

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

MICROSOFT CORPORATION,

Plaintiff,

v.

MOTOROLA, INC., et al.,

Defendants.

CASE NO. C10-1823JLR

MINUTE ORDER

MOTOROLA MOBILITY, INC., et
al.,

Plaintiffs,

v.

MICROSOFT CORPORATION,

Defendant.

The following minute order is made by the direction of the court, the Honorable
James L. Robart:

1 On January 28, 2013, the court heard argument from the parties regarding a
 2 license agreement between Google Inc. (“Google”) and MPEG LA related to the
 3 H.264/AVC patent pool.¹ (Motorola Br. (Dkt. # 614); Microsoft Br. (Dkt. # 615).)
 4 During the hearing, the parties raised novel arguments not contained in prior briefing to
 5 the court. In light of these novel arguments, the court has re-examined the license
 6 agreement between Google and MPEG LA.

7 The court directs the parties to Section 3.1.7 of the Google-MPEG LA license
 8 which states in relevant part:

9 **Enterprise Licensees.** Pursuant to Article 2.7 and notwithstanding
 10 anything to the contrary in Article 2.9 hereof, and in lieu of the royalties
 11 specified in Articles 3.1.2, 3.1.3, 3.1.4 and 3.1.5, a Licensee and its
 12 *Affiliates which are licensees under the AVC Patent Portfolio License and*
 13 *are identified in writing to the Licensing Administrator by Licensee* shall
 14 pay no more than the following total amounts in each Calendar Year for all
 15 such licenses for the combined Sales of Licensee and its Affiliates during
 16 such year:

17 [Prescribing royalty amounts and caps.]

18 (Google-MPEG LA License § 3.1.7 (emphases added).) From the italicized language of
 19 Section 3.1.7, it appears to the court that Licensee and its Affiliates fall under the royalty
 20 cap prescribed therein only if the Affiliates are themselves licensee under the AVC Patent
 21 Portfolio and are identified by the Licensee in writing to the Licensing Administrator.

22 No later than March 1, 2013, the parties may submit letter briefs of no more than 6
 single-spaced pages in length addressing:

¹ The license agreement between Google and MPEG LA was introduced as Exhibit 103
 during the November 13-19, 2012, trial. This license agreement will be referred to as the
 “Google-MPEG LA license agreement.”

1 (1) whether the court's understanding of the italicized language is correct; and

2 (2) whether Section 3.1.7 of the Google-MPEG LA License Agreement is a stand-
3 alone royalty cap provision or whether the section affects other provisions of the license
4 agreement, and in particular whether Section 3.1.7 has an affect Motorola's obligation to
5 license its standard essential patents as an Affiliate of Google.

6 Filed and entered this 21st day of February, 2013.

7
8 WILLIAM M. MCCOOL
Clerk of Court

9 s/Mary Duett
10 Deputy Clerk