to practicing the LTE Standard.

13. Optis Cellular is also the assignee of numerous patents, many originally assigned to Ericsson that are, and remain, essential (as that term is defined by ETSI) to practicing the LTE Standard.

14. Unwired Planet is the assignee of numerous patents, many originally assigned to Ericsson that are, and remain, essential (as that term is defined by ETSI) to practicing the LTE Standard.

15. UPIIL the assignee of numerous patents, many originally assigned to Samsung Electronics Co., Ltd. (“Samsung”) that are, and remain, essential (as that term is defined by ETSI) to practicing the LTE Standard.

16. Each of the Patents-in-Suit has been declared to ETSI, by its original assignee, as well as by Plaintiffs, as essential to practicing the 3GPP LTE technical specifications.

17. Ericsson, Panasonic, Samsung and LG were and continue to be active participants in 3GPP. They have each made numerous contributions to the 3GPP technical specifications, including in the radio access technology. The Patents-in-suit are examples of the significant investment these companies made in research and development for cellular technology.

18. Ericsson, Panasonic, Samsung, and LG have each had a history of making FRAND commitments to ETSI and other telecommunication standards organizations, including through both general declarations and/or specific declarations.

JURISDICTION AND VENUE

19. Within the United States, this Court has subject matter jurisdiction over this case under 28 U.S.C. §§ 1331, 1332, 1338, and 1367.

20. The amount in controversy exceeds \$75,000.

21. Tesla designs, manufactures, uses, imports into/exports out of the United States, sells, and/or offers for sale in the United States vehicles with 4G (LTE) cellular communication capability. Tesla’s vehicles are marketed, offered for sale, and/or sold throughout the United States, including within this District.

22. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391 and 1400(b).

23. This Court has personal jurisdiction over Tesla. Tesla has continuous and systematic business contacts with the State of Texas. Tesla, directly or through subsidiaries or intermediaries (including distributors, retailers, and others), conducts its business extensively throughout Texas, by shipping, distributing, offering for sale, selling, and advertising (including the provision of interactive web pages) its vehicles and services in the State of Texas and the Eastern District of Texas.

24. Tesla, directly and through subsidiaries or intermediaries (including distributors, retailers, and others), has purposefully and voluntarily placed its infringing vehicles and services into this District and into the stream of commerce with the intention and expectation that they will be purchased and used as designed by consumers in this District. Tesla has offered and sold and continues to offer and sell these infringing vehicles and services in this District, including at physical Tesla stores located within this District.

25. Tesla has also directed communications in connection with negotiations with the Plaintiffs into the Eastern District of Texas.

26. Tesla has committed acts of infringement in this judicial district and has a regular and established place of business in this judicial district.

27. Tesla occupies several permanent, physical places within this District from which Tesla carries out its business. For example, Tesla has physical gallery/stores in the following locations in this District: (1) 5800 Democracy Drive, Plano, TX 75024 (“Plano-Democracy Drive”); (2) 7500 Windrose Avenue Space B185, Plano TX 75024 (“Plano-Legacy West”); and (3) 3408 S SW Loop 323, Tyler, TX 75701 (“Tyler Site”). Tesla conducts business from these locations and has employees who work at these Tesla locations in this District. For example, on

information and belief, Tesla's Plano-Democracy Drive site provides both sales and services. On further information and belief, Tesla operates a sales gallery at the Plano-Legacy West site and a service center at the Tyler Site.

28. As another example of permanent, physical places within this District from which Tesla carries out its business, Tesla has a number of Supercharger stations in this District, including at least: (1) Texarkana Supercharger, 3101 Mall Drive Texarkana, TX; (2) Sulpher Springs Supercharger, 300 W Tomlinson Street Sulpher Springs, TX; (3) Lindale Supercharger, 17044 I-20 Lindale, TX; and (4) Nacogdoches Supercharger, 2615 NW Stallings Dr Nacogdoches, TX. These Supercharger stations have commercial signage identifying the location as a regular and established place of Tesla's business, and are closely monitored and serviced by Tesla Service Technicians.

29. As a further example of permanent physical places within this District from which Tesla carries out its business, Tesla maintains at least seven destination charger stations in this District. Upon information and belief, these destination charger stations have commercial signage identifying the location as a regular and established place of Tesla's business, and Tesla provides assistance with installation and charging hardware for these destination charger stations.

30. On information and belief, Tesla monitors and controls supercharging or destination charging and sends notifications when charging is complete with the Tesla app. On information and belief, the monitoring and controlling of charging and the transmission of notification messages are conducted over cellular networks.

DEVELOPMENT OF CELLULAR TECHNICAL SPECIFICATIONS BY 3GPP

31. Cellular technologies developed and approved by 3rd Generation Partnership Project ("3GPP") has enabled companies, including Tesla with no history in the wireless

communication development, to sell products such as electrical vehicles equipped with integrated cellular connectivity.

32. Originally established in 1998 to produce technical specifications and technical reports for a 3G mobile system, the scope of 3GPP has since expanded. For example, it has since taken on the responsibility of developing LTE (including LTE-Advanced and LTE-Advanced Pro) and 5G cellular technologies. That is, “3GPP has become the focal point for the vast majority of mobile systems beyond 3G.” (<https://www.3gpp.org/about-3gpp>).

33. 3GPP produces technical specifications that define cellular technologies. 3GPP has three technical specification groups: Radio Access Networks (“RAN”), Services & Systems Aspects (“SA”), and Core Networks & Terminals (“CT”). Each technical specification group has several working groups. The working groups meet regularly to discuss technical contributions by member companies, and come together for their quarterly technical specification group plenary meetings where agreements reached at the working group level are presented for information, discussion and approval at the technical specification group level. 3GPP technical specifications are contribution-driven by member companies in working groups and technical specification groups.

RELATIONSHIP BETWEEN ETSI AND 3GPP

34. 3GPP currently has seven telecommunication standard development organizations as organizational partners, one of which is The European Telecommunications Standards Institute or ETSI. Not all 3GPP members are ETSI members.

35. ETSI is an independent, non-profit standard setting organization (SSO). In addition to being an organizational partner of 3GPP, ETSI has many of its own standard setting activities directed to the European region. ETSI needs to approve the technical specifications

made by 3GPP to convert these technical specifications into a corresponding ETSI technical specification or standard.

36. ETSI has developed and promulgated an IPR Policy. ETSI IPR Policy is to further “ETSI’s objective to create STANDARDS and TECHNICAL SPECIFICATIONS that are based on solutions best meet the technical objectives of the European telecommunication sector, as defined by the General Assembly.” ETSI IPR Policy, § 3.1. To do so, ETSI IPR Policy “seeks to reduce the risk to ETSI, MEMBERS, and others applying ETSI STANDARDS and TECHNICAL SPECIFICATIONS, that investment in the preparation, adoption and application of STANDARDS could be wasted as a result of an ESSENTIAL IPR for a STANDARD or TECHNICAL SPECIFICATION being unavailable” and “seeks a balance between the needs of standardization for public use in the field of telecommunications and the rights of the owners of IPRs.” *Id.* One important objective of ETSI IPR Policy is to ensure that “IPR holders[,] whether members of ETSI and their AFFILIATES or third parties, [] be adequately and fairly rewarded for the use of their IPRs in the implementation of STANDARDS and TECHNICAL SPECIFICATIONS.” *Id.*, § 3.2.

37. FRAND licensing declaration is a means by which ETSI IPR holders assure others that IPRs needed to implement ETSI standards and technical specifications are available and available on FRAND terms. ETSI has both a general IPR license declaration form and a more specific “IPR Information Statement and Licensing Declaration” form. *Id.*, § 6bis and Appendix.

TESLA’S USE OF THE PATENTED TECHNOLOGY

38. As discussed above and further below, Tesla has directly and indirectly infringed and continues to directly and indirectly infringe each of the Patents-in-Suit by

importing/exporting into/from the United States, manufacturing, using, marketing, offering for sale, and/or selling in the United States, connected vehicles that communicate over the 4G/LTE cellular network standard that practices the technology covered by one or more claims of the Patents-in-Suit. The infringing products include all Tesla automobiles without limitation Tesla's Model S, Model 3, Model X, Model Y, that are configured to communicate over the 4G/LTE cellular network ("the Tesla 4G/LTE Accused Products"). On information and belief, these models include 3GPP LTE-practicing baseband processor. On information and belief, these models include RF transceivers, antennas, CPU, RF power amplifiers, user graphical interfaces, and other software and hardware. All of these components combine together to enable the Tesla vehicles, Tesla, and the users of those vehicles to conduct LTE communications by practicing the 3GPP LTE standards.

39. Tesla advertises, and it is widely publicized, that the Tesla 4G/LTE Accused Products are capable of communicating via cellular network in a manner that practices the 4G/LTE cellular network standards. For example, the user manuals for Tesla's Model S, Model X, Model 3, and Model Y state that the vehicle touchscreens include a "cellular icon" indicating the vehicle's connectivity to cellular data networks, which is "usually LTE."

40. As another example, it was widely publicized that starting around May 2015, and moving forward thereafter, all Tesla 4G/LTE Accused Products would include 4G/LTE connectivity. *See, e.g.*, <https://tesladriver.net/should-you-lte-4g-upgrade-an-older-tesla/>; <https://electrek.co/2015/06/05/first-lte-enabled-model-s-delivered/>. On information and belief, for older Model S cars, Tesla offers an upgrade from 3G to 4G that costs \$500.

41. As a further example, Tesla has touted “premium connectivity” features for the Tesla 4G/LTE Accused Products that include “LTE connections.” *See* <https://electrek.co/2018/06/23/tesla-new-paid-premium-connectivity-package-in-car-internet-features/>.

42. Tesla states on its website that “[c]onnectivity is an important part of all Tesla cars, further enhancing the driving experience by providing access to features that require data usage – including streaming music and media, live traffic visualization and more.” *See* <https://www.tesla.com/support/connectivity>. Tesla further notes that “Premium Connectivity provides the ability to access all connectivity features over cellular, in addition to Wi-Fi, for the most intuitive and engaging ownership experience.” *See* <https://www.tesla.com/support/connectivity>.

43. On information and belief, Tesla owners who purchased their car on or before June 30, 2018, have been “grandfathered” into having Premium Connectivity for the lifetime of the vehicle. *See, e.g.*, <https://onlyusedtesla.com/complete-guide-to-teslas-premium-connectivity-2020-edition/>. For customers who purchased their car after June 2018, Tesla’s Premium Connectivity is available as a \$9.99 monthly subscription for all of the Tesla 4G/LTE Accused Products. In addition, Model S, Model X, Model Y and Model 3 vehicles with Premium Interior receive a Premium Connectivity trial for one year. *See* <https://www.tesla.com/support/connectivity>.

44. According to Tesla, customers who have Premium Connectivity have access to the following enhanced features:

Connectivity Packages

Connectivity Packages	Standard Included	Premium
<i>Navigation</i>	✓	✓
<i>Live Traffic Visualization</i>	-	✓
<i>Satellite-View Maps</i>	-	✓
<i>Video Streaming*</i>	-	✓
<i>Caraoke*</i>	-	✓
<i>Music Streaming**</i>	-	✓
<i>Internet Browser*</i>	-	✓

* Accessible over Wi-Fi for Standard Connectivity

** For Standard Connectivity, a paid subscription to streaming services is required to access music and media streaming over Wi-Fi

45. On information and belief, the Tesla 4G/LTE Accused Products also use 4G/LTE cellular communication to implement core safety and service features. For example, Tesla’s 2019 10-K Statement explains that “[o]ur vehicles are also designed with the capability to wirelessly upload data to us via an on-board system with cellular connectivity, allowing us to diagnose and remedy many problems before ever looking at the vehicle.” Tesla further explains that “[i]mportant safety updates will continue to be available over the car’s cellular connection” regardless of whether a customer purchases a “Premium Connectivity” plan. *See, e.g.,* <https://www.tesla.com/support/connectivity>.

46. In addition to initiating automatic safety updates, Tesla provides instruction manuals that instruct the users of the Tesla 4G/LTE Accused Products to use the Tesla 4G/LTE Accused Products in a manner that infringes the Patents-in-Suit. For example, Tesla instructs users how to use the cellular features on its website and in the manuals for the Tesla 4G/LTE Accused Products, as detailed above. As another example, Tesla advertises its Tesla mobile

applications on its web site and instructs its customers on its usage. *See* <https://www.tesla.com/support/tesla-app>.

47. On information and belief, Tesla tests the cellular functionality of each of the Tesla 4G/LTE Accused Products in the United States and thereby directly performs the claimed method and/or uses the claimed apparatus, thus infringing the Patents-in-Suit.

48. Tesla has further directly and indirectly infringed and continues to directly and indirectly infringe each of the Patents-in-Suit through its provisioning and using of its services and mobile applications (“the Accused Services”). Such services include, but are not limited to, provisioning of cellular connectivity, remote diagnosis, provisioning of important updates over cellular networks, provisioning of Tesla Application, enabling customers’ monitoring and controlling of vehicles over cellular networks, sending notifications for selected events (such as vehicle charging status) and enabling customers to receive notifications, which can be and are often transmitted over cellular networks.

49. Tesla’s acts of infringement have caused damage to the Plaintiffs. The Plaintiffs are entitled to recover from Tesla the damages sustained by the Plaintiffs as a result of Tesla’s wrongful acts in an amount subject to proof at trial.

50. Tesla’s infringement of the Patents-in-Suit is willful. Tesla continues to commit acts of infringement despite a high likelihood that its actions constitute infringement, and Tesla knew or should have known that its actions constituted an unjustifiably high risk of infringement.

**PLAINTIFFS’ ATTEMPTS TO LICENSE TESLA ON FRAND TERMS
AND TESLA’S KNOWLEDGE OF THE PATENTS-IN-SUIT**

51. Tesla requires a license to cellular essential patents owned by Plaintiffs. The Plaintiffs, in conformance with ETSI’s IPR Policy, have informed Tesla that they are prepared to

grant Tesla an irrevocable license to their standard essential patents, including the Patents-in-Suit, on terms that are Fair, Reasonable, and Non-Discriminatory (“FRAND”).

52. In addition, upon information and belief, Avanci also made Tesla a FRAND offer to Plaintiffs’ SEP patent portfolio, among other patents.

53. On information and belief, Avanci first reached out to Tesla regarding a license for patents that are essential to the 4G/LTE standard in 2016, but Avanci and Tesla were unable to reach an agreement concerning a license at that time.

54. On or about March 22, 2017, the Plaintiffs sent Tesla a notice letter. In particular, Plaintiffs notified Tesla that Plaintiffs own patents “which are necessary (or essential) to the manufacture and use of cellular technology for 2G, 3G and 4G communication standards.” Plaintiffs also notified Tesla that “[a]s a global company, which makes and sells electric cars with integrated cellular connectivity, including, e.g. Model S and Model X, we believe that the Optis patent portfolios should be of particular interest to Tesla Motors” and that Plaintiffs were “reaching out again to initiate good faith licensing discussions.” Plaintiffs further confirmed that “any license of essential patents in the Optis portfolios would be offered to Tesla, on terms and conditions that are fair, reasonable, and non-discriminatory (FRAND).”

55. Tesla did not respond to Plaintiffs’ March 2017 letter.

56. Plaintiffs sent a follow up letter to Tesla on or about May 1, 2017.

57. Tesla did not respond to Plaintiffs’ May 1, 2017 letter.

58. On or about May 31, 2017, Plaintiffs sent another letter to Tesla. This time, Plaintiffs attached a specific list of patents and explained that the list “shows the patent numbers and issuing countries of the patents declared essential in the Optis patent portfolios.” The list attached to the May 31, 2017 letter included each of the Patents-in-suit. In the May 31, 2017

letter, Plaintiffs once again confirmed that they were “committed to negotiating licenses for [their] SEPs on terms and conditions that are fair, reasonable, and non-discriminatory (FRAND)” and invited Tesla “to open a dialogue regarding terms of a license to the Optis patent portfolios.” Plaintiffs requested that Tesla reach out before June 14, 2017 to discuss a license.

59. Tesla did not respond to Plaintiffs’ May 31 letter.

60. On or about June 29, 2017, Plaintiffs sent Tesla another letter. In addition to reiterating the points made in their prior letters, Plaintiffs directed Tesla’s attention to various court cases involving some of Plaintiffs’ patents where Plaintiffs had received favorable rulings and results.

61. Tesla did not respond to Plaintiffs’ June 29 letter.

62. On August 10, 2017, Plaintiffs sent Tesla another letter that reiterated many of the points in Plaintiffs’ prior letters. Plaintiffs also attached an article from Bloomberg that discusses Plaintiffs’ litigation against Huawei. Plaintiffs further noted that “[w]e would like to reach a license arrangement with Tesla but your refusal to respond to our prior letters leads me to believe that Tesla is an unwilling licensee.”

63. Tesla did not respond to Plaintiffs August 10, 2017 letter.

64. On or about September 27, 2017, Plaintiffs sent a sixth letter to Tesla. Tesla did not respond to Plaintiffs letters until on or about February 5, 2018. In that letter, Tesla stated that it had been “in ongoing discussions since the summer of 2016 . . . with Avanci concerning the licensing of patent portfolios” and that it understood that “Avanci has rights to license various declared standard-essential patent (“SEP”) portfolios, including the Optis Portfolios.”

65. On information and belief, Avanci has made specific offers to Tesla for a license on FRAND terms. For example, in or about February 2020, Avanci sent Tesla a draft license

agreement that covered all 2G, 3G and 4G/LTE SEPs included within the Avanci patent pool. In that same correspondence, Avanci sent Tesla a list of the patents that would be included in the license. Each of the Patents-in-Suit was included in that list. Avanci also provided Tesla with a detailed explanation regarding why the proposed license rates were FRAND.

66. Despite Avanci's attempts to discuss a FRAND license with Tesla, on information and belief, Tesla was unwilling to agree to the FRAND terms proposed by Avanci. On information and belief, Tesla has never made a counter-offer (FRAND or otherwise) to Avanci's license proposal. For example, it took Tesla nearly 4 months to respond to Avanci's license offer and instead of providing a counter-offer, it attempted to impose unreasonable rules on license negotiation. Tesla claims that it did not require a license to any patent that Avanci was responsible for licensing.

67. Tesla has been operating and continues to operate without a license to the Plaintiffs' essential patents, including the Patents-in-Suit. Given Tesla's unwillingness to license the Plaintiffs' essential patents, or to cease its infringement, the Plaintiffs have filed this lawsuit for the purpose of protecting their patent rights in the United States.

68. In addition to having actual notice of the Patents-in-Suit as a result of the pre-suit negotiations described above, Tesla has had actual notice and knowledge of all of the Patents-in-Suit no later than the filing of this Complaint and/or the date this Complaint was served upon Tesla. On information and belief, Tesla continues without license to make, use, import/export into/from, market, offer for sale, and/or sell in the United States products and services that infringe the Patents-in-Suit. On information and belief, despite knowledge of the patents, Tesla continues without license to contribute to the infringement of other and to actively induce others to infringe the Patents-in-Suit. For example, Tesla controls mobile applications that allows its

customers to request that Tesla send information on the customer's Tesla vehicle and/or cause the Tesla vehicle to take certain acts. As another example, Tesla provides and/or markets premium connectivity packages to its customers that allow data access via cellular network. As yet another example, Tesla continues to allow critical safety updates via cellular networks.

COUNT I: PATENT INFRINGEMENT OF THE '727 PATENT¹

69. Plaintiffs incorporate by reference the preceding paragraphs 1-68 as though fully set forth herein.

70. The '727 patent is entitled "Radio Transmission Apparatus, and Radio Transmission Method." The '727 patent was duly and legally issued on April 3, 2012. Plaintiff OWT owns all rights, title and interest in the '727 patent necessary to bring this action, including the right to recover past and future damages. A true and correct copy of the '727 patent is attached hereto as Exhibit 1.

71. The '727 patent is essential under the 3GPP LTE standards as explained by way of exemplary claims in attached Exhibit 2. Thus, the Tesla 4G/LTE Accused Products and Services that comply with the 3GPP LTE standards practice the '727 patent.

72. Tesla infringes, contributes to the infringement of, and/or induces infringement of the '727 patent by making, using, selling, offering for sale, exporting from, and/or importing into the United States products, services and/or methods covered by one or more claims of the '727 patent including, but not limited to, at least the Tesla 4G/LTE Accused Products and Accused Services.

¹ In the interest of providing detailed averments of infringement, Plaintiffs have identified at least one claim per patent to demonstrate infringement. However, the selection of claims should not be considered limiting, and additional claims of the Patents-in-Suit that are infringed by Tesla will be disclosed in compliance with the Court's rules related to infringement contentions.

73. Thus, as just illustrated in Exhibit 2, the Tesla 4G/LTE Accused Products and Services directly infringe one or more claims of the '727 patent. Tesla makes, uses, sells, offers for sale, exports, and/or imports, in this District and/or elsewhere in the United States, these vehicles that are compatible with the 4G/LTE standard and thus directly infringes the '727 patent. Tesla also uses, distributes, sells, offers for sale in this District and/or elsewhere in the United States, services that utilize the 4G/LTE standard and thus directly and/or indirectly infringes the '727 patent.

74. Tesla was made aware of the '727 patent and its infringement no later than May 31, 2017 when Plaintiffs provided Tesla with a list of standards essential patents in the OWT portfolio, as discussed in paragraph 58 above.

75. Tesla was also made aware of the '727 patent and its infringement as of February 2020 when Avanci provided Tesla with a list of standards essential patents that it is authorized to license, as discussed in paragraph 65 above.

76. Tesla has had knowledge and notice of the '727 patent and its infringement also by way of the filing of the Complaint.

77. Tesla indirectly infringes the '727 patent, as provided in 35 U.S.C. § 271(b), by *inter alia*, and with specific intent or willful blindness, actively aiding and abetting infringement by others, such as Tesla's partners, customers and end-users, in this District and elsewhere in the United States. For example, Tesla's partners, customers and end-users directly infringe through their use of the inventions claimed in the '727 patent. Tesla induces this direct infringement through its affirmative acts of manufacturing, selling, distributing, and/or otherwise making available the Tesla 4G/LTE Accused Products and Services, and providing instructions, documentation, mobile applications and other information to customers and end-users suggesting

they use the Tesla 4G/LTE Accused Products and Services in an infringing manner, including in-store or on-site technical support and services, support at customer sites, online technical support, training, marketing, product manuals, advertisements, and online documentation. As a result of Tesla's inducement, Tesla's partners customers and end-users use the Tesla 4G/LTE Accused Products and Services in the way Tesla intends and directly infringe the '727 patent. Tesla performs these affirmative acts with knowledge of the '727 Patent and with the intent, or willful blindness, that the induced acts directly infringe the '727 patent.

78. Tesla also indirectly infringes the '727 patent, as provided by 35 U.S.C. § 271(c), by contributing to direct infringement committed by others, such as customers and end-users, in this District and elsewhere in the United States. Tesla's affirmative acts of selling and offering to sell, in this District and elsewhere in the United States, the Tesla 4G/LTE Accused Products and causing the Tesla 4G/LTE Accused Products to be manufactured, used, sold, and offered for sale contribute to Tesla's customers and end-users use of the Tesla 4G/LTE Accused Products, such that the '727 patent is directly infringed. The Tesla 4G/LTE Accused Products and Services are material to the invention of the '727 patent, are not staple articles or commodities of commerce, have no substantial non-infringing uses, and are known by Tesla to be especially made or adapted for use in the infringement of the '727 patent. Tesla performs these affirmative acts with knowledge of the '727 patent and with intent, or willful blindness, that they cause the direct infringement of the '727 patent.

79. Tesla's infringement of the '727 patent has damaged and will continue to damage the Plaintiffs.

COUNT II: PATENT INFRINGEMENT OF THE '792 PATENT

80. Plaintiffs incorporate by reference the preceding paragraphs 1-79 as though fully set forth herein.

81. The '792 patent is entitled "Radio Communication Apparatus and Response Signal Spreading Method." The '792 patent was duly and legally issued on June 12, 2012. Plaintiff OWT owns all rights, title and interest in the '792 patent necessary to bring this action, including the right to recover past and future damages. A true and correct copy of the '792 patent is attached hereto as Exhibit 3.

82. The '792 patent is essential under the 3GPP LTE standards as explained by way of exemplary claims in attached Exhibit 4. Thus, the Tesla 4G/LTE Accused Products and Services that comply with the 3GPP LTE standards practice the '792 patent.

83. Tesla infringes, contributes to the infringement of, and/or induces infringement of the '792 patent by making, using, selling, offering for sale, exporting from, and/or importing into the United States products, services and/or methods covered by one or more claims of the '792 patent including, but not limited to, at least the Tesla 4G/LTE Accused Products and Accused Services.

84. Thus, as just illustrated in Exhibit 4, the Tesla 4G/LTE Accused Products and Services directly infringe one or more claims of the '792 patent. Tesla makes, uses, sells, offers for sale, exports, and/or imports, in this District and/or elsewhere in the United States, these vehicles that are compatible with the 4G/LTE standard and thus directly infringes the '792 patent. Tesla also uses, distributes, sells, offers for sale in this District and/or elsewhere in the United States, services that utilize the 4G/LTE standard and thus directly and/or indirectly infringes the '792 patent.

85. Tesla was made aware of the '792 patent and its infringement as of May 31, 2017 when Plaintiffs provided Tesla with a list of standards essential patents in the OWT portfolio, as discussed in paragraph 58 above.

86. Tesla was also made aware of the '792 patent and its infringement as of February 2020 when Avanci provided Tesla with a list of standards essential patents that it is authorized to license, as discussed in paragraph 65 above.

87. Tesla has had knowledge and notice of the '792 patent and its infringement also by way of the filing of the Complaint.

88. Tesla indirectly infringes the '792 patent, as provided in 35 U.S.C. § 271(b), by *inter alia*, and with specific intent or willful blindness, actively aiding and abetting infringement by others, such as Tesla's partners, customers and end-users, in this District and elsewhere in the United States. For example, Tesla's partners, customers and end-users directly infringe through their use of the inventions claimed in the '792 patent. Tesla induces this direct infringement through its affirmative acts of manufacturing, selling, distributing, and/or otherwise making available the Tesla 4G/LTE Accused Products and Services, and providing instructions, documentation, mobile applications and other information to customers and end-users suggesting they use the Tesla 4G/LTE Accused Products and Services in an infringing manner, including in-store or on-site technical support and services, support at customer sites, online technical support, training, marketing, product manuals, advertisements, and online documentation. As a result of Tesla's inducement, Tesla's partners customers and end-users use the Tesla 4G/LTE Accused Products and Services in the way Tesla intends and directly infringe the '792 patent. Tesla performs these affirmative acts with knowledge of the '792 Patent and with the intent, or willful blindness, that the induced acts directly infringe the '792 patent.

89. Tesla also indirectly infringes the '792 patent, as provided by 35 U.S.C. § 271(c), by contributing to direct infringement committed by others, such as customers and end-users, in this District and elsewhere in the United States. Tesla's affirmative acts of selling and offering to sell, in this District and elsewhere in the United States, the Tesla 4G/LTE Accused Products and causing the Tesla 4G/LTE Accused Products to be manufactured, used, sold, and offered for sale contribute to Tesla's customers and end-users use of the Tesla 4G/LTE Accused Products, such that the '792 patent is directly infringed. The Tesla 4G/LTE Accused Products and Services are material to the invention of the '792 patent, are not staple articles or commodities of commerce, have no substantial non-infringing uses, and are known by Tesla to be especially made or adapted for use in the infringement of the '792 patent. Tesla performs these affirmative acts with knowledge of the '792 patent and with intent, or willful blindness, that they cause the direct infringement of the '792 patent.

90. Tesla's infringement of the '792 patent has damaged and will continue to damage the Plaintiffs.

COUNT III: PATENT INFRINGEMENT OF THE '863 PATENT

91. Plaintiffs incorporate by reference the preceding paragraphs 1-90 as though fully set forth herein.

92. The '863 patent is entitled "Method and Apparatus in a Cellular Communication System." The '863 patent was duly and legally issued on June 17, 2012. Plaintiff OWT owns all rights, title and interest in the '863 patent necessary to bring this action, including the right to recover past and future damages. A true and correct copy of the '863 patent is attached hereto as Exhibit 5.

93. The '863 patent is essential under the 3GPP LTE standards as explained by way of exemplary claims in attached Exhibit 6. Thus, the Tesla 4G/LTE Accused Products and Services that comply with the 3GPP LTE standards practice the '863 patent.

94. Tesla infringes, contributes to the infringement of, and/or induces infringement of the '863 patent by making, using, selling, offering for sale, exporting from, and/or importing into the United States products, services and/or methods covered by one or more claims of the '863 patent including, but not limited to, at least the Tesla 4G/LTE Accused Products and Accused Services.

95. Thus, as just illustrated in Exhibit 6, the Tesla 4G/LTE Accused Products and Services directly infringe one or more claims of the '863 patent. Tesla makes, uses, sells, offers for sale, exports, and/or imports, in this District and/or elsewhere in the United States, these vehicles that are compatible with the 4G/LTE standard and thus directly infringes the '863 patent. Tesla also uses, distributes, sells, offers for sale in this District and/or elsewhere in the United States, services that utilize the 4G/LTE standard and thus directly and/or indirectly infringes the '863 patent.

96. Tesla was made aware of the '863 patent and its infringement as of May 31, 2017 when Plaintiffs provided Tesla with a list of standards essential patents in the OWT portfolio, as discussed in paragraph 58 above.

97. Tesla was also made aware of the '863 patent and its infringement as of February 2020 when Avanci provided Tesla with a list of standards essential patents that it is authorized to license, as discussed in paragraph 65 above.

98. Tesla has had knowledge and notice of the '863 patent and its infringement also by way of the filing of the Complaint.

99. Tesla indirectly infringes the '863 patent, as provided in 35 U.S.C. § 271(b), by *inter alia*, and with specific intent or willful blindness, actively aiding and abetting infringement by others, such as Tesla's partners, customers and end-users, in this District and elsewhere in the United States. For example, Tesla's partners, customers and end-users directly infringe through their use of the inventions claimed in the '863 patent. Tesla induces this direct infringement through its affirmative acts of manufacturing, selling, distributing, and/or otherwise making available the Tesla 4G/LTE Accused Products and Services, and providing instructions, documentation, mobile applications and other information to customers and end-users suggesting they use the Tesla 4G/LTE Accused Products and Services in an infringing manner, including in-store or on-site technical support and services, support at customer sites, online technical support, training, marketing, product manuals, advertisements, and online documentation. As a result of Tesla's inducement, Tesla's partners customers and end-users use the Tesla 4G/LTE Accused Products and Services in the way Tesla intends and directly infringe the '863 patent. Tesla performs these affirmative acts with knowledge of the '863 Patent and with the intent, or willful blindness, that the induced acts directly infringe the '863 patent.

100. Tesla also indirectly infringes the '863 patent, as provided by 35 U.S.C. § 271(c), by contributing to direct infringement committed by others, such as customers and end-users, in this District and elsewhere in the United States. Tesla's affirmative acts of selling and offering to sell, in this District and elsewhere in the United States, the Tesla 4G/LTE Accused Products and causing the Tesla 4G/LTE Accused Products to be manufactured, used, sold, and offered for sale contribute to Tesla's customers and end-users use of the Tesla 4G/LTE Accused Products, such that the '863 patent is directly infringed. The Tesla 4G/LTE Accused Products and Services are material to the invention of the '863 patent, are not staple articles or commodities of

commerce, have no substantial non-infringing uses, and are known by Tesla to be especially made or adapted for use in the infringement of the '863 patent. Tesla performs these affirmative acts with knowledge of the '863 patent and with intent, or willful blindness, that they cause the direct infringement of the '863 patent.

101. Tesla's infringement of the '863 patent has damaged and will continue to damage the Plaintiffs.

COUNT IV: PATENT INFRINGEMENT OF THE '335 PATENT

102. Plaintiffs incorporate by reference the preceding paragraphs 1-101 as though fully set forth herein.

103. The '335 patent is entitled "Radio Communication Apparatus and Radio Communication Method." The '335 patent was duly and legally issued on August 28, 2012. Plaintiff OWT owns all rights, title and interest in the '335 patent necessary to bring this action, including the right to recover past and future damages. A true and correct copy of the '335 patent is attached hereto as Exhibit 7.

104. The '335 patent is essential under the 3GPP LTE standards as explained by way of exemplary claims in attached Exhibit 8. Thus, the Tesla 4G/LTE Accused Products and Services that comply with the 3GPP LTE standards practice the '335 patent.

105. Tesla infringes, contributes to the infringement of, and/or induces infringement of the '335 patent by making, using, selling, offering for sale, exporting from, and/or importing into the United States products, services and/or methods covered by one or more claims of the '335 patent including, but not limited to, at least the Tesla 4G/LTE Accused Products and Accused Services.

106. Thus, as just illustrated in Exhibit 8, the Tesla 4G/LTE Accused Products and Services directly infringe one or more claims of the '335 patent. Tesla makes, uses, sells, offers for sale, exports, and/or imports, in this District and/or elsewhere in the United States, these vehicles that are compatible with the 4G/LTE standard and thus directly infringes the '335 patent. Tesla also uses, distributes, sells, offers for sale in this District and/or elsewhere in the United States, services that utilize the 4G/LTE standard and thus directly and/or indirectly infringes the '335 patent.

107. Tesla was made aware of the '335 patent and its infringement as of May 31, 2017 when Plaintiffs provided Tesla with a list of standards essential patents in the OWT portfolio, as discussed in paragraph 58 above.

108. Tesla was also made aware of the '335 patent and its infringement as of February 2020 when Avanci provided Tesla with a list of standards essential patents that it is authorized to license, as discussed in paragraph 65 above.

109. Tesla has had knowledge and notice of the '335 patent and its infringement also by way of the filing of the Complaint.

110. Tesla indirectly infringes the '335 patent, as provided in 35 U.S.C. § 271(b), by *inter alia*, and with specific intent or willful blindness, actively aiding and abetting infringement by others, such as Tesla's partners, customers and end-users, in this District and elsewhere in the United States. For example, Tesla's partners, customers and end-users directly infringe through their use of the inventions claimed in the '335 patent. Tesla induces this direct infringement through its affirmative acts of manufacturing, selling, distributing, and/or otherwise making available the Tesla 4G/LTE Accused Products and Services, and providing instructions, documentation, mobile applications and other information to customers and end-users suggesting

they use the Tesla 4G/LTE Accused Products and Services in an infringing manner, including in-store or on-site technical support and services, support at customer sites, online technical support, training, marketing, product manuals, advertisements, and online documentation. As a result of Tesla's inducement, Tesla's partners customers and end-users use the Tesla 4G/LTE Accused Products and Services in the way Tesla intends and directly infringe the '335 patent. Tesla performs these affirmative acts with knowledge of the '335 Patent and with the intent, or willful blindness, that the induced acts directly infringe the '335 patent.

111. Tesla also indirectly infringes the '335 patent, as provided by 35 U.S.C. § 271(c), by contributing to direct infringement committed by others, such as customers and end-users, in this District and elsewhere in the United States. Tesla's affirmative acts of selling and offering to sell, in this District and elsewhere in the United States, the Tesla 4G/LTE Accused Products and causing the Tesla 4G/LTE Accused Products to be manufactured, used, sold, and offered for sale contribute to Tesla's customers and end-users use of the Tesla 4G/LTE Accused Products, such that the '335 patent is directly infringed. The Tesla 4G/LTE Accused Products and Services are material to the invention of the '335 patent, are not staple articles or commodities of commerce, have no substantial non-infringing uses, and are known by Tesla to be especially made or adapted for use in the infringement of the '335 patent. Tesla performs these affirmative acts with knowledge of the '335 patent and with intent, or willful blindness, that they cause the direct infringement of the '335 patent.

112. Tesla's infringement of the '335 patent has damaged and will continue to damage the Plaintiffs.

COUNT V: PATENT INFRINGEMENT OF THE '319 PATENT

113. Plaintiffs incorporate by reference the preceding paragraphs 1-112 as though fully set forth herein.

114. The '319 patent is entitled "Semi-Persistent Scheduled Resource Release Procedure in a Mobile Communication Network." The '319 patent was duly and legally issued on November 27, 2012. Plaintiff OWT owns all rights, title and interest in the '319 patent necessary to bring this action, including the right to recover past and future damages. A true and correct copy of the '319 patent is attached hereto as Exhibit 9.

115. The '319 patent is essential under the 3GPP LTE standards as explained by way of exemplary claims in attached Exhibit 10. Thus, the Tesla 4G/LTE Accused Products and Services that comply with the 3GPP LTE standards practice the '319 patent.

116. Tesla infringes, contributes to the infringement of, and/or induces infringement of the '319 patent by making, using, selling, offering for sale, exporting from, and/or importing into the United States products, services and/or methods covered by one or more claims of the '319 patent including, but not limited to, at least the Tesla 4G/LTE Accused Products and Accused Services.

117. Thus, as just illustrated in Exhibit 10, the Tesla 4G/LTE Accused Products and Services directly infringe one or more claims of the '319 patent. Tesla makes, uses, sells, offers for sale, exports, and/or imports, in this District and/or elsewhere in the United States, these vehicles that are compatible with the 4G/LTE standard and thus directly infringes the '319 patent. Tesla also uses, distributes, sells, offers for sale in this District and/or elsewhere in the United States, services that utilize the 4G/LTE standard and thus directly and/or indirectly infringes the '319 patent.

118. Tesla was made aware of the '319 patent and its infringement as of May 31, 2017 when Plaintiffs provided Tesla with a list of standards essential patents in the OWT portfolio, as discussed in paragraph 58 above.

119. Tesla was also made aware of the '319 patent and its infringement as of February 2020 when Avanci provided Tesla with a list of standards essential patents that it is authorized to license, as discussed in paragraph 65 above.

120. Tesla has had knowledge and notice of the '319 patent and its infringement also by way of the filing of the Complaint.

121. Tesla indirectly infringes the '319 patent, as provided in 35 U.S.C. § 271(b), by *inter alia*, and with specific intent or willful blindness, actively aiding and abetting infringement by others, such as Tesla's partners, customers and end-users, in this District and elsewhere in the United States. For example, Tesla's partners, customers and end-users directly infringe through their use of the inventions claimed in the '319 patent. Tesla induces this direct infringement through its affirmative acts of manufacturing, selling, distributing, and/or otherwise making available the Tesla 4G/LTE Accused Products and Services, and providing instructions, documentation, mobile applications and other information to customers and end-users suggesting they use the Tesla 4G/LTE Accused Products and Services in an infringing manner, including in-store or on-site technical support and services, support at customer sites, online technical support, training, marketing, product manuals, advertisements, and online documentation. As a result of Tesla's inducement, Tesla's partners customers and end-users use the Tesla 4G/LTE Accused Products and Services in the way Tesla intends and directly infringe the '319 patent. Tesla performs these affirmative acts with knowledge of the '319 Patent and with the intent, or willful blindness, that the induced acts directly infringe the '319 patent.

122. Tesla also indirectly infringes the '319 patent, as provided by 35 U.S.C. § 271(c), by contributing to direct infringement committed by others, such as customers and end-users, in this District and elsewhere in the United States. Tesla's affirmative acts of selling and offering to sell, in this District and elsewhere in the United States, the Tesla 4G/LTE Accused Products and causing the Tesla 4G/LTE Accused Products to be manufactured, used, sold, and offered for sale contribute to Tesla's customers and end-users use of the Tesla 4G/LTE Accused Products, such that the '319 patent is directly infringed. The Tesla 4G/LTE Accused Products and Services are material to the invention of the '319 patent, are not staple articles or commodities of commerce, have no substantial non-infringing uses, and are known by Tesla to be especially made or adapted for use in the infringement of the '319 patent. Tesla performs these affirmative acts with knowledge of the '319 patent and with intent, or willful blindness, that they cause the direct infringement of the '319 patent.

123. Tesla's infringement of the '319 patent has damaged and will continue to damage the Plaintiffs.

COUNT VI: DECLARATORY JUDGMENT THAT PLAINTIFFS HAVE COMPLIED WITH THEIR FRAND OBLIGATIONS, AND THAT TESLA HAS ACTED IN BAD FAITH AND HAS LOST ITS RIGHT TO OBTAIN A FRAND LICENSE

124. Plaintiffs incorporate by reference the preceding paragraphs as though fully set forth herein.

125. The Plaintiffs own patents essential to various standards, including for example, 4G/LTE. Tesla infringes the Plaintiffs' essential patents and does not have a license to practice such patents.

126. The original assignee of the Plaintiffs' standard essential patents voluntarily declared that they are prepared to grant licenses on terms that are fair, reasonable, and non-

discriminatory (“FRAND”), in compliance with the ETSI IPR Policy. These declarations formed a contract (“FRAND contract”) under French law.

127. There is a dispute between the parties concerning whether the offer extended to Tesla was FRAND in compliance with the ETSI IPR Policy. The Plaintiffs have fully performed their obligations under the FRAND contract. For example, Tesla does not assert, in its response to Avanci’s license offer and detailed explanation, that the offer was not FRAND. In contrast, as discussed in Paragraphs 51 through 68, Tesla’s conduct during negotiation evidence that it has acted in bad faith and has therefore forfeited any benefits it might otherwise be entitled to under the ETSI IPR Policy as a third-party beneficiary.

128. There is a case or controversy of sufficient immediacy, reality, and ripeness to warrant the issuance of declaratory judgment

129. Plaintiffs therefore request a declaratory judgment in this Court that its negotiations toward a FRAND license with Tesla – both directly and via Avanci – complied with FRAND. Plaintiffs also seek a declaratory judgement that Tesla has acted in bad faith, has participated in hold-out and has rejected performance, and therefore can no longer raise a FRAND defense in this case or seek performance of the FRAND obligations by Plaintiffs with respect to their declared SEPs.

DAMAGES

130. As a result of Tesla’s acts of infringement, Plaintiffs have suffered actual and consequential damages. To the fullest extent permitted by law, Plaintiffs seek recovery of damages at least in the form of reasonable royalties.

DEMAND FOR JURY TRIAL

131. Plaintiffs hereby demand a jury trial for all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, the Plaintiffs respectfully request that this Court enter judgment in their favor ordering, finding, declaring, and/or awarding Plaintiffs relief as follows:

- A. that Tesla infringes the Patents-in-Suit;
- B. that Tesla's infringement of the Patents-in-Suit is willful;
- C. Plaintiffs' actual damages in an amount sufficient to compensate Plaintiffs for Tesla's infringement of the Patents-in-Suit until such time as Tesla ceases its infringing conduct, including supplemental damages post-verdict;
- D. enhanced damages pursuant to 35 U.S.C. § 284;
- E. pre-judgment and post-judgment interest to the full extent allowed under the law, as well as their costs;
- F. that Plaintiffs have complied with their FRAND obligations under the ETSI IPR Policy;
- G. that Tesla has participated in hold-out, has rejected performance and has acted in bad faith, and therefore can no longer raise a FRAND defense in this case and has lost its right to seek performance of the FRAND obligations associated with the Plaintiffs' patents;
- H. that this is an exceptional case and awarding the Plaintiffs their reasonable attorneys' fees pursuant to 35 U.S.C. § 285;
- I. an accounting for acts of infringement; and
- J. such other equitable relief which may be requested and to which the Plaintiffs are entitled.

DATED: September 18, 2020

Respectfully submitted,

/s/ Sam Baxter

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