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

CORE WIRELESS LICENSING S.A.R.L.,  
Plaintiff,

vs.

APPLE INC.,  
Defendant.

**Case No. 5:15-cv-05008-NC**

**PLAINTIFF CORE WIRELESS'S  
OPPOSITION TO APPLE'S POST-  
TRIAL MOTION FOR A FINDING OF  
UNENFORCEABILITY OF U.S.  
PATENT NO. 6,477,151**

Date: TBD  
Time: TBD.  
Place: Courtroom 7, 4<sup>th</sup> Floor  
Judge: Hon. Nathanael M. Cousins

Apple's Motion for Unenforceability of the '151 Patent ("Motion," Dkt. 468) fails on three levels. First, Apple has failed to demonstrate that the prior patent holder, Nokia, ever had a duty to timely disclose to ETSI its Intellectual Property Rights ("IPRs") to the '151 patent, which is *not essential* but merely "optional" under the standard. Second, even if Nokia had any duty to timely disclose, Apple has failed to prove that Nokia breached that duty. On this point, Apple misstates some facts and leaves out others, which demonstrate that Nokia disclosed the '151 a mere *one month* after the PTO allowed any claims in the patent. And third, Apple ignores other elements of its equitable estoppel or waiver defenses. This point is not surprising because Apple has *no evidence* to support those elements. In sum, Apple has failed to prove any waiver or equitable estoppel by any standard, let alone by clear and convincing evidence.

**I. APPLE FAILED TO PROVE WAIVER OR EQUITABLE ESTOPPEL**

**A. Apple Failed to Prove that Nokia Had a Duty to Timely Disclose the '151 Patent under ETSI's "ESSENTIAL" IPR Policy**

The first element of implied waiver or equitable estoppel involves proving, by clear and convincing evidence, that "the patentee had a duty of disclosure." *Qualcomm Inc. v. Broadcom Corp.*, 548 F.3d 1004, 1011-12 (Fed. Cir. 2008). Apple has failed to prove this element.

By its express terms, the disclosure duty under Clause 4.1 of the ETSI IPR Policy is limited to only those IPRs that are or might be "ESSENTIAL" to a standard. (DX108.002.) Indeed, Apple's own expert, Dr. Walker, admitted under oath that "the whole policy" is "limited to ESSENTIAL" IPRs. (Tr. 1432:1-16.) Importantly, the Policy defines "ESSENTIAL" to mean "that it is **not possible** . . . to make, sell, . . . or operate EQUIPMENT or METHODS which comply with a STANDARD **without infringing that IPR.**" (DX-108.006 (emphasis added).)

But Apple has presented *no evidence* that the '151 patent is, or even might be, standards-essential and, therefore, even subject to any duty under Clause 4.1. This is fatal to Apple's Motion. As Dr. Walker admitted, Apple provided no evidence or opinion from its own witnesses that any claim of the '151 patent is standards-essential. (Tr. 1432:14-16.) And Core Wireless's own witnesses testified that the asserted patent and claim were merely "optional" under the standard. For example, Dr. Wesel testified that the accused standard gives the mobile station the choice whether to "use the '151 invention" by receiving one timing advance value or, instead,

receive “two timing advance values.” (Tr. 378:19-379:8; 379:24-380:15; 388:23-389:8.) The inventor likewise testified that the standard made his invention “optional.”<sup>1</sup> (Tr. 246:25-247:9.)

Despite the express language of the Policy and Dr. Walker’s admissions, Apple suggests that Nokia nevertheless had a duty of timely disclosure because the second sentence of Clause 4.1 includes a “particular” duty for “IPR which might be ESSENTIAL **if that [member’s] proposal is adopted.**” Mot. at 2 (emphasis added.). That argument fails because the relevant Nokia proposal *was not adopted*—an undisputed fact that Apple never even mentions in its Motion. As Apple’s own witnesses repeatedly testified, that proposal was “rejected” and the only proposal that was “adopted” was one submitted by Ericsson. (Tr. 892:20-893:22.) Core Wireless’s witnesses also acknowledged that the Nokia proposal was never adopted. (*E.g.*, Tr. 234:16-235:1.) And the fact that Nokia’s proposal was initially “agreed” *does not* mean that proposal was ever “adopted,” as Dr. Walker admitted. (Tr. 1427:2-13.). Similarly, the fact that the second sentence requires disclosure of IPRs that “might be ESSENTIAL” does not alter the fact that there was no duty, at the time of the Nokia proposal or otherwise. The Policy defines IPR that are or might be “ESSENTIAL” as limited to those “rights” that must be or might be “infringed” by practicing a particular standard. (DX-108.006). This cannot include a mere application, with no “rights” that can be “infringed” that are “ESSENTIAL” or “might be ESSENTIAL.” At best, an application *might later become* “ESSENTIAL” depending on what, if any, claims are allowed. Regardless, here, the ’151 patent is—and always has been—optional.

Because Apple has not proven that the ’151 patent was necessary, or might be necessary, to implement the GPRS standard, there was no disclosure duty. (DX-108.002; Tr. 1432:1-16); *see also Rambus, Inc. v. Infineon Technologies Ag.*, 318 F.3d 1081 at 1104-05 (Fed. Cir 2003) (reversing judgment because “substantial evidence does not support the finding that [any] claims read on the SDRAM standard”). “To hold otherwise would contradict the record evidence and render the [] duty of disclosure unbounded.” *Id.* at 1101-02. And Nokia’s ultimate disclosure of the ’151 patent is irrelevant; it disclosed the patent without a duty to do so and “subjective,

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<sup>1</sup> Apple states that: (1) “Mr. Oksala testified that his patent was essential” and (2) “Core Wireless argued to the jury that ETSI standardized Nokia’s proposal.” Mot at 4, 5. But a review of the citations that Apple provides for these points reveals that they are misstatements of the record.

beliefs, hopes, and desires are irrelevant [and do not] substitute for the proof” of essentiality. *Id.*

**B. Even if Nokia Had a Duty to Timely Disclose, Apple Failed to Prove that Nokia Breached that Duty Where, As Here, Nokia Disclosed Its '151 IP Rights *Just One Month* After the PTO Allowed the Claims**

The second requirement of waiver or equitable estoppel involves proving that the patentee breached its duty of disclosure. *Qualcomm*, 548 F.3d at 1011-12. Apple also failed to prove this element. Under Clause 4.1, each member is required to “use reasonable endeavours [to] timely inform” ETSI of “ESSENTIAL IPRs it becomes aware of.” (DX108.002.) But, critically, the earliest moment Nokia could have “become aware of” an IPR that “is ESSENTIAL” or even “might be ESSENTIAL” was June 17, 2002. This was the date it first received Notice that the PTO had allowed claims of the '151 patent. (DX76.246-47.) Before that date, Nokia merely had proposed draft claims, which were rejected in a series of correspondence with the PTO. (*E.g.*, DX-76.222-37). This June 2002 date is only *one month* before Nokia’s ETSI disclosure relating to the '151 patent. (DX-112.) There is no evidence, much less clear and convincing evidence, that Nokia could have been “aware” that it had rights or claims that even “might be ESSENTIAL” before June 2002. This is particularly true where, as here, ETSI members have no obligation to conduct any “IPR searches” to determine whether they have IPR that are “ESSENTIAL” or “might be ESSENTIAL.” (PX-832.003.) Apple fails to mention these and other fatal facts. Instead, it inserts a misleading table of all supposedly relevant dates; but a corrected table illustrates why Apple cannot carry its burden:

Date	Event
November 04, 1997	Invention report attaches draft change request
November 11, 1997	Confidential Finnish application filed
<b>November 11 1997 – January 9 1998</b>	<b>Nokia proposes change request, which ETSI rejects and replaces with adopted Ericsson request</b>
June 1998	Freeze date for GSM 03.64
<b>June 17, 2002</b>	<b>Nokia receives Office Action allowing '151 Claims</b>
July 24, 2002	Nokia discloses '151 patent to ETSI

Apple’s argument that Nokia breached Clause 4.1 by disclosing its '151 IP Rights “four years after the freeze date” of the standard misses the relevant facts and is plain wrong. Mot. at 3-4.

Apple’s faulty argument is based on Dr. Walker’s novel and, frankly, nonsensical measure of timeliness. Dr. Walker opined that the requirement to “timely” disclose IPR that is or

might be “ESSENTIAL” must be measured from the moment Nokia made its rejected proposal, even though it did *not have a single patent claim* at that time and, indeed, had filed a mere application around the same day. (Tr. 1438:22-1439:23.) On cross-examination, however, Dr. Walker admitted that “timeliness” is not defined any ETSI document and, in fact, ETSI could not agree on any definition of timeliness.<sup>2</sup> (Tr. 1432:17-14:33-9.) Dr. Walker’s interpretation is contradicted by the ETSI IPR policy itself, which defines IP “Rights” that are “ESSENTIAL” or “might be ESSENTIAL” as limited to those “rights” that must be or might be “infringed” by practicing a particular standard. (DX-108.006). Under his misinterpretation, every member would violate Clause 4.1 if it failed to disclosed its confidential applications before a standard was “frozen,” *regardless of whether* that application had any claims, much less allowed claims, that might be “infringed” or “ESSENTIAL.” This is especially peculiar given that Dr. Walker could not identify a single instance of an ETSI member identify any IPR at a technical meeting.

Notably, the single ETSI description of breach of Clause 4.1 by untimely disclosure is by “intentional delay”—and Dr. Walker admitted on cross-examination that there is no evidence of such untimeliness by Nokia. (Tr. 1433:6-9; PX-832.005.) With this admission, Apple has failed to prove by clear and convincing evidence that Nokia’s disclosure was untimely and amounted to a breach of any duty, no matter the trigger date for measuring timeliness.

**C. Regardless, Apple Also Has Failed to Provide Any Evidence of Other Elements of Waiver and Equitable Estoppel**

Apple’s Motion includes another fatal flaw: while it identifies two elements of defenses (Mot. at 1-4), it fails to even identify the remaining elements, let alone prove them by clear and convincing evidence. For example, the “essential” element of equitable estoppel is reliance. *Gasser Chair Co., Inc. v. Infanti Chair Mfg. Corp.*, 60 F.3d 770, 776 (1995). This requires an accused infringer to prove that it “substantially relied on misleading conduct by the patentee in taking some action, such as building a plant for producing the infringing product.” *Id.* (reversing finding of equitable estoppel where infringer failed to prove it acted in reliance on

<sup>2</sup> It is not surprising that, when presented with the IPR disclosures Dr. Walker himself made while managing Vodafone’s IP department, he testified that he also violated the ETSI duty of disclosure under his novel interpretation of Clause 4.1. (Tr. 1433:18-1434:10.)

patentee's conduct.) But Apple could not provide any evidence as to this element. Apple did not even begin producing accused products until nearly a decade after Nokia's IPR disclosure. (*E.g.*, Tr. 644:4-11.) And Dr. Walker admitted he had no evidence that Apple would have chosen other technology but for Nokia's supposed untimely disclosure. (Tr. 1437:5-9.)

As for waiver, that defense requires either: (a) an intentional relinquishment of patent rights; or (b) conduct that was "*so inconsistent with an intent to enforce its right*" as to induce a reasonable belief that such right has been relinquished. *Qualcomm*, 548 F.3d at 1020 (emphasis in original). Yet Apple failed to provide any evidence to satisfy either (a) or (b). For example, Apple did not provide any evidence of intentional relinquishment by Nokia, which Dr. Walker admitted on cross-examination. (Tr. 1433:6-9.) Apple also provided no evidence of conduct "*so inconsistent with an intent to enforce its right as to induce a reasonable belief*" by Apple (or anyone, for that matter) that such right has been relinquished. To the contrary, years before this instant suit was filed, Nokia provided a demand letter to Apple, to license on FRAND rates a portfolio of Nokia's patents that included the '151 patent. (DX-59; DX-560; 649:6-20.)

*Qualcomm*, the only decision cited by Apple that has found a patent unenforceable for waiver, is distinguishable and only illustrates why Apple cannot carry its burden. In *Qualcomm*, the patentee had *issued* patents claims that it knew *were standards-essential*, but "*intentionally organized a plan to shield [the] patents from consideration*" by the SSO. 548 F.3d at 1022. Under these circumstances, the court determined that a finding of implied waiver was not an abuse of discretion. *Id.* In so doing, the court also discussed the reason why such duties exist: to prevent patent hold-up. *Id.* at 1100-01 (see also PX-832.005.) In contrast, the '151 patent is not (and never has been) essential and, in any event, Nokia disclosed its IPR immediately after it had an allowed claim. Moreover, Dr. Walker's admissions prove that Nokia did not intentionally delay any disclosure and that it never committed any sort of hold-up. (Tr. 1433:6-9; 1434:11-1435:7.) No case cited by Apple has held a patent unenforceable under these or similar facts. Instead, other cases with similar facts resulted in a finding of no unenforceability. *See, e.g., Infineon*, 318 F.3d at 1100-1104; *Genband US LLC v. Metaswitch Networks Ltd.*, Case No. 2:14-cv-33-JRG, 2016 WL 5422737 at \*32-34 (E.D. Texas, Sept. 29, 2016).

Respectfully submitted,

DATED: December 20, 2016

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*/s/ Reza Mirzaie*

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