Notable Trials and Settlements

Trials

- We represented **Samsung Electronics Company and its U.S. subsidiaries** in the latest chapter of Cupertino based Apple Inc.'s "holy war" against the Android smartphone operating system. In the face of allegations that Samsung infringed five patents and owed Apple $2.2 billion in damages, Quinn Emanuel remained undaunted. During a trial held in Apple's backyard (San Jose, California), the firm convinced the jury that two of Apple's patents were not infringed and, more importantly, that Apple's damages were less than 5.5% of the amount Apple sought. Quinn Emanuel's trial team further convinced the jury that Apple itself was an infringer, having used technology covered by one of Samsung's counterclaim patents. Outnumbered but not outgunned, Quinn Emanuel obtained this result against no fewer than three nationally recognized law firms that represented Apple throughout the case.

- We represented **TransWeb** in the defense of patent infringement claims asserted by 3M and the pursuit of antitrust claims against 3M. After a two and half week trial, we obtained a unanimous jury verdict that 3M's asserted patent claims were invalid, not infringed and (in an advisory capacity) unenforceable due to inequitable conduct. The jury also found that 3M violated the antitrust laws by attempting to enforce fraudulently obtained patents against TransWeb and awarded lost profits and attorneys fees as antitrust damages, resulting in a $26 million judgment. The Court subsequently found that 3M had committed inequitable conduct rendering the asserted patents unenforceable.

- We represented **Samsung** against Apple in an International Trade Commission Investigation involving a Samsung patent, U.S. Patent No. 7,706,348, which had been declared as potentially essential to the ETSI UMTS (3G) standard. The ITC found that Apple violated Section 337 through the importation and/or sale of UMTS-compliant products that infringe that patent. After a full trial and extensive rounds of briefing on technical and public interest issues, the Commission issued an exclusion and cease and desist order against Apple, that will prevent the importation of the iPhone 3G, 3GS (UMTS versions), 4 (UMTS versions), iPad 3G, and iPad 2 3G (UMTS versions) into the United States after a 60 day Presidential Review Period. In finding a violation, the ITC rejected all of Apple's defenses including its assertion that Samsung had allegedly violated certain FRAND obligations with respect to its assertion and licensing of its declared essential patents. Although Apple has been named a respondent in the ITC a number of times, this is first ITC exclusion order to be issued against Apple, and the first exclusion order obtained by Samsung at the ITC

- Brought in five months before trial to defend **Google**'s AdSense advertising products against Function Media's $600 million claim of infringement of three patents, we won a unanimous jury verdict of both non-infringement and invalidity in the Eastern District of Texas in Google's first patent trial and a complete affirmance of the judgments from the United States Court of Appeals for the Federal Circuit.

- We obtained a complete defense verdict for **Symantec Corporation** following a three week jury trial in the District of Delaware before Chief Judge Gregory M. Sleet. The jury concluded that Symantec and two other defendants did not infringe two patents owned by Finjan Inc. relating to the protection of computers and networks against hostile "downloadable" programs. The jury further found the asserted patents to be invalid, handing the defense a complete victory. Finjan asserted that Symantec's consumer and enterprise security products—including its popular Norton AntiVirus and Symantec Endpoint Protection lines—violated the asserted patents. Finjan's attorneys argued that the patents covered "behavior-blocking" technology to protect against known and unknown malware threats, and it sought over $1 billion dollars in damages from Symantec based on past damages, willful infringement, and an ongoing running royalty. This victory comes on the heels of an earlier case brought by Finjan against Secure Computing, in which Finjan prevailed in a jury trial before Judge Sleet that involved one of the two patents later asserted against Symantec.

- We represented **Derek Quinlan** in the very substantial and high profile Re Coroin litigation concerning the ownership of Claridge's, the Connaught and the Berkeley Hotels. Mr Quinlan is a shareholder in the company that owns the hotels and was accused by another shareholder of engaging in a dishonest conspiracy with the Barclay brothers in connection with his shares, and of causing unfair prejudice to that shareholder. After a 30 day trial, we achieved a complete dismissal of the allegations against Mr. Quinlan.

- We won a complete defense verdict for client **Google Inc.** Google was accused to have infringed two patents relating to personalization services, and the plaintiff asserted that four different Google products infringed those patents. The jury unanimously found in Google's favor. It found that one of the named inventors breached his employment agreement with his prior employer (whose rights Google had purchased) by failing to assign the inventions to his employer, that none of Google's products infringed a single asserted claim of the patents, that the asserted claims were invalid as anticipated by three separate prior art references, and that the asserted claims were invalid as obvious in light of the prior art.

- We represented **Mölnlycke Healthcare AB** ("MHC"), a global leader in the field of wound care products, in a German nullity action filed by BSN medical. The action concerned the German part of a European patent covering gel coated wound dressings. At the end of the trial, the German Federal Patent Court maintained MHC's patent in the form requested by MHC.

- We successfully defended the **producers, writers and director** of the motion picture "The Last Samurai" in a lawsuit alleging that they had used material written by the plaintiffs to write and produce the film. The plaintiffs asserted claims for copyright infringement and breach of implied-in-fact contract. After a two week trial in the United States District Court, the jury unanimously rejected the plaintiffs' claims and rendered a verdict in favor of our clients.

- We successfully defended **Micron Technology**, Inc. in a true "bet-the-company" antitrust case involving random access memory chips during a three month jury trial in San Francisco Superior Court against Rambus, Inc. Rambus asserted claims for violations of the Cartwright Act and sought $4 billion in compensatory damages, trebled to $12 billion under the Cartwright Act, as well as other relief. The jury rejected Rambus' claims and awarded no damages. After the verdict was announced, Rambus's market capitalization decreased by 61% and Micron's increased by 23%.

- We obtained a jury verdict for **a major Brazilian steel company** in a high profile case against a former executive in the U.S. District Court for the Southern District of New York and established the client's ownership of company and related assets worth in excess of $350 million.

- Defending **Google** against a $128 million patent infringement claim brought by Bright Response LLC against Google's AdWords advertising system in the Eastern District of Texas, we won a complete non-infringement and invalidity verdict after a six-day jury trial.

- We obtained a complete jury verdict for **The Dow Chemical Company** ("Dow") in a patent infringement against Nova Chemicals Corp. and Nova Chemicals Inc. ("Nova"). Dow's patents-in-suit relate to an important new kind of polyethylene used in a wide variety of applications from food packaging to heavy duty shopping sacks. Dow's invention allows manufacturers to fabricate stronger, thinner plastic films with less polyethylene, thereby requiring the consumption of less resources and energy to manufacture the plastics and also benefiting the environment through less plastic waste. The jury found that Dow's two patents-in-suit were valid and infringed by more than fifty Nova polymer products. The jury verdict awarded damages of $61.7 million, including $57.4 million in lost profits and $4.3 million in royalties. After inclusion of prejudgment interest, the total damages award was $76 million. The Federal Circuit affirmed the district court judgment in Dow's favor.

- We represented **Micron Technology** in its long running battle against Rambus in a patent case arising out of Dynamic Random Access Memory ("DRAM") technology. The U.S. District Court of Delaware trifurcated the trial into three phases -- the "unclean hands" phase, the "patent" phase and the "conduct" phase. In the unclean hands phase, the Court, following a five-day bench trial, issued a written opinion finding that Rambus spoliated evidence and declared the patents in the suit unenforceable. The Federal Circuit affirmed the finding of spoliation and has remanded the case back to the District Court for consideration of a remedy. The impact of this decision on the industry is likely to be in the billions of dollars.

- More than a week after trial began, after having no prior involvement in the case, assumed the role of lead trial counsel for **Caruso Affiliated Holdings**, a Southern California developer of "lifestyle" shopping centers, against General Growth Properties, the nation's then-second largest mall developer. Client alleged interference with prospective business relations based on threats General Growth made against a prominent nationwide restaurant chain to discourage the chain from becoming an anchor tenant in Caruso Affiliated's new shopping center across the street from the super-regional mall in Glendale, California owned

by General Growth. Obtained jury verdict of $89 million, $15 million of which was punitive damages.

- We represented **Mammoth Lakes Land Acquisition, LLC** in a two-week jury trial resulting in a verdict finding breach of contract against the Town of Mammoth Lakes. Our client obtained a judgment of $30 million, along with an award of attorneys' fees. This was the largest jury verdict in the history of Mono County, California and the 67th largest verdict in the nation in 2008. Defendant appealed, and the firm's appellate attorneys successfully persuaded the California Court of Appeal to affirm the judgment in full.

- We represented **Freedom Wireless** in a suit for patent infringement against twelve defendants for infringement of its patents on prepaid wireless telephone systems and methods. The trial lasted 15 weeks and we obtained a **$128 million jury verdict** entered against several wireless telephone carriers. The verdict is the largest ever awarded in Massachusetts, and was the eighth biggest verdict awarded in the U.S. that year. The case recently settled for a lump sum payment of $87 million, plus on-going royalties which are expected to generate an additional $50 million.

- We represented **Occidental Petroleum**, and won a jury verdict establishing liability in an insurance coverage case regarding business interruption losses sustained from over two hundred terrorist bombings of an oil pipeline in Colombia. The case **settled for nine figures** before the damages phase of the trial.

- We represented **RealNetworks** as a defendant in an internet software patent case brought by Ethos Technologies in Boston. We were hired as trial counsel after the close of fact discovery. After a 20-day trial, the jury found **seven of the ten claims asserted against RealNetworks invalid, and all ten asserted claims not infringed**, defeating a damages claim of over $200 million. Jury verdicts of invalidity in such cases are exceedingly rare.

- We represented **Shell Oil** in an antitrust case brought by California gas station dealers alleging price discrimination in setting wholesale price zones ("zone abuse"). After a month-long trial, and following plaintiffs' rebuttal case, Shell renewed various dispositive motions, including motions for Judgment as a Matter of Law, and to strike expert testimony. The Court granted both motions, dismissing the case in its entirety.

- We represented **Seiko Epson** in one of the largest patent infringement cases ever filed with the International Trade Commission, asserting eleven patents and thirty-one claims against 1,000 different cartridge models sold by twenty-four manufacturers, importers and distributors of aftermarket ink cartridges for resale in the U.S. After a 7-day trial, the Administrative Law Judge **found for our client on every asserted patent and claim, against every single accused product that was adjudicated, and against every respondent** that had not already entered into a consent order, and based thereon, it issued a general exclusion order prohibiting all companies, whether or not they were parties to the ITC proceeding, from importing and selling infringing cartridges in the United States.

- We represented limited partners of a **hedge fund** in a shareholder derivative arbitration against a hedge fund manager and his stockbroker sister based on claims of systemic fraud through post-execution allocations of securities trades over more than a decade. After an arbitration that spanned seven months, the arbitration panel, in a unanimous opinion, **awarded our clients $75 million in compensatory and punitive damages**, which included $35 million for disgorgement of compensation for the period of the fraud.

- We represented two German nationals who moved to Santa Barbara and sued media giant Bertelsmann AG and its former CEO. While working for Bertelsmann, these former executives had been the driving force behind the creation and development of AOL Europe, a joint venture between Bertelsmann and AOL. When Bertelsmann sold its interest in AOL Europe for $6.75 billion, it refused to compensate plaintiffs. They asserted claims for breach of contract and breach of partnership agreement, among others. We obtained a **$295 million verdict**. It was the seventh largest jury verdict in the nation that year.

- We represented **AOL's** subsidiary**, Tegic Communications**, in a patent suit against an infringing competitor. We were retained less than three months before the trial date, and after a three-week jury trial involving complex text input software technology, we defeated the attack on the validity of two Tegic patents and won a unanimous jury verdict of willful infringement and **$9 million** in compensatory damages.

- We represented **Bancorp Services** in a suit against The Hartford Insurance company for stealing trade secrets and breaching a confidentiality agreement. After a two-week trial requiring that we explain sophisticated financial products to jurors, the St. Louis jury deliberated for less than a day and unanimously awarded Bancorp **$118 million**.

Settlements

- We represented **ViaSat, Inc.**, a company that develops and designs satellites, in a patent infringement and breach of contract suit against Space Systems Loral ("SSL"). The jury found ViaSat's asserted patents valid. The jury also found that SSL infringed the asserted patents and breached its contractual obligations to ViaSat by improperly using and disclosing ViaSat proprietary information to manufacture a competitive satellite for Hughes Network Systems. The jury's findings on liability were affirmed by the District Court. Thereafter, the parties entered into a global settlement on terms favorable to ViaSat, including $100 million in cash.

- In a truly historic partnership between a regulator and a private firm, we represent the **Federal Housing Finance Agency**, as Conservator for Fannie Mae and Freddie Mac, in connection with its investigation and litigation of residential mortgage-backed securities. We filed fourteen complaints, asserting billions in damages, against most major investment banks. Each complaint asserts federal and state "strict liability" statutory claims arising out of misrepresentations about the securities, and certain complaints assert common law fraud claims. As widely reported, this is one of the most significant court actions taken by any federal regulator since the advent of the mortgage crisis, and the single largest set of actions ever filed by a governmental entity. In 2012, the Honorable Denise L. Cote denied a motion

to dismiss the claims in what was designated the "lead case" brought by FHFA, and in 2013 entered a series of rulings to streamline the cases for trial, including orders as to statistical sampling, loan file collection and reunderwriting, the scope of the so-called "actual knowledge" defense, the lack of any loss causation defense to FHFA's Blue Sky claims, and other significant issues. In 2013 we also obtained a unanimous affirmance by the Second Circuit of Judge Cote's decision as to the timeliness of FHFA's claims and its standing to sue, as well as a unanimous rejection of defendants' joint mandamus petition seeking to overturn a number of Judge Cote's key discovery rulings. With the cases moving toward fixed trial dates in 2014 and 2015, we have now settled twelve of the actions filed by Quinn Emanuel against Bank of America, Merrill Lynch, Countrywide, Credit Suisse, Deutsche Bank, J.P. Morgan, UBS, Citigroup, First Horizon, Barclays, Goldman Sachs, and HSBC. To date, we have recovered approximately $20 billion for FHFA.

- We advised **Dubai Ports World** ("DPW") in negotiating an optimal settlement with the Republic of Yemen and its state-owned company the Yemen Gulf of Aden Ports Corporation ("YGAPC"), whereby the U.A.E.-based port operator recovered 80% of the value of its claims and divested its entire interests in the troubled joint venture company established with Yemen and YGAPC to develop, operate and manage two container terminals in Aden, Yemen.

- We obtained, with co-counsel, a settlement of more than $6 billion for the Estate of **Washington Mutual, Inc.** in litigation against JPMorgan Chase.

- We negotiated a favorable settlement with JPMorgan on behalf of the **Joint Provisional Liquidators of Parkcentral Global Hub Limited.** The settlement came after Justice Lowe of the New York Supreme Court vacated an order of attachment that he had previously awarded to JPMorgan pursuant to which JPMorgan had attached $200 million in cash and securities belonging to Parkcentral. Immediately after Justice Lowe vacated the attachment, JPMorgan initiated settlement negotiations and ultimately agreed to a settlement in the amount that it would have received had it taken its claim to the Bermuda liquidation proceeding. The effect of Quinn Emanuel's work was that the creditors received more than a 30 percent recovery on their claims, rather than close to zero.

- We represented **Infinity World**, a subsidiary of Dubai World, one of the world's largest holding companies, in its dispute against MGM MIRAGE over the funding of the $8.5 billion CityCenter project in Las Vegas. A little over one month after we filed a complaint against MGM in the Delaware Chancery Court, MGM and CityCenter's lenders capitulated to Dubai World's demands. MGM agreed to fund its remaining equity contributions, to be solely responsible for potential cost overruns, and to pledge additional collateral as security for its funding obligations. CityCenter's lenders agreed to fund the full $1.8 billion promised under CityCenter's senior credit facility. The settlement ensures that the CityCenter project, which is expected to be a powerful engine for growth and employment in Las Vegas and Nevada, will be completed.

- We represented **ING Bank** in a $500 million fraud action against JPMorgan Chase, Bank One, Deloitte, PriceWaterhouseCoopers, and others arising out of a massive fraud in

connection with the demise of National Credit Finance Enterprises. We also represent ING Bank as a member of the steering committee of the Litigation Trust. We have assisted ING Bank in recovering in excess of $210 million.

- We recovered settlements totaling more than $170 million from the world's major telecommunications companies, including seven consent judgments in favor of **Northrop Grumman** and their licensor, Stanford University. The patent in the case had expired and was based on a 1983 invention developed for military and commercial navigation applications by a Stanford professor and one of his graduate students whose research was financed by a predecessor of Northrop Grumman. This $170 million recovery is not only a substantial victory, but also a substantial realization of Quinn Emanuel's efforts to help government contractor clients, such as Northrop Grumman, to license the substantial IP portfolios they have created for defense purposes to companies who use the IP in the commercial market place. Quinn Emanuel has thus far been able to obtain over $600 million in revenues for its defense contractor clients by licensing commercial applications of technologies originally developed for military applications.

- We represent about two dozen hedge funds, including international funds, grouped under four management entities -- **Elliott, Davidson-Kempner, Appaloosa, and Angelo Gordon** -- as plaintiff-holders of Yosemite and Enron Credit-Linked (ECLN) Notes in the Yosemite v. Citibank action in the Enron MDL. The noteholders asserted fraudulent transfer claims against Citibank and collectively sought in excess of $1.4 billion on those claims. With Citibank's motion for summary judgment pending, Citibank and Enron agreed to a joint settlement and our clients will receive in excess of $2.1 billion in payments from the Enron bankruptcy estate.

- We were retained by **Solutia** virtually on the eve of its exit from its four-year Chapter 11 proceeding when the banks that had agreed to provide the necessary $2 billion of exit financing (Citibank, Goldman Sachs and Deutsche Bank) refused to fund the loans claiming that the credit market downturn constituted a "materially adverse condition" (MAC) that enabled them to terminate the agreement. The issue we were brought in to litigate was whether Solutia or the banks bore the risk of the credit market downturn. The trial commenced after a month of expedited discovery in which we produced millions of documents, took and defended almost 30 depositions and prepared for trial. After three days of trial, and on the eve of closing arguments, the banks, who had previously refused to entertain settlement negotiations, indicated that they were eager to settle. Under the terms of the settlement, the banks were required to provide the $2 billion in exit financing needed to fund the plan. The case is believed to be the first of its kind and is of great significance to the bankruptcy bar, financial institutions and companies in Chapter 11.

- We represented a **global telecommunications company** that is the world's largest manufacturer of mobile cellular handsets, in various cases against Qualcomm Inc., in what is probably the largest intellectual property litigation in the world. The firm was brought in to act as lead trial counsel in all US cases and is coordinating counsel with respect to the others. Qualcomm, based in California, develops and sells chip sets which are the "brains" of mobile handsets. In a matter before the ITC, Qualcomm sought an exclusionary order that would

have enjoined our client from importing its handsets into the United States. If successful, Qualcomm's complaint would have cost our client billions of dollars. We obtained an order denying Qualcomm's request. The judge denied Qualcomm's request for an exclusionary order under Section 337 and found that all three asserted patents were not infringed and that one of the patents was invalid under *KSR Int'l Co. v. Teleflex Inc.*, handing our client a complete defense victory, and allowing our client to continue to import hundreds of millions of handsets into the United States. We also represented this company or oversaw litigation in cases pending in Texas, Delaware, Wisconsin and California as well as cases pending in the U.K., France, Italy, Germany, Finland, Holland, and China. The litigation was widely covered by the financial press, and resulted in an extremely favorable settlement for our client.

- We represented **MediaTek**, a young, billion-dollar Taiwanese company, in a series of patent disputes against Matsushita/Panasonic, one of them being in Marshall, Texas where we were the plaintiff. The Court denied defendant's motion seeking dismissal of that action and agreed that MediaTek owned patents it had asserted in the Eastern District of Texas and rejected an attempt by Matsushita to require the involvement of third parties in the action. Shortly thereafter, and with trial set to begin in another one of those actions in January 2008, Matsushita agreed to settle all pending lawsuits and dismiss its claims against MediaTek.

- We represented **twenty-three cell phone manufacturers** – including **Motorola**, **Samsung**, **and Sony Ericsson** – accused by the University of Texas of infringing a patent relating to text messaging using Touch-Tone telephones. The University alleged that the manufacturers infringed its patent by incorporating predictive text messaging software into over 400 models of cell phones. We obtained a complete defense verdict with a summary judgment motion on non-infringement. Several defendants – not represented by our firm – settled identical claims for $3.27 for each cell phone sold in the United States. The potential liability to our clients therefore approached $2 billion.

- We secured a settlement on securities and other claims in excess of **$150 million** for our client, Chapter 11 debtor **Superior National Insurance Group**. Superior National was a holding company that purchased four workers compensation insurance companies from Foundation Health Corporation (now HealthNet, Inc.). The core allegation was that Foundation defrauded Superior by not disclosing certain financial and claims information that undermined its actuaries' reserve opinions. (We obtained an eight-figure settlement from the actuaries and an additional $137 million settlement from HealthNet.)

- We obtained a settlement of **$64 million** for **a class of nearly 3000 restaurants and restaurateurs** who charged Reward Network with usury and unfair business practices. After two and a half years of hard-fought litigation, Reward Network offered to settle, and the class members were eligible to receive a substantial package including cash, miles and complete forgiveness of remaining interest owed on their loans.

- We represented **General Motors** in a case against Volkswagen and GM's former head of sourcing in Detroit for stealing secret GM documents. Working closely with inside lawyers

from GM, we amassed devastating evidence and defeated all Volkswagen's jurisdictional and substantive motions. On the eve of the Volkswagen chairman's deposition, we obtained a **$1.1 billion** settlement for General Motors.

- We represented **ING Bank** and obtained a **$35 million** settlement from a Big Four audit firm, which was seventy-five percent more than the settlements obtained by any of the other plaintiffs.

- We represented **Unova** before the Federal Circuit who unanimously reversed a judgment in Hewlett Packard's favor and instead ordered summary judgment in favor of our client. Thereafter, the case was settled for **$23 million** only days prior to trial, when HP paid for a license under the patents, joining ten other companies who licensed the patents after suit was filed. Pursuant to those licenses, Unova has obtained almost a quarter billion dollars to date.

- We represented two **Micron** entities, and settled group boycott and price-fixing claims brought by Tessera, Inc., who was seeking over $300 million. We settled for a **fraction of the claimed damages.**