



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

SANYO ELECTRIC CO., LTD.,	§	
	§	
PLAINTIFF,	§	
	§	C.A. No. 2018-0723-MTZ
V.	§	
	§	PUBLIC VERSION
INTEL CORPORATION,	§	October 10, 2018
	§	
DEFENDANT.	§	
	§	

VERIFIED COMPLAINT

Plaintiff SANYO Electric Co., Ltd. ("Sanyo"), by and through its undersigned counsel, alleges for its Verified Complaint against defendant Intel Corporation ("Intel"), as follows:

I. NATURE OF THE CASE

1. This is an action seeking injunctive and declaratory relief to prevent Intel from impairing Sanyo's patent rights by, among other things, selling and claiming the right to sell wireless communication modules under a patent cross license agreement between Intel and Sanyo.

2. From January 2005 to June 2006, Intel and Sanyo extensively negotiated the terms of a patent cross license agreement, including the specific categories of products that Intel was licensed to make or sell under Sanyo's patents.

3. During these negotiations, Intel sought a license that would cover an additional category of product, Wireless Communication Modules (“WCM”). Such a license would allow Intel to make or sell its WCM free of any claim of infringement and limit the patent infringement liability faced by Intel’s customers. Sanyo refused to grant Intel such a license.

4. Throughout the negotiations, both Intel and Sanyo understood WCM to be a distinct product separate from other the products that Sanyo licensed Intel to make or sell under Sanyo’s patents.

5. In an effort to expand the scope of the license to cover WCM, Intel introduced multiple proposals that used the term “wireless communication modules.” Sanyo rejected each proposal.

6. Intel and Sanyo ultimately agreed that WCM would not be included within the scope of the agreement: Intel’s lead negotiator stated in an email that “[REDACTED]” and Sanyo’s lead negotiator confirmed via reply that Intel’s proposal was acceptable.

7. Thus, the parties agreed that Sanyo would grant a license to Intel to make or sell certain products under Sanyo’s patents, but not to make or sell WCM, and, as a result, that Intel customers who incorporate Intel’s WCM into their products would remain subject to liability for patent infringement.

8. This agreement was memorialized in a June 30, 2006 patent cross license agreement (the “Cross License Agreement,” attached as Exhibit 1), under which each party granted to the other the right to make or sell defined categories of products under certain of their respective patents.

9. [REDACTED] Sanyo sold a portfolio of patents related to wireless communication (the “Wi-Fi Patents”) to HERA WIRELESS S.A. (“Hera”). [REDACTED]
[REDACTED]
[REDACTED]

10. Because Intel had no right to make or sell WCM under the Wi-Fi Patents subject to the Cross License Agreement, Sanyo’s assignment of the Wi-Fi Patents complied with the Assignment of Patents provision of the Cross License Agreement.

11. Thereafter, Hera and its authorized licensing company Sisvel UK Limited (“Sisvel”) began licensing the Wi-Fi Patents to companies in the industry.

12. Beginning in July 2017, Hera sued several companies for patent infringement, accusing their products of infringing certain of the Wi-Fi Patents. Products sold by certain defendants allegedly incorporate Intel WCM.

13. In September 2017, after Hera filed suit, Intel contacted Sanyo on behalf of its sued customers. Intel falsely claimed that the Cross License

Agreement grants a license to Intel to make or sell WCM, and also that Hera's patent rights are exhausted under the doctrine of patent exhaustion.

14. Further, Intel accused Sanyo of breaching the Cross License Agreement based on Sanyo's purported failure to assign the Wi-Fi Patents expressly subject to Intel's rights under the Cross License Agreement.

15. Intel also contacted Hera, falsely representing to Hera that Intel had rights under the Cross License Agreement that limited Intel's customers' liability for infringing the Wi-Fi Patents.

16. In sum, although the Cross License Agreement did not grant Intel a license to make or sell WCM under any Sanyo patents, including the Wi-Fi Patents that Sanyo later assigned to Hera, Intel now contends that by virtue of its purported rights under the Cross License Agreement Intel may sell its WCM to third parties and that those third parties are not liable for patent infringement.

17. Patents are unique and valuable intellectual property, the loss or impairment of which causes irreparable harm. Intel is irreparably impairing Sanyo's patent rights by falsely claiming that it may make or sell products that are not licensed under the Cross License Agreement.

18. As long as Intel claims rights to make or sell products under Sanyo patents that Intel does not have, Sanyo cannot be sure what its own patent rights

are, and whether a given action to enforce Sanyo's patent rights or a given assignment would or would not affect or be affected by Intel's rights under the Cross License Agreement.

19. In addition, by falsely claiming that the Cross License Agreement grants Intel a license to make or sell WCM, Intel is also irreparably impairing title to the Wi-Fi Patents that Sanyo assigned to Hera [REDACTED]
[REDACTED]

20. From October 2017 through September 2018, Sanyo and Intel engaged in the extensive dispute resolution process required by the Cross License Agreement, but were unable to resolve the dispute.

21. In order to end the irreparable harm that Intel is causing, Sanyo now seeks an order enjoining Intel from (i) misrepresenting its and its customers' rights under the Cross License Agreement, and (ii) stating to any third party that the Cross License Agreement provides Intel's customers any license defense or patent exhaustion defense to patent infringement with respect to the Wi-Fi Patents.

22. Further, to preserve its contractual and business relationships with Hera and Sisvel, Sanyo also seeks declaratory relief in the form of an order finding that: (i) the Cross License Agreement does not license or otherwise authorize Intel to make or sell WCM; (ii) the Cross License Agreement does not preclude Sanyo's

assignment of the Wi-Fi Patents; (iii) Sanyo's assignment of the Wi-Fi Patents to Hera did not breach the Cross License Agreement; and (iv) the doctrine of patent exhaustion does not apply to Hera's patent rights.

II. THE PARTIES

23. Plaintiff SANYO Electric Co., Ltd., is a Japanese corporation with an office at 2-1-61 Shiromi, Chuo-ku, Osaka-City, Osaka 540-6206, Japan. Sanyo is a major electric product manufacturer and is now a wholly owned subsidiary of Panasonic Corporation.

24. Defendant Intel Corporation is a Delaware corporation having an office at 2200 Mission College Blvd., Santa Clara, California 95052, U.S.A. Intel is a leading manufacturer of semiconductor chips.

III. BACKGROUND

25. In January 2005, Sanyo and Intel began negotiations regarding a cross license agreement pursuant to which Sanyo would be allowed to make or sell certain products without concern that it was infringing Intel's patents and Intel would be allowed to make or sell certain products without concern that it was infringing Sanyo's patents.

26. The products that Intel could make or sell under the contemplated agreement were to be defined, in part, by reference to the term Integrated Circuit.

Specifically, the definition of the term Integrated Circuit would affect the scope of Intel's rights to make or sell other products under the agreement.

27. Intel and Sanyo reached agreement on the definition of Integrated Circuit on December 10, 2005, midway through their negotiations.

28. Thereafter, Intel proposed separate provisions that would extend the license to Intel's WCM. Sanyo rejected these proposals, and the parties agreed that WCM would not be covered by the agreement. The executed Cross License Agreement did not grant Intel rights to make or sell WCM under Sanyo's patents.

29. Intel is now taking the position that its sales of WCM are licensed or otherwise authorized under the Cross License Agreement because its WCM purportedly falls within the definition of Integrated Circuit, Intel Licensed Product, or Intel Processor, but at no time did the parties understand the terms that way.

A. The negotiation history of the Cross License Agreement.

30. Negotiations between Sanyo and Intel began in January 2005 and concluded in June 2006.

31. Yasuhiro Fujitani served as Sanyo's lead negotiator.

32. Ted Karr served as Intel's lead negotiator.

33. Intel and Sanyo extensively negotiated the definition of "Integrated Circuit."

34. Intel and Sanyo also extensively negotiated whether Sanyo would permit Intel to make or sell WCM.

1. Negotiations about “Integrated Circuit.”

35. After meeting to discuss a possible cross license on January 26, 2005, the parties began exchanging drafts of a cross license agreement. Early drafts of the agreement, including the June 13, 2005 draft, provided that Sanyo would grant Intel a license to make or sell Intel Licensed Products. These drafts also provided that [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

36. Intel Licensed Products and Intel Processors were defined [REDACTED]

[REDACTED]

[REDACTED]

37. Throughout fall and winter 2005, the parties negotiated the definition of Integrated Circuit at in-person meetings and in email exchanges.

38. Sanyo informed Intel that it would not agree to define Integrated Circuit broadly and repeatedly made clear its desire for a narrow definition.

39. In an email dated December 3, 2005, Mr. Karr represented to Mr. Fujitani that Intel was “ [REDACTED]

[REDACTED]”

40. On December 10, 2005, Mr. Karr sent Mr. Fujitani an email and an attached list of comments and questions related to Sanyo’s most recently proposed changes to the draft, which included Intel’s proposed revision to the definition of Integrated Circuit.

41. Mr. Karr represented that, [REDACTED]

[REDACTED]

[REDACTED]

42. Mr. Karr also wrote that he was [REDACTED]

[REDACTED]

43. The definition of Integrated Circuit would remain materially unchanged from the December 10, 2005 draft of the cross license agreement, and completely unchanged from the March 17, 2006 draft, through the signing of the Cross License Agreement on June 30, 2006.

44. At no time prior to the signing of the Cross License Agreement did Intel state or suggest that WCM fell within the definition of Integrated Circuit.

2. Negotiations about WCM.

45. Over the course of the negotiations, Intel proposed to expand the scope of the license it would receive from Sanyo to include Intel's WCM. Sanyo consistently rejected Intel's efforts in this regard.

46. Intel first proposed to insert "Intel wireless communication modules," into Section 3.8 of the November 5, 2005 draft of the agreement. In Section 3.8,

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Intel proposed adding "Intel wireless communication modules" as a fourth category of product licensed under Section 3.8. Intel did not propose a definition of "Intel wireless communication modules" in this draft.

47. On February 6, 2006, Sanyo sent Intel an email requesting a definition of the term "Intel wireless communication module."

48. In a reply email dated February 8, 2006, Intel proposed a definition for Intel Wireless Communication Modules that relied on the definition of Integrated Circuit.

49. Despite Intel's requests, Sanyo refused to extend the scope of the agreement to include WCM.

50. In a March 10, 2006 email, Sanyo's lead negotiator, Yasuhiro Fujitani, made clear that Sanyo insisted on excluding WCM from the scope of the agreement.

51. Mr. Fujitani gave several reasons for excluding WCM. He noted that "Wireless Communication Module is a technology that relates to various [Sanyo] consumer products and also focused on research and development in Sanyo R&D Division as well." He further explained that Sanyo insisted on excluding WCM for business-related reasons, observing that "mobile phones [are] getting closer to personal computers, there is a possibility that Intel's customers would be competitors for Sanyo as a mobile phone manufacturer."

52. Mr. Fujitani further explained to Intel that including WCM in the scope of the agreement would weaken Sanyo's position in the marketplace. According to Mr. Fujitani, "This means that Sanyo might be in a weaker position in the market than the competitors if Sanyo agrees that it would grant a patent license for the combination of WCM, Intel [processor] and etc. to Intel and would not be able to assert against direct or indirect Intel's customers under the Section 3.8."

53. In view of these concerns, Sanyo proposed removing WCM from Section 3.8, and clarified that the scope of the license to Intel and the non-assertion covenant to Intel's customers [REDACTED]

[REDACTED]

54. Intel did not immediately agree to Sanyo's requests and continued to press to include a license to WCM. In its next draft of the license agreement, dated March 17, 2006, Intel included a formal definition for "Intel Wireless Communication Modules" and again proposed that WCM remain within the scope of the grant in Section 3.8.

55. From March 2006 to May 2006, Intel continued to propose to include WCM in the Cross License Agreement, and Sanyo continued to reject that proposal.

56. In a May 12, 2006 email, Mr. Fujitani informed Mr. Karr that, after discussing the WCM issue with Sanyo's R&D division, Sanyo "can not give the license of Sanyo Patents to Intel regarding Intel WCM" because the grant of such a license would prohibit Sanyo from asserting its patents against Intel's customers, which was not acceptable to Sanyo. In an attachment to this email, Sanyo proposed revising Section 3.8 to remove any reference to Intel Wireless Communication Modules

57. In response, Intel submitted a revised proposal regarding WCM in a May 17, 2006, email from Mr. Karr.

58. In this email, Mr. Karr represented that Intel's proposal was to
“ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]”

59. Mr. Karr represented that “ [REDACTED]
[REDACTED]
[REDACTED]”

60. Mr. Karr further represented that “ [REDACTED]
[REDACTED]
[REDACTED]”

61. According to Mr. Karr, Intel believed that this was “ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]”

62. Consistent with Mr. Karr's May 17 email, Intel sent Sanyo a draft agreement on May 25, 2006. This draft removed WCM from Section 3.8 and inserted WCM into the definition of Intel Licensed Products in Section 1.13.

63. Intel's effort to include WCM and Integrated Circuit as separate "Intel Licensed Products" confirms that Intel recognized all along that WCM were distinct from Integrated Circuit in the definition of Intel Licensed Products.

64. On June 2, 2006, Sanyo rejected Intel's proposal to include WCM within the definition of Intel Licensed Product by striking out Intel's proposed WCM language:



65. Sanyo's June 2, 2006 communication also included a proposal for non-assertion clauses in which each party would agree not to assert its patents against the other for making and selling WCM.

66. Intel and Sanyo ultimately agreed to remove WCM from the scope of the agreement entirely.

67. In an email dated June 16, 2006, Mr. Karr informed Mr. Fujitani that Intel rejected Sanyo's June 2, 2006 proposal, stating that he "[REDACTED]"

[REDACTED]

[REDACTED]

[REDACTED],

68. Mr. Karr further represented that “[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]”

69. Mr. Karr continued, stating that “[REDACTED]

[REDACTED],

70. Mr. Karr attached an agreement, which he represented “[REDACTED]

[REDACTED],

71. Mr. Fujitani responded on June 16, 2006, confirming that Sanyo and Intel had reached agreement: “It is [acceptable] for [Sanyo] that the Licensed Products is limited within Integrated Circuits since it is same as Sanyo’s original proposal.”

72. The parties signed the Cross License Agreement on or about June 30, 2006.

73. Consistent with the parties' June 16, 2006 email exchange, the executed Cross License Agreement removed WCM from the scope of the agreement.

3. The parties considered WCM to be separate products from Integrated Circuits.

74. At no point in the negotiations did Sanyo and Intel understand WCM to fall within the definition of Integrated Circuit, Intel Licensed Product, or any other term defining a product within the scope of Sanyo's license grant.

75. Sanyo and Intel shared the mutual understanding that WCM was its own separate category of product, and that Intel had not obtained a license as to WCM under the Cross License Agreement.

76. Neither party granted the other any rights to make or sell WCM.

77. The executed Cross License Agreement reflects the agreement of the parties.

B. The Cross License Agreement.

78. Under the executed Cross License Agreement, each party granted the other the right to make or sell certain products under certain of its patents.

1. Sanyo's grant to Intel in Section 3.1.

79. Under Section 3.1 of the Cross License Agreement, Sanyo granted Intel a license [REDACTED].

80. “Intel Licensed Products” are defined as [REDACTED]

81. The Cross License Agreement defines Integrated Circuit two ways.

82. Under the first definition, which is provided in Section 1.6(a),
“Integrated Circuit” is defined as:

[REDACTED]

[REDACTED]

83. Under the second definition, which is provided in Section 1.6(b),
“Integrated Circuit” is defined as:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

84. Intel's WCM is not an Integrated Circuit under either definition.

2. Sanyo's grant to Intel in Section 3.8.

85. In Section 3.8, Sanyo grants Intel the right to [REDACTED]

[REDACTED]

[REDACTED]

86. Also in Section 3.8, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

87. As defined in the Cross License Agreement, an "Intel Processor" is [REDACTED]

[REDACTED]

[REDACTED] The definition also provides an exemplary list of Intel branded processors. Ex. 1, Section 1.14.

88. Under the Cross License Agreement, a “Processor” is defined as [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Ex. 1, Section 1.23.

89. Under the Cross License Agreement, an “Intel Compatible Chipset” is defined as [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Ex. 1, Section 1.9. An Intel Compatible Processor is [REDACTED]

[REDACTED]

Ex. 1, Section 1.11.

90. Under the Cross License Agreement, Intel’s WCM is not an Intel Processor, an Intel Compatible Chipset, or a main system memory.

C. Intel’s WCM are not licensed under the Cross License Agreement.

91. Between 2006 and the present, Intel sold at least the following models of WCM: Intel Pro/Wireless 2100, 2200BG/2225BG/2915ABG; Intel

PRO/Wireless 3945ABG; Intel PRO/Wireless 4965AGN; Intel WiFi Link 5300/5100/5000; Intel Centrino Ultimate-N 6300 AGN; Intel Centrino® Advanced-N 6230; Intel Wireless-N 2230; Dual Band Wireless-AC 7260; and Dual Band Wireless-AC 7265.

92. Neither Section 3.1, Section 3.8, nor any other grant in the Cross License Agreement licenses or otherwise authorizes Intel to sell these WCM.

93. Therefore, Intel's sales of WCM are not authorized under the Cross License Agreement.

94. Further, neither Section 3.1, Section 3.8, nor any other grant in the Cross License Agreement licenses or otherwise authorizes Intel's customers to sell products that incorporate Intel's WCM.

95. Therefore, Intel's customers' products that incorporate Intel's WCM are not licensed under the Cross License Agreement.

96. The doctrine of patent exhaustion is triggered only by an authorized sale, but Intel's sales of WCM were not authorized by the Cross License Agreement. Therefore, a patent owner's rights are not exhausted under the doctrine of patent exhaustion

D. Sanyo's assignment of the Wi-Fi Patents to Hera.

97. [REDACTED] Sanyo entered into a Patent Assignment Agreement with Hera. Pursuant to this agreement, Sanyo assigned to Hera the Wi-Fi Patents among certain other patent rights.

98. [REDACTED]
[REDACTED]
[REDACTED]

99. The Patent Assignment Agreement required Sanyo to [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

100. [REDACTED]
[REDACTED]

101. [REDACTED]
[REDACTED]
[REDACTED]

102. Accordingly, Sanyo's assignment of the Wi-Fi Patents to Hera complied with the Assignment of Patents provision of the Cross License Agreement and was not a breach of the Cross License Agreement.

E. Hera and Sisvel's licensing campaign.

103. Following the execution of the Patent Assignment Agreement, Hera, together with Sisvel, began licensing the Wi-Fi Patents to companies that infringed the patents.

104. Since that time, Hera and Sisvel have collected [REDACTED] royalties from these companies in exchange for the rights to practice the Wi-Fi Patents.

105. The industry has thus recognized the contribution of the Wi-Fi Patents to the state of technology.

106. Not every company that Hera approached for a license agreed to take one, so Hera began suing infringers in July 2017.

107. Hera has since filed a total of eight lawsuits asserting infringement of at least one of the Wi-Fi Patents.

108. Some of the companies that Hera has sued incorporate Intel WCM in their products.

F. Intel's false statements are causing Sanyo irreparable harm.

109. Following the filing of these lawsuits, Intel has taken the position that the Cross License Agreement granted Intel a license to make or sell WCM products under the Wi-Fi Patents.

110. On October 19, 2017, Intel’s outside counsel incorrectly stated to Hera and Sisvel that “any accused computers using Intel Wi-Fi components are licensed and Hera’s claims are exhausted under a June 30, 2006 Patent Cross License Agreement between Intel and Sanyo[.]”

111. Intel’s outside counsel also incorrectly stated that “[t]he Intel Wi-Fi components . . . qualify as integrated circuits . . .” under the Cross License Agreement and that, for this reason, “Intel is thus licensed under the asserted Sanyo patents to make, sell, offer to sell, import or otherwise dispose of those components.”

112. Intel’s outside counsel also incorrectly asserted that “Intel’s license rights exhaust Hera’s infringement claims against the accused LG and Lenovo computers containing Intel’s Wi-Fi components,” and further that because “the Wi-Fi modem integrated circuits in Intel’s components are licensed, there can be no doubt that Hera’s patent infringement claims against computers that use those components are exhausted.” Intel wrongly concluded that “Hera has no basis to pursue its infringement claims against computers that use Intel Wi-Fi components.”

113. Intel’s position today is directly contrary to the parties’ understanding as memorialized in the Cross License Agreement, namely that WCM were a

separate category of product that the parties mutually agreed to exclude from the scope of the Cross License Agreement.

114. By misrepresenting the scope of its rights under the Cross License Agreement and claiming a license to the Wi-Fi Patents, patents under which it has no rights to make or sell products, Intel has impaired Sanyo's title to the patents that remain in Sanyo's patent portfolio as well as to the Wi-Fi Patents that Sanyo assigned to Hera, and has harmed Sanyo's business relationship with Hera and Sisvel.

115. Intel's false representations about its and its customers' rights under the Cross License Agreement have irreparably harmed and continue to irreparably harm Sanyo's property interests in its own patent portfolio.

116. By falsely claiming the right to make or sell products that are not licensed under the Cross License Agreement, Intel is effectively claiming license rights under Sanyo patents that Intel does not in fact have. Sanyo is and will continue to be unable to determine which patents are implicated by Intel's false claims of authorization, and thus whether any potential patent assignment or grant of rights under Sanyo's patents would be properly "subject to the terms" of the Cross License Agreement.

117. [REDACTED]

[REDACTED]

[REDACTED]

118. For example, Intel's representations about the scope of its rights under the Cross License Agreement to defendants in the lawsuits filed by Hera have caused at least one defendant to raise and maintain defenses to the patent infringement claims that are not supported by the Agreement. Specifically, the defendant has asserted that Hera's patent rights are exhausted under the doctrine of patent exhaustion.

119. Intel and the defendant have asserted that Hera's patent rights are exhausted. But the doctrine of patent exhaustion is triggered only by an authorized sale, and is not applicable here, because Intel's sales of WCM were not authorized by the Cross License Agreement.

120. [REDACTED]

[REDACTED]

[REDACTED] Intel's false statements have served to prolong Hera's recovery and have encouraged defendants to assert defenses to infringement when they might have otherwise taken a license.

121. [REDACTED]

[REDACTED]

[REDACTED]

122. [REDACTED]

[REDACTED]

123. [REDACTED]

[REDACTED]

[REDACTED]

124. [REDACTED]

[REDACTED]

[REDACTED]

125. [REDACTED]

[REDACTED]

[REDACTED]

126. This harm is ongoing, the damages are not readily ascertainable, and there is no adequate remedy at law.

127. This harm will continue unless and until Intel is ordered to stop representing to any third party that Intel is licensed or otherwise authorized to make or sell WCM under the Cross License Agreement; that any products of

Intel's customers incorporating Intel's WCM are licensed or otherwise authorized under the Cross License Agreement; and that Hera's patent rights are exhausted.

**COUNT I
DECLARATORY JUDGMENT
OF PARTIES' CONTRACTUAL RIGHTS (10 DEL. C. § 6501)**

128. Sanyo incorporates the foregoing paragraphs as if fully set forth herein.

129. Sanyo seeks a declaration of the parties' rights under the Cross License Agreement between Sanyo and Intel.

130. Sanyo and Intel extensively negotiated the Cross License Agreement to define the rights of Intel and its customers under Sanyo's patents.

131. Sanyo licensed Intel to [REDACTED]

[REDACTED]

132. Sanyo also licensed Intel to [REDACTED]

[REDACTED]

[REDACTED]

133. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

134. On several occasions during the negotiations, Intel proposed including its WCM among the products authorized under Sanyo's patents.

135. Throughout the negotiations, Intel and Sanyo mutually understood that WCM were distinct from and outside the scope of Integrated Circuit as defined in the Cross License Agreement; that WCM were distinct from and outside the scope of the Intel Licensed Products as defined in the Cross License Agreement; and that WCM were distinct from and outside the scope of the Intel Processors, Intel Compatible Chipsets, and main system memory as defined in the Cross License Agreement.

136. Sanyo rejected Intel's proposals, and declined to authorize Intel to make or sell WCM under Sanyo's patents.

137. Sanyo also declined to include WCM within the scope of the covenant not to sue.

138. Intel and Sanyo agreed that WCM would be taken out of the Cross License Agreement.

139. The parties executed the Cross License Agreement reflecting their agreement.

140. Intel now takes the position that the Cross License Agreement authorizes Intel to make or sell WCM, and Intel's customers to incorporate WCM

in their own products. Intel has variously argued that this is so because its WCM fall within the definitions of Intel Licensed Product, Intel Processor, and/or Integrated Circuit.

141. Intel's position today is contrary to the language of the Cross License Agreement and the parties' understanding of the agreement when the Cross License Agreement was executed, and amounts to a misrepresentation of Intel's rights under the Cross License Agreement.

142. Since at least September 2017 and continuing through the present, Intel has repeated its misrepresentations of its and its customers' rights under the Cross License Agreement at least to its customers, to Hera, and to Sanyo.

143. Sanyo has been and will continue to be harmed by Intel's misrepresentation of its rights under the Cross License Agreement.

144. The harm is irreparable and there is no adequate remedy at law. The Wi-Fi Patents that Sanyo assigned to Hera [REDACTED] [REDACTED] as well as Sanyo's existing patents in which it has retained ownership, are unique property. Sanyo's rights in this unique property have been impaired by Intel's misrepresentations about the scope of its rights under the Cross License Agreement, namely that the Agreement grants a license to Intel to make or sell WCM.

145. Sanyo has been and will continue to be harmed by Intel's misrepresentation of its rights under the Cross License Agreement.

146. Sanyo is entitled to an order: stating that the Cross License Agreement did not license or otherwise authorize Intel to make or sell Wireless Communication Modules; stating that any products of Intel's customers incorporating Intel's Wireless Communication Modules are not licensed or otherwise authorized under the Cross License Agreement; stating that Hera's patent rights are not exhausted under the doctrine of patent exhaustion; and enjoining Intel from making contrary representations to third parties, including that Hera's patent rights are exhausted.

COUNT II
INTENTIONAL INTERFERENCE WITH
PERFORMANCE OF A CONTRACT BY A THIRD PERSON

147. Sanyo incorporates the foregoing paragraphs as if fully set forth herein.

148. The Patent Assignment Agreement is a contract between Sanyo and Hera.

149. Intel knew or had reason to know of the existence of the Patent Assignment Agreement between Sanyo and Hera.

150. [REDACTED]

[REDACTED]

[REDACTED]

151. Specifically, Intel has misrepresented to Hera that the Cross License Agreement grants Intel rights to [REDACTED]

[REDACTED]

152. Intel has also misrepresented to Hera that the WCM Intel sells are authorized under the Cross License Agreement.

153. Sanyo has been injured by Intel's interference.

154. Sanyo has been and will continue to be harmed by Intel's misrepresentation of its rights under the Cross License Agreement.

155. Sanyo is entitled to an order: stating that the Cross License Agreement did not license or otherwise authorize Intel to make or sell Wireless Communication Modules; stating that any products of Intel's customers incorporating Intel's Wireless Communication Modules are not licensed or otherwise authorized under the Cross License Agreement; stating that Hera's patent rights are not exhausted under the doctrine of patent exhaustion; and enjoining Intel from making contrary representations to third parties, including that Hera's patent rights are exhausted.

COUNT III
INTENTIONAL INTERFERENCE WITH
ANOTHER'S PERFORMANCE OF HIS OWN CONTRACT

156. Sanyo incorporates the foregoing paragraphs as if fully set forth herein.

157. Sanyo and Hera entered into a contract, the Patent Assignment Agreement, in which Sanyo assigned the Wi-Fi Patents to Hera.

158. Intel knew or had reason to know of the existence this contract.

159. The Patent Assignment Agreement requires Sanyo to [REDACTED]
[REDACTED]

160. Intel is intentionally and improperly interfering with the contractual relationship between Sanyo and Hera by making it more burdensome and expensive for Sanyo to perform its obligations under the Patent Assignment Agreement.

161. Intel did not have any rights under the Cross License Agreement to make or sell WCM under the Wi-Fi patents.

162. For this reason, [REDACTED]
[REDACTED]

163. Since at least September 2017, Intel has falsely represented and continues to falsely represent to Sanyo, Hera, and Intel's customers that the Cross

License Agreement authorizes Intel to make or sell WCM under the Wi-Fi Patents and Intel's customers to include WCM within their computers.

164. Intel's false representations about its and its customers' rights under the Cross License Agreement are making it more burdensome and expensive for Sanyo to perform its obligations under the Patent Assignment Agreement, namely,

[REDACTED]

165. Sanyo has been and will continue to be harmed by Intel's misrepresentation of its rights under the Cross License Agreement.

166. Sanyo is entitled to an order: stating that the Cross License Agreement did not license or otherwise authorize Intel to make or sell Wireless Communication Modules; stating that any products of Intel's customers incorporating Intel's Wireless Communication Modules are not licensed or otherwise authorized under the Cross License Agreement; stating that Hera's patent rights are not exhausted under the doctrine of patent exhaustion; and enjoining Intel from making contrary representations to third parties, including that Hera's patent rights are exhausted.

**COUNT IV
TRESPASS TO CHATTELS**

167. Sanyo incorporates the foregoing paragraphs as if fully set forth herein.

168. Patents are chattel property.

169. Sanyo, as the patent owner, has the right to dispose of its patents as it wishes, subject to any rights in those patents that Sanyo has granted to another.

170. As described above, Intel has misrepresented its rights under the Cross License Agreement, is claiming for itself more rights than Sanyo granted it under the Cross License Agreement, and is using Sanyo's patents to a greater extent than permitted under the Cross License Agreement.

171. Also as described above, Intel has misrepresented its customers' rights under the Cross License Agreement, and is claiming for its customers more rights than Sanyo granted under the Cross License Agreement.

172. By misrepresenting the scope of its and its customers' rights under the Cross License Agreement and by claiming more rights for itself and its customers than the parties bargained for, Intel is impairing the condition, quality, and value of Sanyo's patent portfolio that Sanyo currently owns.

173. [REDACTED]
[REDACTED]

[REDACTED]

174. By virtue of Intel's misrepresentations of its rights under the Cross License Agreement, Sanyo is unable to identify which of its patents are properly implicated by the Cross License Agreement.

175. Sanyo is therefore unable to enjoy the full use of its patent portfolio that a patent owner is entitled to enjoy.

176. [REDACTED]

[REDACTED]

177. Sanyo has been and will continue to be harmed by Intel's misrepresentation of its rights under the Cross License Agreement.

178. Sanyo is entitled to an order: stating that the Cross License Agreement did not license or otherwise authorize Intel to make or sell Wireless Communication Modules; stating that any products of Intel's customers incorporating Intel's Wireless Communication Modules are not licensed or otherwise authorized under the Cross License Agreement; stating that Hera's patent rights are not exhausted under the doctrine of patent exhaustion; and enjoining Intel from making contrary representations to third parties, including that Hera's patent rights are exhausted.

PRAYER FOR RELIEF

WHEREFORE, Sanyo respectfully requests the following relief:

(A.) an Order entering judgment in favor of Sanyo and against Intel;

(B.) an Order declaring the parties' rights under the Cross License Agreement and stating that the Cross License Agreement does not license or otherwise authorize Intel to make or sell Wireless Communication Modules, and that any products of Intel's customers incorporating Intel's Wireless Communication Modules are not licensed or otherwise authorized under the Cross License Agreement;

(C.) an Order stating that Sanyo did not breach the Cross License Agreement when it transferred patents to Hera pursuant to the Patent Assignment Agreement;

(D.) an Order stating that because the Cross License Agreement does not license or otherwise authorize Intel to make or sell Wireless Communication Modules, Hera's patent rights are not exhausted under the doctrine of patent exhaustion; and

(E.) an Order enjoining Intel from representing to any third party that the Cross License Agreement licenses or otherwise authorizes Intel to make or sell Wireless Communication Modules; that any products of Intel's customers incorporating Intel's Wireless Communication Modules are licensed or otherwise

authorized under the Cross License Agreement; or that Hera's patent rights are exhausted;

(F.) monetary damages in an amount to be proven at trial;

(G.) an award of costs, including attorney fees, incurred by Sanyo in bringing this action; and

(H.) any other relief the Court deems just and appropriate.

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