IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

PARKERVISION, INC.,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Case No. 3:15-cv-01477-BJD-JRK
	)	
APPLE INC., et al.,	)	
	)	
Defendants.	)	
	)	

PARKERVISION'S REPLY TO
QUALCOMM'S OPPOSITION TO PARKERVISION'S MOTION
FOR LEAVE TO FILE THIRD AMENDED COMPLAINT

Pursuant to the Court's December 28, 2018 order (Dkt. No. 138), ParkerVision files this reply to Qualcomm's Opposition to ParkerVision's Motion for Leave to File Third Amended Complaint (the "Opposition;" Dkt. No. 133) for the purpose of responding to four reasons Qualcomm offers for denying ParkerVision's motion.

I. Qualcomm's reliance on ParkerVision's pleadings in the ITC is misplaced.

Qualcomm argues that ParkerVision's decision not to assert any indirect infringement claims against Qualcomm in the parallel International Trade Commission ("ITC") proceeding is evidence that ParkerVision failed to allege any indirect infringement claims in this case. (Opposition at 3-7, 10-11). But what ParkerVision did or did not plead in a different action has no bearing on what ParkerVision has pled here.

Qualcomm's reliance on the ITC pleadings is especially unfounded here because ParkerVision was seeking an entirely different form of relief in the ITC. Unlike this Court, the ITC has no ability to award damages. *Texas Instruments, Inc. v. Tessera, Inc.*, 231 F.3d 1325, 1330 (Fed. Cir. 2000) ("In the ITC, the patentee may not seek money damages."). Instead, the ITC may only order injunctive relief, typically in the form of exclusion orders that prohibit parties from importing infringing products into the United States. *See* 19 U.S.C. §§ 1337(d) & (f). Thus, any exclusion order that ParkerVision obtained in the ITC against Apple, LG, and Samsung—which, together, represent nearly the entire United States market of smart phones and tablets incorporating the accused Qualcomm chips—would have provided ParkerVision with the remedy it was seeking, without any need to allege or prove that Qualcomm indirectly infringed the '528 Patent.

Here, in contrast, ParkerVision is seeking *damages* from Qualcomm and Apple.

And to the extent Qualcomm successfully argues that it has not directly infringed the ’528 Patent, the only way for ParkerVision to recover damages from Qualcomm as a result of Apple’s or some other OEM’s sale of products which incorporate the accused Qualcomm chips is through a claim of indirect infringement. This is precisely why ParkerVision’s Amended Complaint and Second Amended Complaint request a judgment “that Defendants have infringed, *contributorily infringed*, *and/or induced infringement of* one or more claims” of the ’528 Patent.” (Dkt. No. 3, p. 26; Dkt. No. 121, p. 6) (emphasis added).

II. ParkerVision previously alleged indirect infringement of the ’528 Patent.

Second, Qualcomm repeatedly claims in its Opposition that ParkerVision never previously alleged indirect infringement of the ’528 Patent. This is simply not true.

Qualcomm’s opposition is based on its repeated assumption that ParkerVision’s prior complaints did not plead indirect infringement. But as established in ParkerVision’s motion to amend—and ignored by Qualcomm—ParkerVision’s Amended and Second Amended Complaints both asserted that Qualcomm indirectly infringed the ’528 Patent, requesting judgment “that Defendants have infringed, *contributorily infringed, and/or induced infringement* of one or more claims of the … ’528 Patent.” (Dkt. No. 3, p. 26) (emphasis added). Qualcomm never moved to dismiss any of Qualcomm’s complaints for failing to adequately plead these contributory and inducement assertions.

Likewise, ParkerVision’s August 15, 2017, preliminary infringement contentions asserted that Qualcomm infringed the ’528 Patent “under one or more provisions of 35 U.S.C. §§ 271(a), (b), and (c).” (Dkt. No. 131-2, p. 5). ParkerVision’s amended preliminary infringement contentions contained this same statement. (Dkt. No. 131-3, p. 5). Qualcomm

knows that there is no such thing as *direct* infringement under Sections 271(b) and (c). Rather, Sections 271(b) and (c) codify *indirect* inducement of infringement and *indirect* contributory infringement, respectively. Specifically, they state:

> (b) Whoever actively *induces infringement* of a patent shall be liable as an infringer.
>
> (c) Whoever offers to sell or sells within the United States or imports into the United States a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a *contributory infringer*.

35 U.S.C. § 271(a) & (c) (emphasis added).

If Qualcomm was confused by the express indirect infringement references in ParkerVision's complaints and infringement contentions, it should have raised its concerns no later than August 2017, when ParkerVision served its initial infringement contentions. Had it done so, ParkerVision would have mooted this issue by moving to amend and clarify its Amended Complaint well before the October 3, 2017 deadline for amending the pleadings. Instead, Qualcomm chose to do nothing, and then claimed prejudice more than a year later when ParkerVision sought to clarify its allegations in light of Qualcomm's purported confusion. The Court should not reward Qualcomm's silence and delay.

III. Apple's motion supports ParkerVision's motion for leave to amend.

Third, Qualcomm argues that Apple's motion for summary judgment does not demonstrate that Apple believes that ParkerVision is asserting indirect infringement claims against Qualcomm, noting that "Apple's motion repeatedly referred to direct infringement

only." (Opposition, p. 15). However, this argument misses the point—that the relief Apple requested in its motion presumes and acknowledges ParkerVision in fact is asserting indirect infringement claims against Qualcomm.

Apple claimed in its motion for summary judgment that if ParkerVision prevails against Qualcomm, ParkerVision will be compensated for all damages caused by sales of Apple products that include accused Qualcomm chips. (*See, e.g.*, Dkt. No. 109, p. 1 ("[I]f ParkerVision's claims against Qualcomm are successful, ParkerVision will recover from Qualcomm and will be legally barred from obtaining any relief from Qualcomm's customers, including Apple.")). Neither of the defendants has conceded that Qualcomm could be liable for Apple's sales by *directly* infringing the '528 Patent under Section 217(a) as a result of its sale of the accused chips to Apple.[1] Accordingly, Apple's motion for summary judgment is necessarily based on Qualcomm being liable for Apple's sales by *indirectly* infringing the '528 Patent under Section 217(b) and (c) by contributing to and/or inducing Apple's infringing sales.

Thus, Apple understood that ParkerVision's complaints and infringement contentions asserted *indirect* infringement claims against Qualcomm. Qualcomm should have understood this as well.

IV. The proposed Third Amended Complaint is not futile.

Fourth and finally, both of Qualcomm's arguments as to why the third amended complaint ("TAC") is futile are wrong because they are based on Qualcomm contesting the

[1] If Qualcomm were to concede that it is liable as a direct infringer for any infringing Apple's sales, the issue of amending the Second Amended Complaint to clarify ParkerVision indirect infringement allegations against Qualcomm is largely moot.

truth of ParkerVision's allegations rather than whether those allegations, if true, state a claim for indirect infringement. First, contrary to Qualcomm's argument, the TAC alleges the requisite pre-suit knowledge '528 Patent as follows:

> Qualcomm has had actual knowledge of, or was willfully blind to, the '528 Patent since the '528 Patent issued. ParkerVision provided information about the issuance of the '528 Patent on its website shortly after issuance of the patent in September 2015. Individuals from Qualcomm regularly visit ParkerVision's website. This demonstrates that Qualcomm's employees knew of or should have known of the '528 Patent and the scope of the patent prior to filing of this action.

(Dkt. No. 131-1 at ¶ 23). That Qualcomm disputes these allegations does not affect whether they are adequately plead.

Second, contrary to Qualcomm's argument, the TAC alleges that Qualcomm knowingly induced others to directly infringe the '528 Patent:

> Qualcomm specifically intended these others, such as manufacturers, including OEMs, customers, resellers, and end-use customers, to infringe the '528 Patent and knew that these others perform acts that constituted direct infringement.

Id. at ¶ 22. Further, the TAC alleges Qualcomm's design of products induced others "such that they would infringe one or more claims of the '528 Patent." *Id.* at ¶ 24. These allegations are squarely in line with *Commil USA, LLC v. Cisco Sys.*, 135 S. Ct. 1920 (2015), in which the Supreme Court reaffirmed that "induced infringement can only attach if the defendant knew of the patent and knew as well that 'the induced acts constitute patent infringement.'" *Id.* at 1926 (quoting *Global-Tech Appliances, Inc. v. SEB S.A.*, 563 U.S. 754, 766 (2011)). Nothing more is required at the pleading stage.

The Court should grant ParkerVision's motion for leave to file the TAC.

Dated: January 7, 2019

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CERTIFICATE OF SERVICE

I certify that on January 7, 2018, I electronically filed the foregoing with the Clerk of Court by using the CM/ECF system. I further certify that I mailed the foregoing document and the notice of electronic filing by first-class mail to the following non-CM/ECF participants: none.

/s/ *John R. Thomas*
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