## IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

| MOTOROLA SOLUTIONS, INC., and<br>MOTOROLA SOLUTIONS MALAYSIA<br>SDN. BHD.,  |
|---|
| Plaintiffs,   |
| V.  |
| HYTERA COMMUNICATIONS<br>CORPORATION LTD.,<br>HYTERA AMERICA, INC., AND<br>HYTERA COMMUNICATIONS<br>AMERICA (WEST), INC., |
| Defendants.   |

Civil Action No.: 1:17-cv-01973

Honorable Martha M. Pacold

**REDACTED – PUBLIC VERSION** 

#### PLAINTIFFS' MEMORANDUM IN SUPPORT OF THEIR MOTION TO OPEN CONTEMPT PROCEEDINGS AND ENTER AN ANTI-SUIT INJUNCTION TO PROTECT THIS COURT'S JURISDICTION

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#### I. INTRODUCTION

Motorola respectfully requests that the Court (i) open contempt proceedings based on Hytera's failure to pay royalties for its H-Series products and initiate discovery into whether those allegedly redesigned products continue to use Motorola's trade secrets and copyrights; and (ii) protect its jurisdiction by issuing an anti-suit injunction ("ASI") to prevent Hytera from advancing an action it brought in Shenzhen, China (the "China Action") that seeks a determination that those same products do not use the trade secrets and copyrights that are the subject of this case.

First, the Court's Royalty Order requires that Hytera pay royalties for the identified products and those not more than colorably different. Dkt. 1349. Hytera has paid no royalties for its H-Series products. There is, however, compelling evidence that Hytera's H-Series products are not more than colorably different from the products subject to that order, i.e., those the jury found improperly incorporated Motorola's intellectual property. In accordance with well-established law in such circumstances, contempt discovery should be opened. *See Shure Inc. v. ClearOne, Inc.,* 2020 WL 5214647, at \*13-\*14 (N.D. Ill. Sept. 1, 2020). For example, recently discovered evidence shows that Hytera's compiled code for the H-Series products contains express references to the same code strings and architecture that was found to use Motorola's intellectual property. This compelling evidence seriously undermines Hytera's claim that the H-Series is a redesign, justifying contempt-related discovery into Hytera's source code and whether it developed the H-Series in a clean room environment. In these circumstances, the Court should open contempt discovery to confirm Hytera has continued using Motorola's trade secrets and copyrights without paying an ongoing royalty for that use, as the evidence strongly suggests.

Both Hytera and the Court previously agreed contempt proceedings are the appropriate vehicle to analyze products Hytera claims are outside the scope of the Royalty Order. As part of the parties' disputes over the terms of the Court's Royalty Order, Hytera argued that any redesign

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issues should be handled via contempt proceedings under the "not more than colorably different" framework from *TiVo Inc. v. EchoStar Corp.*, 646 F.3d 869, 879 (Fed. Cir. 2011). Dkt. 1131 at 15. Under that framework, if the differences between the adjudicated product and alleged redesign "are merely colorable, then the Court proceeds to the traditional contempt analysis." *Id.* Judge Norgle agreed that contempt was the appropriate mechanism for addressing alleged redesigns, such as the H-Series. Dkt. 1289 at 40 ("Hytera acknowledges Motorola's ability to initiate contempt proceedings against Hytera for willful violations of court orders, including this one, [which] provide[s] Motorola an adequate remedy.").

Second, despite telling this Court that contempt proceedings were the appropriate mechanism in its February 2021 brief, Hytera prepared its China Action, which it filed in Shenzhen in June 2022. In the China Action, Hytera seeks a determination that the very same H-Series products do not use the Motorola's intellectual property ("IP") that is the subject of this case. Hytera hid the existence of the China Action from this Court and Motorola until Motorola was served in late 2023. Hytera's duplicity must be stopped.

As such, Motorola requests that the Court issue an ASI requiring Hytera to withdraw its China Action by no later than *April 1, 2024*, when Motorola was requested to provide its trade secrets to the Chinese court, with trial proceedings to commence shortly thereafter. An ASI is appropriate to prevent Motorola from being unjustly forced to re-litigate claims that have already been decided at trial—including by re-producing its source code and other voluminous discovery records, producing witnesses, etc.—in a duplicative action in China. Hytera's continued prosecution of the China Action represents precisely the type of oppressive and vexatious action that ASIs are designed to prevent, especially here, where Hytera itself previously agreed that redesign issues should be addressed in this Court. Hytera's effort to evade this Court's jurisdiction by attempting to seek a preemptive ruling from a different court should not be countenanced.

#### II. FACTUAL BACKGROUND

#### A. Despite Hytera's Undisputed Guilt, It Continues to Avoid Taking Responsibility for Its Unlawful Conduct

This case was filed on March 14, 2017. Dkt. 1. The jury trial commenced on November 6, 2019 and ended on February 14, 2020. Dkts. 739, 898. During those four months, the jury heard from over 40 witnesses on issues such as Motorola's development of the trade secrets, evidence of Hytera's theft, Hytera's alleged independent development, and the amount of damages. Dkt. 1088 at 2-5. Ultimately, the jury "found all [Motorola] trade secrets misappropriated and all copyrights infringed" (Dkt. 1097 at 3), including with respect to Hytera's allegedly re-designed I-series products (Dkt. 898), and that Hytera's trade secret misappropriation was willful and malicious (id.). Judge Norgle entered Final Judgment on March 5, 2020 (Dkt. 947), recognizing the evidence confirming that Hytera perpetrated a willful and malicious theft. Judge Norgle's denial of Hytera's post-trial motions also recognized that Motorola had proven the existence of protectable trade secrets, that Motorola had proven its copyright claims, and that evidence of Hytera's conduct supported a spoliation jury instruction, among many other rejections of Hytera's arguments. Dkt. 1088. Hytera no longer disputes its theft or that it acted willfully and maliciously. During oral argument in response to Judge Hamilton's comment that "[t]his is one of the most outrageous cases of trade secret theft I've even seen," Hytera's counsel confirmed that Hytera was "not defending the conduct at all here" and "not challenging liability . . . [n]or the fact of punitive damages." Ex. 1 (Dec. 5, 2023 Oral Argument Tr.) at 15:24-16:9.

#### **B.** The Royalty Order and the Court's Enforcement of that Order

After the jury verdict, the Court denied Motorola's motion for a permanent injunction and instead ordered Hytera "to pay a reasonable royalty to Motorola for the future use of Motorola's

trade secrets." Dkt. 1097 at 1. Although Motorola sought to include the H-Series products in the royalty order, the Court declined to do so, and instead held that with respect to "alleged redesigns," "Hytera acknowledges Motorola's ability to initiate contempt proceedings," which would provide "Motorola an adequate remedy." Dkt. 1289 at 40; *see also* Dkt. 1131 at 15 (Hytera acknowledging contempt proceedings). The final royalty order was entered on July 5, 2022, and it lists specific prior models of Hytera's products under the definition of "Covered Products." Dkts. 1348, 1349.

## C. Discovery Into Hytera's H-Series in the Patent Case

In late 2021, after Motorola's injunction was denied, Hytera launched its H-Series DMR products, which it billed as the "next generation" of radios released after those that were adjudicated to utilize Motorola's intellectual property. Ex. 2. Soon thereafter, Motorola sought discovery regarding the H-Series in the patent infringement action that Motorola brought against Hytera in this district. Ex. 3 (Case No. 1:17-cv-01972, Dkt. 254); Ex. 4 (Case No. 1:17-cv-01972, Dkt 275). Hytera was ordered to produce its H-Series source code three separate times in that case, yet it refused to fully comply with any of those Court orders, instead producing only a subset of code files. Ex. 5 (Case No. 1:17-cv-01972, Dkt 348); Ex. 6 (Case No. 1:17-cv-01972, Dkt 362). Because Hytera continues to flout U.S. court orders, Motorola was forced to move for contempt in that case too, and its motion is still pending. *Id*. Yet even Hytera's deficient source code production strongly evidences that the H-Series is not a redesign at all, but continues to use the trade secrets and copyrights Hytera stole from Motorola as explained in Section III.A.2., *infra*.

#### D. Hytera Filed an Action in China Seeking Adjudication of Whether Its H-Series Products Utilizes the Trade Secrets and Copyrights that Motorola Asserted During Trial in This Action

At the same time this Court was finalizing the Royalty Order, in June 2022, Hytera filed its China Action in a Shenzhen, China court, seeking a determination that the Motorola trade secrets and U.S. copyrights at issue in this case are not used in its H-Series products. *See* Ex. 7 (Statement of Claim) at 1-2 (Claim 1 is "[t]o declare that" Hytera's "source code of the DMR industry radio series products and their software newly designed by [Hytera], does not infringe the trade secrets and copyrights of [Motorola]."); *id.* at 5 ("no longer involve[] the trade secrets and copyrights accused by [Motorola] in the US case"); Ex. 8 ¶¶ 7-8. Motorola did not learn of Hytera's China Action until November 2023, when the complaint was mailed to Motorola's Chicago headquarters. *Id.* ¶¶ 7-8, 10. During a January 25-26, 2024 hearing in the China Action, Motorola attempted to raise due process objections regarding improper service pursuant to the Hague Convention and that the Shenzhen court lacks jurisdiction to hear the case, but the court declined to entertain those objections and ruled that the case should proceed. *Id.* ¶ 14.

During the same January 25-26, 2024 hearing, the Chinese court permitted Hytera to begin presenting evidence in support of its claims. *Id.* ¶ 15. By April 1, 2024, the Chinese court requested that Motorola provide its rebuttal evidence in Hytera's China Action, including by producing its source code and trade secrets. *Id.* ¶ 16.

#### III. ARGUMENT

#### A. The Court Should Initiate Contempt Proceedings and Open Discovery Regarding the H-Series Products

District courts have "broad discretion" to initiate contempt proceedings "based on the facts presented." *TiVo Inc.*, 646 F.3d at 881. All that is "required for a district court to hold a contempt proceeding is a detailed accusation from the injured party setting forth the alleged facts constituting the contempt." *Id.*; *California Expanded Metal Prod. Co. v. Klein*, 2020 WL 9182723 (W.D. Wash. Oct. 19, 2020) (requiring only a "detailed accusation" and not proving contempt).

Courts have also held that to obtain discovery, a party must only make a *prima facie* showing that a court order has been disobeyed. *Shure Inc.*, 2020 WL 5214647 at \*13-14; *Eagle View Techs., Inc. v. Xactware Sols., Inc.*, 2021 WL 4206291, at \*2 (D.N.J. Sept. 16, 2021).

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Similarly, courts have granted discovery when a party has "raised significant questions" of noncompliance. *Blackberry Ltd. v. Typo Prod. LLC*, 2014 WL 4136586, at \*1 (N.D. Cal. Aug. 21, 2014); *Cal. Dept. of Soc. Services v. Leavitt*, 523 F.3d 1025, 1034 (9th Cir. 2008).

The determination of whether an alleged redesigned product violates a royalty order or injunction is addressed by applying the two-step "colorably different" framework. *TiVo Inc.*, 646 F.3d at 881 (en banc); *Apple Inc. v. Samsung Elecs. Co.*, 2018 WL 905943, (N.D. Cal. Feb. 15, 2018) ("[D]istrict courts have applied the 'colorably different' standard in the ongoing royalty context."); *Bianco v. Globus Med., Inc.*, 53 F. Supp. 3d 929, 942 (E.D. Tex. 2014) (applying this framework in trade secrets context). First, a party must show that the alleged redesigned product "is not more than colorably different from the product found to infringe." *Proveris Sci. Corp. v. Innovasystems, Inc.*, 739 F.3d 1367, 1370 (Fed. Cir. 2014) (quoting *TiVo Inc.*, 646 F.3d at 882). "Where one or more of the elements previously found to infringe has been modified or removed, the court must determine whether that modification is significant." *Id.* at 1370-71. If "the court concludes that the differences are not more than colorable, the court must then go on to the second step and determine whether the newly accused product in fact infringes the relevant claims." *Id.* 

As discussed below, the evidence makes at least a *prima facie* showing that Hytera's alleged redesigned H-Series products are not more than colorably different from the products adjudicated at trial. Thus, the Court should order Hytera to produce all its H-Series source code and allow a brief period for H-Series discovery, to determine if contempt sanctions are warranted.

#### 1. The H-Series Products Are Within the Purview of the Royalty Order

As discussed above, an ongoing royalty order "implicitly extends to any products that are not colorably different from those products." *Bianco*, 53 F. Supp. 3d at 942. That is to ensure that a party found liable of trade secret misappropriation "cannot avoid its royalty obligations simply by renaming its products or making some trivial and immaterial change in the products." *Id.* 

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Accordingly, the Court's Royalty Order (Dkt. 1349) covers not just the products enumerated in the definition of "Covered Products," but also any alleged redesigned products that are not more than colorably different.

Hytera agreed with *Bianco's* reasoning, arguing that Motorola's proposed provision requiring notice and disclosure of alleged redesigns "circumvents the Court's exercise of its contempt power." Dkt. 1131 at 14-15. Hytera explained that contempt proceedings here are the appropriate vehicle for determining whether alleged redesigned products are "not more than colorably different" from the adjudicated products. *Id.* (citing *Tivo*, *Proveris*, and *Bianco*). The Court agreed too, ruling "Motorola's request that the Court require Hytera to provide notice to Motorola of alleged redesigns [is] unnecessary and inappropriate," including because "Hytera acknowledges Motorola's ability to initiate contempt proceedings against Hytera for willful violations of court orders, including this one, [which] provide[s] Motorola an adequate remedy." Dkt. 1289 at 40; *see also* Dkt. 1338 at 7. Thus, the Royalty Order reaches products that are not more than colorably different from those specifically adjudicated and contempt proceedings are the proper mechanism for determining whether any allegedly redesigned products incorporate Motorola's trade secrets and copyrights.

#### 2. The Evidence Suggests the H-Series Products Are Not More Than Colorably Different from the Adjudicated Products

By all indications, Hytera's H-Series products are not more than colorably different from the products that were adjudicated to use Motorola's trade secrets and copyrights. The H-Series compiled code references the same source code strings (like function names and mechanisms) that Motorola relied on at trial to establish Hytera's misappropriation and infringement in the adjudicated products. Ex. 9 ¶¶ 39-106. Hytera's actions likewise strongly suggest that it knows the H-Series is not more than colorably different. To date, in the patent case, Hytera has produced

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only H-Series compiled firmware that is largely non-human-readable and not most of the underlying source code files, despite three Court orders requiring it to produce that code. Ex. 5. And while Hytera's refusal strongly indicates it is hiding its ongoing theft, even the compiled H-Series code includes small readable portions that reference the same underlying Motorola trade secrets, including the *very* same Motorola data structure, application layer architecture, function names, and mechanisms that Motorola presented at trial as critical parts of its trade secrets that were misappropriated by Hytera. Ex. 9 ¶¶ 39-106. The exact same code strings and mechanisms show up *repeatedly* in Hytera's H-Series firmware, confirming that Hytera's H-Series appears to still be using the underlying code files from the adjudicated products that used Motorola's trade secrets and copyrights. *Id.* At minimum, the readable portions of compiled code establish a *prima facie* case and raise substantial questions as to the ongoing use of Motorola's trade secrets and copyrights.

For example, at trial, Motorola established that its Application Layer Trade Secret included Motorola's confidential and "unique approach to how [it] did applications." Trial Tr. 876:10-877:8. It also includes specific Motorola source code files, such as a file named "app\_powerup.c" that Motorola presented during the jury trial to show that Hytera had used as Motorola's "app\_powerup.c" as a "template" when writing Hytera's applications. Trial Tr. at 1300:7-1302:24. The adjudicated products similarly included a file named "app.powerup.cpp" that was heavily copied from Motorola's code—including *even Motorola's typos*. Trial Tr. at 1302:17-1305:3. Here, the H-Series compiled firmware still appears to use Motorola's Application Layer Trade Secret because the same application messaging and user input translation architecture, the very core of Motorola's Application Layer Trade Secret, appears in the H-Series binary firmware. Ex. 9 ¶¶ 41-56. This is apparent as the H-Series binary firmware includes the data structure such as

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"application.MessageToAppPowerUp," "ApplicationMessageToAppPowerUp," "MessageToAppPowerUp," and "MessageToAppPowerUp," which confirms that Hytera is still using Motorola's Application Layer trade secret to create its applications. *Id*.

Similar to the Application Layer Trade Secret, during trial, Motorola established that Hytera's Radio Application Framework ("RAF") layer copied Motorola's confidential documents and source code from Motorola's Ergonomics Layer (a/k/a "Darwin Layer") Trade Secret to manage how applications interact with each other, send messages to each other, and translate user inputs. Trial Tr. 1281:16-1282:24. Hytera's previous so-called redesign merely changed the word "RAF" to "AFP" or "AMF," which, as Motorola pointed out at trial, is insufficient. Trial Tr. 1438:2-1439:12; Ex. 10. The H-Series firmware shows that the H-Series code not only still uses the application messaging and translation mechanism that Hytera copied from Motorola, Hytera also uses the same AFP and AMF components that were based on Motorola's trade secrets, as Motorola proved at trial. Ex. 9 ¶ 57-82.

Worse still, despite Motorola's specific accusation that Hytera's HRCP mechanism, including underlying source code, was copied from Motorola's XCMP source code and documentation—including even a side-by-side comparison presented at trial and a jury verdict finding that Hytera had misappropriated Motorola's XCMP trade secret—Hytera's H-Series source code still uses *the same* HRCP opcode. *Id.* ¶¶ 83-95; Trial Tr. 1409:5-1411:13; Ex. 11 (Dr. Wicker's trial demonstrative showing that HRCP copied Motorola's XCMP and including source code copying example). Today, the limited human-readable portion of Hytera's H-Series firmware still uses the very same HRCP opcode data structure accused and adjudicated as using Motorola's intellectual property. Ex. 9 ¶¶ 83-95.

Further example H-Series similarities to the adjudicated products are summarized below:

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| Motorola<br>Trade<br>Secret | Adjudicated Products | H-Series Binary Firmware        |
|-----------------------------|----------------------|---------------------------------|
| Application                 |                      | application.MessageToAppPowerUp |
| Layer                       |                      |                                 |
| Darwin/                     |                      |                                 |
| Ergonomic                   |                      |                                 |
| Layer                       |                      |                                 |
|                             |                      |                                 |
| XCMP                        |                      |                                 |
|                             |                      |                                 |
|                             |                      |                                 |
| HAL                         |                      |                                 |

Id. ¶¶ 39-106; see also Wicker Decl., Ex. G (file showing numerous similarities). These are not mere coincidences that Hytera's alleged redesign uses the same exact file names, code strings, and mechanisms, structured in a similar way to the adjudicated products that used Motorola's trade secrets and copyrights. *E.g.*, Ex. 9, ¶¶ 94, 104. The fact that the same source code strings, architecture, and mechanisms (e.g., application messaging) appear in the H-Series that also appeared in the adjudicated products evidences that Motorola's source code still exists in the H-Series code and functions the same way as the adjudicated products did based on Motorola's trade secrets. *Id.* ¶¶ 39-106. Thus, the evidence confirms that the H-Series is not more than colorably different from the adjudicated products with respect to at least the Application Layer, Darwin/Ergonomic Layer, XCMP, and HAL trade secrets.

Further, many of the same features from the adjudicated products that used Motorola's trade secrets continue to be offered in the H-Series. For example, the H-Series has the

Ex. 12 (Rog 11 Resp.). Indeed, Hytera has affirmatively stated that the H-Series source code is adjudicated by the jury for many features. Ex. 13 at 1 ("

The substantial overlap between the H-Series and the older i-Series products adjudicated at trial is not surprising, given how quickly Hytera brought its H-Series products to market. The jury trial ended on February 14, 2020 and Hytera launched its purported redesign about a year and a half later, in late 2021. Motorola's trade secrets took many years to develop, *e.g.* Trial Tr. 877:6-13 ("it took 40 engineers 2,700 staff months" to develop the Application Layer Trade Secret), and it is highly unlikely that Hytera independently developed an entirely new product without use of Motorola's trade secrets in less than two years.

Finally, there is no evidence that Hytera used a "clean room" to create its H-Series code to ensure that persons who had exposure to Motorola's trade secrets and/or the adjudicated products were not involved in creating the H-Series code. Without strict clean room procedures, it is impossible or nearly so to ensure that development of the H-Series code was not based on or influenced by Motorola's trade secrets. Ex. 9 ¶¶ 29-31. In fact, the H-Series code that has been produced points to the lack of clean room procedures. For example, as Dr. Nielson described in his declaration regarding contempt in the patent case, the "

| Further, the H-Series code produced to date in the patent case appears to "       |                   |
|---|-------------------|
| " and "   | " such that there |
| is no   |                   |
| <i>Id.</i> Thus, there is no way of knowing,                                      | whether the same  |
| person worked on both legacy code and H-Series code. Id. This evidence also s     | strongly suggests |
| the Hytera H-Series products are not more than colorably different than the adjud | licated products. |

Ex. 14 ¶ 38.

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| Moreover, Hytera's recently filed brief opposing contempt in the patent case further          |
|---|
| confirms there were no clean room procedures. For example, Hytera attached a declaration from |
| Mr. Hanjie Ou stating that he . Ex. 15 (Dkt.  |
| 363, Ex. C). But Mr. Ou worked with Mr. Yingzhe (Roger) Zhang,                                |
| . Mr. Ou and Mr. Zhang are co-inventors   |

on a Hytera base station patent application. *See, e.g.*, Ex. 16 (Chinese Patent No. CN113055953B). Thus, this evidence also strongly suggests Hytera did not use adequate clean room procedures.

#### B. The Court Should Protect Its Jurisdiction By Issuing An Anti-Suit Injunction Against Hytera While This Motion Is Pending

In addition to initiating contempt proceedings, the Court should also enjoin Hytera from continuing to pursue its China Action while this motion is pending, and continue that injunction if and when contempt proceedings are initiated. Hytera's China Action involves the same parties and issues as this action, is vexatious and oppressive, and would cause irreparable harm to Motorola if Hytera is not enjoined at this stage in the proceedings. With the court in the China Action requesting that Motorola lodge its trade secrets and source code with the Chinese court by April 1, 2024, and a hearing on the merits to follow shortly thereafter, this Court must urgently act to stop Hytera's blatant attempt to skirt this Court's jurisdiction.

"A federal court's power to enjoin a party from litigating in another country is well established." *Affymax, Inc. v. Johnson & Johnson,* 420 F.Supp.2d 876, 883 (N. D. Ill. 2006). In determining whether an ASI is warranted, the district court first considers "whether or not the parties and the issues are the same, and whether or not the first action is dispositive of the action to be enjoined." *Ist Source Bank v. Neto,* 861 F.3d 607, 613. If both factors are met, the district court considers whether "letting the two suits proceed would be gratuitously duplicative, or as the cases sometimes say 'vexatious and oppressive." *Id.* Seventh Circuit courts grant an ASI "when

necessary to prevent duplicative and vexatious foreign litigation and to avoid inconsistent judgments." *Rosenbloom v. Barclays Bank PLC*, No. 13-CV-04087, 2014 WL 2726136, \*2 (N.D. Ill. June 16, 2014); *1st Source Banko*, 861 F.3d at 615 n.2. Each of these factors are satisfied.

#### 1. The Parties in Both Actions Are the Same

The parties in both actions are the same. In both cases, Motorola Solutions Inc. and Motorola Solutions Malaysia Sdn. Bhd. are counter-parties to Hytera Communications Corporation Ltd. Compare *Motorola Sols., Inc. v. Hytera Commc'ns Corp.*, 365 F. Supp. 3d 916, 919 (N.D. Ill. 2019) *with* Ex. 7 (Statement of Claim) at 1.

# 2. The Issues in Both Actions Are the Same and This Action Is Dispositive of the Foreign Action

This case is dispositive of the China Action because "the claims in the foreign and domestic actions [are]... based on the same underlying dispute." *AU New Haven, LLC v. YKK Corp.*, 2018 WL 2128373, at \*3 (S.D.N.Y. May 8, 2018). "The relevant inquiry is whether the substance of the claims and arguments raised in the two actions is the same." *Id.* "Thus, the dispositive criterion may be satisfied when a foreign proceeding will necessarily render a determination of the core issue at the heart of a claim appropriately decided only in a pending domestic action." *Id.* This test asks "whether the issues are the same not in a technical or formal sense, but in the sense that all the issues in the foreign action ... can be resolved in the local action," but the issues need not be "precisely and verbally identical." *Microsoft v. Motorola*, 696 F.3d 872, 882-83 (9th Cir. 2012).

Hytera's China Action blatantly attempts to evade this Court's jurisdiction by raising issues that are already part of this case, but in a forum it believes will be more favorable to it. Specifically, Hytera seeks a determination that the Motorola trade secrets and copyrighted works that were at issue in this case are not used in its H-Series products. *See* Ex. 7 at 1-2 (Claim 1 is "[t]o declare that" Hytera's "source code of the DMR industry radio series products and their software newly

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designed by [Hytera], does not infringe the trade secrets and copyrights of [Motorola]."), 5 ("no longer involve[] the trade secrets and copyrights accused by [Motorola] in the US case"). And that issue is already part of this Court's Royalty Order which as a matter of law encompasses products that are not more than colorably different from the those specifically adjudicated.<sup>1</sup>

As discussed above, the Royalty Order already encompasses Hytera products that continue to use the trade secrets and copyrights that Hytera previously stole. And it is for this Court, not the second-filed China Action, to decide if Hytera is violating that order by failing to pay royalties on the H-Series. As this Court has recognized in previously holding Hytera in contempt, "the court always retains jurisdiction to enforce its own orders even when those orders are on appeal." Dkt. 1461 at 2-3 n.2. As part of that enforcement jurisdiction, the Royalty Order also permits the Court to hold contempt proceedings to determine whether the H-Series still uses Motorola's trade secrets and copyrights. *See TiVo*, 646 F.3d at 882 (contempt proceedings appropriate if new product is "not more than colorably different" with "focus on those elements of the adjudged infringing products" proven to infringe); *Bianco*, 53 F. Supp. 3d at 942 (royalty order "implicitly extends to any products that are not colorably different from those products").

Again, Hytera already acknowledged that contempt proceedings in this Court are the appropriate avenue to litigate whether any allegedly redesigned products still use Motorola's trade secrets, proposing that precise mechanism to this Court and citing the case law discussed above in briefing its positions regarding the Royalty Order's form. Dkt. 1131 at 14-15 (Hytera arguing that Motorola's proposed redesign notice provision "circumvents the Court's exercise of its contempt power" and that contempt proceedings are appropriate for products that are "not more than

<sup>&</sup>lt;sup>1</sup> It is also already part of Motorola's pending appeal to the Seventh Circuit of Judge Norgle's denial of a permanent injunction.

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colorably different" from the adjudicated products). And Judge Norgle endorsed that view in ruling that "the Court finds that Motorola's request that the Court require Hytera to provide notice to Motorola of alleged redesigns unnecessary and inappropriate," including because "Hytera acknowledges Motorola's ability to initiate contempt proceedings against Hytera for willful violations of court orders, including this one, [which] provide[s] Motorola an adequate remedy." Dkt. 1289 at 40. Hytera cannot now circumvent this Court by dragging Motorola into foreign proceedings in which Hytera seeks to adjudicate the same thing in a second-filed action.

Accordingly, because enforcement of the Royalty Order is "based on the same underlying dispute" of whether Hytera's H-Series products use Motorola's trade secrets and copyrighted material, both actions substantively raise the same claim and arguments, and this ASI factor is satisfied. *AU New Haven*, 2018 WL 2128373 at \*3. Indeed, once the Court resolves those enforcement issues, Hytera's foreign action would also be resolved. *Microsoft*, 696 F.3d at 882-83 (upholding injunction where domestic action would resolve foreign action).<sup>2</sup>

#### 3. Hytera's Foreign Action Is Oppressive and Vexatious

Hytera's China Action is also vexatious and oppressive because it is a blatant attempt to evade this Court's jurisdiction and subjects Motorola to a duplicative proceeding in a foreign court that is ill-equipped to make determinations regarding Motorola's trade secrets and U.S. copyrights. *First*, a judgment by Shenzhen court would usurp this Court's jurisdiction over whether the H-Series uses Motorola's *U.S.* trade secrets and copyrights and thus whether Hytera must pay Motorola additional ongoing royalties under this Court's order. Indeed, Hytera itself proposed

<sup>&</sup>lt;sup>2</sup> Motorola's pending appeal to the 7th Circuit regarding Judge Norgle's denial of a permanent injunction provides an independent basis to find that the issues in this case are the same as those in the foreign action. *See* Case No. 22-2413, Dkt. 27 at 24. If the 7th Circuit overturns that denial, then just like with respect to the Royalty Order, injunction contempt proceedings would address redesigns under the same "not more than colorably different" framework. *See Eagle View*, 2021 WL 4206291, at \*1.

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contempt proceedings *in this Court* as the appropriate way to address whether any of its redesigned products (such as the H-Series) still use Motorola's trade secrets and copyrights—a view that Judge Norgle endorsed. *See* Dkt. 1131 at 14-15; Dkt. 1289 at 40.

*Second*, the second-filed China Action raises serious forum shopping concerns, which renders it vexatious and oppressive. *See, e.g., Parasoft Corp. v. Parasoft S.A*, 2015 WL 12645754, at \*7 (C.D. Cal. Feb. 19, 2015); *Weyerhaeuser Co. v. Hiscox Dedicated Corp. Members Ltd.*, 2019 WL 4082976, at \*2 (W.D. Wash. Aug. 29, 2019) ("The filing of the UK action raises serious concerns regarding duplicative litigation and forum shopping, a combination which the Court finds to be 'vexatious and oppressive.'"); *Sing Fuels Pte Ltd. v. M/V Lila Shanghais*, 2023 WL 3506466, at \*5 (E.D. Va. May 17, 2023) (party's attempt to relitigate in a more favorable jurisdiction would lead to "absurd duplication of effort" and "unwarranted inconvenience, expense, and vexation").

For example, if this Court does not enjoin Hytera from proceeding with the China Action, Motorola must litigate both cases simultaneously. *Allendale Mutual Insurance Co. v. Bull Data Systems, Inc.*, 10 F.3d 425, 430 (7th Cir. 1993) (duplicate litigation would be unduly prejudicial); *Affymax*, 420 F. Supp. at 883–884 (ruling that injunction would avoid in the "unfair burden" of simultaneously litigating the same issue in two courts); *Commercializadora Portimex, S.A. de CV v. Zen-Noh Grain Corp.*, 373 F. Supp. 2d 645, 649–50 (E.D. La. 2005) (finding inequitable hardship to defend against same claims in foreign action where party did not initiate that action). In China, the court requests that Motorola engage in discovery, including production of Motorola's source code that an Illinois jury found to comprise trade secrets, all over again. Ex. 8 ¶ 16. And there is currently no safeguard in place to prevent inappropriate disclosure of Motorola's trade secrets and source code, nor any guarantee that the Shenzhen court would impose restrictions on access to such materials to adequately protect Motorola. *Id.* ¶¶ 17-18. Hytera's duplicative China Action therefore holds the real potential to compromise Motorola's technology.

Hytera's China Action is also a clear attempt at forum shopping. There is no reason why Hytera cannot litigate the H-Series question in this Court, which already has considerable experience with the issues involved. And the Shenzhen court offers inadequate procedural protections and discovery tools for Motorola, such as the failure to properly serve Motorola under the Hague Convention and refusal to reconsider its decision. *Supra* § II.D.; Ex. 8 ¶ 14. The improper service was especially prejudicial to Motorola because it resulted in Motorola's jurisdictional objections being lodged later than the deadline imposed by the Shenzhen court. Ex. 8 ¶¶ 7-8, 10-13. Motorola also lacks the proper discovery tools in the China Action, as the court's rules of evidence do not allow Motorola to use compulsory discovery tools (requests to produce, depositions, etc.) that it is entitled to use in the United States. *Id.* ¶ 19. There is no guarantee that the Shenzhen court would order Hytera to go beyond the hand-selected evidence that it has provided, let alone order Hytera to provide the same level of discovery that Motorola is entitled to receive in the United States (including depositions, which are disallowed in China) about H-Series development and the sources accessed and used by Hytera. *Id.* 

*Fourth*, because this action and Hytera's China Action seek rulings on identical issues whether the H-Series source code uses Motorola's U.S. trade secrets and infringes its U.S. copyrights—there is a significant risk of inconsistent judgments that Hytera may leverage to interfere with this Court's jurisdiction. For example, while this Court may rule that the H-Series misuses Motorola's intellectual property and thus is covered under the Royalty Order,<sup>3</sup> the Shenzhen Court may rule it does not. Or if the Shenzhen Court rules first (as it is expected to do

<sup>&</sup>lt;sup>3</sup> Along the same lines, if the Seventh Circuit reverses Judge Norgle's denial of an injunction, the question of whether Hytera's H-Series sales are covered by such an injunction must be resolved by this Court.

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in April or May 2024) and purports to absolve Hytera of wrongdoing with respect to the H-Series, Hytera will likely seek to leverage the ruling to estop Motorola from vindicating its rights under the Royalty Order with respect to the products in this case. Hytera's Statement of Claim in the China Action clearly says as much, stating that Hytera seeks a "credible ruling ... so as to eliminate the risk of infringement claims to the maximum extent and ensure the stability of the law." Ex. 7 at 8; Ex. 8 ¶ 8. Inconsistent judgments are particularly likely here because the Chinese court would be ruling on misappropriation of U.S. trade secrets and copyrights—matters over which the Chinese court has no expertise. *See Allendale*, 10 F.3d at 430 (affirming finding of vexatiousness in part because the foreign tribunal was ill equipped to address main issue).

*Fifth*, the sequence of Hytera's actions show bad faith. Hytera's Statement of Claim shows that Hytera prepared and filed its China Action more than a year and a half ago in June 2022 to "eliminate the risk of infringement" posed by this Court's proceedings that would involve the H-Series. Ex. 7 (Statement of Claim) at 8; Ex. 8 ¶ 8. Yet Hytera never informed this Court or Motorola of that filing. Worse, Hytera was simultaneously telling this Court not to include H-Series in the Royalty Order because it should be addressed in contempt proceedings. Dkt. 1131 at 14-15. Hytera then hid what it was doing for nearly a year and a half before Motorola was served in late 2023. This is precisely the type of conduct viewed as vexatious. *See MacNeil Auto. Prod., Ltd. v. Cannon Auto. Ltd.*, 2013 WL 12155279 (N.D. Ill. Feb. 4, 2013), *aff'd*, 542 F. App'x 515 (7th Cir. 2013) (finding foreign proceeding duplicative after defendant failed to inform court or plaintiff of foreign lawsuit as domestic case proceeded).

#### 4. International Comity Concerns Favor Granting the Injunction

Comity concerns carry little weight here because Hytera's China Action is indeed vexatious and oppressive, and this is a dispute between private parties. *See H-D Mich., LLC v. Hellenic Duty Free Shops S.A.*, 694 F.3d 827, 848 (7th Cir. 2012) ("Even if we had some sense

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that international comity could become an issue, our court ordinarily allows an injunction against litigating in a foreign forum 'upon a finding that letting the two suits proceed would be gratuitously duplicative, or as the cases sometimes say vexatious and oppressive.'"); *MacNeil*, 2013 WL 12155279 at \*2; *Vanoil Completion Sys., LLC v. PTC Do Brasil Tecnologia Em Petroleo LTDA*, 2020 WL 6878769, at \*3 (W.D. La. Nov. 20, 2020).

If considered at all, comity is Hytera's burden to establish, which it cannot do. See Allendale, 10 F.3d at 431. Instead, comity compels that this Court has the primary ability to enforce its own orders. Specifically, comity considerations must include the substantial U.S. interests involved. Id. at 432. Here, the U.S. has a strong interest in enforcing the judgment of its courts and deciding issues related to IP rights protected under U.S. law. If allowed to proceed, Hytera's China Action would effectively usurp this Court's role in policing its order that Hytera pay for products that continue to use Motorola's misappropriated trade secrets and copyrights. Further, Hytera's China Action directly harms this interest by threatening to interfere with laws enacted by Congress to protect U.S. IP rights. H.R. Rep. No. 114-529, at 6 (2016) (The DTSA "will equip companies with the additional tools they need to protect their proprietary information, to preserve and increase jobs and promote growth in the United States, and to continue to lead the world in creating new and innovative products, technologies, and services."); Dkt. 834 at 12. The Shenzhen court, by contrast, provides inadequate procedural and evidentiary safeguards for Motorola to fully litigate its defense to Hytera's claim. See supra § III.B.3; Allendale, 10 F.3d at 430 (foreign court did not provide insurer ability to establish defenses available under U.S. law).

#### 5. The Chinese Court's April Deadlines for Discovery and a Hearing Make The Need for Relief Immediate

Motorola needs immediate relief from this Court to prevent imminent irreparable harm. Although Motorola need not meet the traditional preliminary injunction test for an ASI (*1st Source*  Bank, 861 F.3d at 613), those factors confirm the need for an ASI here.

Motorola will imminently suffer irreparable harm if Hytera is permitted to press forward with its China Action: Motorola has been asked to provide evidence in less than two months (by April 1, 2024), and the Chinese court is expected to rule shortly thereafter. Ex. 8 ¶ 20. *First*, in Hytera's China Action, Motorola lacks access to the discovery tools it is entitled to in this Court. *Id.* ¶ 19. Consequently, Motorola must make do with Hytera's hand-selected evidence and whatever the Shenzhen Court decides to permit. *Second*, the China Action court asks Motorola to disclose its highly confidential and valuable trade secrets. *Id.* ¶ 16. This is especially harmful as there are presently no adequate safeguards in that case to protect against inadvertent disclosure. *Id.* ¶ 17-18. *Third*, Hytera will likely try to leverage a favorable ruling to shut down litigation in the U.S. Hytera has already alluded to this goal, stating to the Shenzhen Court that it seeks a "credible ruling . . . so as to eliminate the risk of infringement claims to the maximum extent and ensure the stability of the law." Ex. 7 (Statement of Claim) at 8; Ex. 8 ¶ 8.

The balance of harms overwhelmingly favors an injunction. Against the harm faced by Motorola, Hytera stands to lose nothing under the *status quo*. There is no urgency in the relief it seeks, as that case has been pending an extended period with no action and Hytera is well within its rights to seek a voluntary stay of its China Action from the Shenzhen Court. Ex. 8 ¶ 21. Finally, the public interest favors entry of an ASI here, as there is a strong public interest in the enforcement of U.S. laws and protection of U.S. IP rights. H.R. Rep. No. 114-529, at 6 (2016); Dkt. 834 at 12.

#### IV. CONCLUSION

For the reasons above, Motorola requests that contempt proceedings be initiated (including opening H-Series discovery) and that Hytera be enjoined from pursuing the China Action.

DATED: February 20, 2024

Respectfully submitted,

/s/ Adam Alper

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## **CERTIFICATE OF SERVICE**

I, Adam Alper, an attorney, hereby certify that on February 20, 2024, I caused a true and correct copy of the foregoing document to be served via the Court's ECF system upon all counsel of record.

DATED: February 20, 2024

/s/ Adam Alper

Adam Alper