

PUBLIC VERSION

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of

**CERTAIN LTE WIRELESS
COMMUNICATION DEVICES AND
COMPONENTS THEREOF**

Inv. No. 337-TA-1051

**ORDER NO. 13: INITIAL DETERMINATION TERMINATING THE
INVESTIGATION BASED ON A SETTLEMENT AGREEMENT**

(October 12, 2017)

Pursuant to 19 U.S.C. § 1337(c) and Commission Rule 210.21(b), complainants LG Electronics, Inc., LG Electronics Alabama, Inc., and LG Electronics MobileComm U.S.A., Inc. (collectively, “LGE”) and respondents BLU Products, Inc. and CT Miami, LLC (collectively, “BLU”) filed a joint motion seeking termination of this investigation based upon a Global Patent Settlement and License Agreement (the “Agreement”). Motion Docket No. 1051-012. The Commission Investigative Staff (“Staff”) filed a response supporting motion.

Commission Rule 210.21(b) provides:

An investigation before the Commission may be terminated as to one or more respondents pursuant to section 337(c) of the Tariff Act of 1930 on the basis of a licensing or other settlement agreement. The motion for termination by settlement shall contain copies of the licensing or other settlement agreements, any supplemental agreements, any documents referenced in the motion or attached agreements, and a statement that there are no other agreements, written or oral, express or implied between the parties concerning the subject matter of the investigation. If the licensing or other settlement agreement contains confidential business information within the meaning of § 201.6(a) of this chapter, a copy of the agreement with such information deleted shall accompany the motion. On motion for good cause shown, the administrative law judge may limit the service of the agreements to the settling parties and the Commission investigative attorney.

19 C.F.R. § 210.21(b).

I find that the pending motion for termination of this investigation complies with the Commission Rules. In particular, LGE and BLU have provided confidential and public versions of the Agreement. Moreover, LGE and BLU state: “There are no other agreements, written, oral, express or implied, between LGE and BLU concerning the subject matter of this investigation.” Mot. at 2. In addition, I find that there are no extraordinary circumstances that warrant denying the motion.

With respect to the public interest, the Commission Rules provide that when considering a motion to terminate based upon a settlement agreement, the Administrative Law Judge “shall consider and make appropriate findings in the initial determination regarding the effect of the proposed settlement on the public health and welfare, competitive conditions in the U.S. economy, the production of like or directly competitive articles in the United States, and U.S. consumers.”

19 C.F.R. § 210.50(b)(2). LGE and BLU argue that “it is in the public’s interest and administrative economy to grant this motion” because “Commission policy and the public interest generally favor settlements, which preserve resources for both the Commission and the private parties.” See Mot. at 2. The Staff states that it “is not aware of any information indicating that the Agreement would harm the public health and welfare, competitive conditions in the U.S. economy, the production of like or directly competitive articles in the United States, or U.S. consumers,” and that “the public interest favors settlement to avoid needless litigation and to conserve public resources.” Staff Resp. at 4 (citing 19 U.S.C. § 1337(d)(1) and 5 U.S.C. §§ 501 *et seq.*).

Having considered the submissions of the parties, I find there is no evidence indicating that terminating this investigation based on the Agreement would be contrary to the public interest.

Accordingly, it is my initial determination that Motion No. 1051-012 is granted. This

investigation is hereby terminated.

Pursuant to 19 C.F.R. § 210.42(h), this initial determination shall become the determination of the Commission unless a party files a petition for review of the initial determination pursuant to 19 C.F.R. § 210.43(a), or the Commission, pursuant to 19 C.F.R. § 210.44, orders on its own motion a review of the initial determination or certain issues herein.

SO ORDERED.

A handwritten signature in black ink, appearing to read "Thomas B. Pender", with a long horizontal flourish extending to the right.

Thomas B. Pender
Administrative Law Judge

PUBLIC VERSION

**UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.**

**Before The Honorable Thomas B. Pender
Administrative Law Judge**

In the Matter of

**CERTAIN LTE WIRELESS
COMMUNICATION DEVICES AND
COMPONENTS THEREOF**

Investigation No. 337-TA-1051

**JOINT MOTION TO TERMINATE THE INVESTIGATION
PURSUANT TO SETTLEMENT AGREEMENT**

Complainants LG Electronics, Inc., LG Electronics Alabama, Inc., and LG Electronics MobileComm U.S.A., Inc. (collectively, "LGE") and Respondents BLU Products, Inc. and CT Miami, LLC (collectively "BLU") respectfully request that this investigation be terminated pursuant to 19 U.S.C. § 1337(c) and Commission Rule 210.21(b) in view of a Global Patent Settlement and License Agreement between LGE and BLU (the "Agreement").

Pursuant to Ground Rule 5.1.2, the Commission Investigative Staff will take a position on the motion upon seeing the filed papers.

The Agreement between LGE and BLU is signed and fully effective between them, and in accordance with Rule 210.21(b) a full and complete copy of the Agreement is attached hereto. Because the Agreement contains confidential business information, the copy of this motion that includes the full and complete Agreement is being filed as a confidential document. A public version of this motion with a redacted, non-confidential version of the Agreement is being filed contemporaneously.

The Agreement resolves the dispute between LGE and BLU in this investigation. The Agreement reflects the entire and only agreement between LGE and BLU regarding the subject

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matter of this investigation. There are no other agreements, written, oral, express or implied, between LGE and BLU concerning the subject matter of this investigation.

In view of the attached Agreement, there no longer exists a basis upon which to continue this investigation. Furthermore, termination of this investigation pursuant to the Agreement poses no threat to the public interest. Indeed, it is in the public's interest and administrative economy to grant this motion. Commission policy and the public interest generally favor settlements, which preserve resources for both the Commission and the private parties, and termination based on a settlement agreement is routinely granted. *See, e.g., Certain Mobile Telephones and Wireless Communications Devices Featuring Digital Cameras, and Components Thereof*, Inv. No. 337-TA-663, Order No. 54 at 2-3 (Jan. 15, 2010); *Certain Synchronous Dynamic Random Access Memory Devices, Microprocessors, and Products Containing Same*, Inv. No. 337-TA-431, Order No. 11 at 2 (July 12, 2000); *Certain Integrated Circuit Chipsets and Products Containing Same*, Inv. No. 337-TA-428, Order No. 16 at 5 (Aug. 22, 2000).

For the reasons set forth above, LGE and BLU respectfully request that the Administrative Law Judge issue an initial determination terminating this investigation in its entirety in accordance with the provisions of 19 U.S.C. § 1337(c) and Commission Rule 210.21(b) based on the Agreement.

PUBLIC VERSION

Dated: October 4, 2017

Respectfully submitted,

/s/ Smith R. Brittingham IV

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Products, Inc. and CT Miami LLC*

**CERTAIN LTE WIRELESS COMMUNICATION
DEVICES AND COMPONENTS THEREOF**

Inv. No. 337-TA-1051

CERTIFICATE OF SERVICE

I, Christopher Jason, hereby certify that on October 4, 2017, a copy of the foregoing was served as indicated to the parties listed below:

The Honorable Lisa R. Barton Secretary U.S. International Trade Commission 500 E. Street, SW, Room 112A Washington, DC 20436	<input type="checkbox"/> Via First Class Mail <input type="checkbox"/> Via Hand Delivery <input type="checkbox"/> Via Express Delivery <input type="checkbox"/> Via Electronic Mail <input checked="" type="checkbox"/> Via EDIS
The Honorable Thomas B. Pender Administrative Law Judge 500 E. Street, S.W., Room 317 Washington, D.C. 20436 E-mail: patricia.chow@usitc.gov	<input type="checkbox"/> Via First Class Mail <input type="checkbox"/> Via Hand Delivery <input checked="" type="checkbox"/> Via Express Delivery (2 Copies) <input checked="" type="checkbox"/> Via Electronic Mail
U.S. INTERNATIONAL TRADE COMMISSION Office of Unfair Imports Investigations Commission Investigative Attorney 500 E Street, SW, Washington, DC 20436 E-mail: reginald.lucas@usitc.gov	<input type="checkbox"/> Via First Class Mail <input type="checkbox"/> Via Hand Delivery <input type="checkbox"/> Via Express Delivery <input checked="" type="checkbox"/> Via Electronic Mail
<i>Counsel for Respondents BLU Products, Inc. and CT Miami LLC</i> Barry P. Golob, Esq. COZEN O'CONNOR 1200 19th Street, N.W. Washington, DC 20036 Email: bgolob@cozen.com James A. Gale, Esq. Jonathan E. Gale, Esq. Samuel A. Lewis, Esq. Javier Sobrado, Esq. Victor J. Castellucci, Esq. COZEN O'CONNOR One Biscayne Tower, Suite 3000 Miami, FL 33131 Email: mia~blue_itc_matter@cozen.com	<input type="checkbox"/> Via First Class Mail <input type="checkbox"/> Via Hand Delivery <input type="checkbox"/> Via Express Delivery <input checked="" type="checkbox"/> Via Electronic Mail <input type="checkbox"/> Via First Class Mail <input type="checkbox"/> Via Hand Delivery <input type="checkbox"/> Via Express Delivery <input checked="" type="checkbox"/> Via Electronic Mail

**CERTAIN LTE WIRELESS COMMUNICATION
DEVICES AND COMPONENTS THEREOF**

Inv. No. 337-TA-1051

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- ☐ Via First Class Mail
- ☐ Via Hand Delivery
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/s/ Chris Jason

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Attachment A

GLOBAL PATENT SETTLEMENT AND LICENSE AGREEMENT

This Global Patent Settlement and License Agreement (the "Agreement") is effective as of September 25, 2017 (the "Effective Date") by and between

LG Electronics Inc., a company duly incorporated and existing under the laws of Republic of Korea, with registration number 107-86-14075, having its registered office at LG Twin Towers, 128, Yeoui-daero, Youngdeungpo-gu, Seoul 07336 Korea (hereinafter referred to as "LGE"); and

BLU PRODUCTS INC., a company duly incorporated and existing under the laws of Delaware, United States, having its registered offices at 10814 NW 33rd Street, Suite 100, Doral, FL, 33172, USA; and **CT Miami LLC**, a company duly incorporated and existing under the laws of Florida, having its registered offices at 10814 NW 33rd Street, Suite 100, Doral, FL, 33172, USA (BLU PRODUCTS INC. and CT Miami LLC hereinafter collectively referred to as "Company").

WHEREAS, LGE is one of the world's leaders in the telecom industry, owns patents that are essential and necessary to make, use and sell products that comply with any or more of the standards based on 2G, 3G and 4G, and has a patent portfolio of thousands of issued patents; and

WHEREAS, Company makes and/or Sells products that are compliant with the 4G standard; and

WHEREAS, therefore, Company desires to acquire a non-exclusive worldwide license to 4G patents from LGE.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, receipt of which is hereby acknowledged, LGE and Company hereby agree as follows:

1. DEFINITIONS

For the purpose of this Agreement, capitalized terms used in this Agreement, whether in singular or in plural and not otherwise defined in this Agreement shall have the following meanings.

- 1.1 "Affiliate" of a party shall mean an Entity that, during the Licensed Period, controls, is controlled by, or is under common control with such party, but any such Entity shall be deemed to be an Affiliate only as long as such control exists, and for the purposes of this definition, "control" shall mean direct or indirect ownership or control of more than fifty percent (50%) of the Voting Power or, if the Entity in question does not have outstanding voting shares or securities, more than fifty percent (50%) of the equity interest in such Entity. [REDACTED]

- 1.2 "Brand Company" shall mean a Third Party Entity, including such Entity's Affiliates, other than a Network Operator which is active in the Consumer

electronics business and/or wireless communications business and/or IT industry by selling wireless and/or IT products.

- 1.3 "CDMA" shall mean CDMA2000 standard specifications released or published by 3GPP2 and/or relevant local standardization bodies such as but not limited to ETSI, TTA, TTC, ARIB, TTC and CCSA, irrespective of the transmission medium, frequency band or duplexing scheme, at the time of the Effective Date, as well as any updates in respect of such standard specifications during the License Period. However, such updates may not extend to any Future Standards. For the avoidance of any doubt, CDMA does not include 2G, 3G, 4G, WiMax, WiFi, or Future Standards.
- 1.4 "Change of Control" shall mean the occurrence of any of the following events, in one or a series of related transactions:
- (i) the direct or indirect acquisition of at least twenty-five percent (25%) of the voting securities of a Party by a person or a group of related Entities,
 - (ii) the direct or indirect sale, exchange, lease or other disposition, of all or substantially all of the assets of a Party and its Affiliates, taken as a whole, to any person or group of related Entities,
 - (iii) merger, consolidation or other business combination involving a Party in which the voting securities of such Party owned by the shareholders of such Party immediately prior to such merger or consolidation do not represent more than twenty-five percent (25 %) of the total voting power of the surviving entity outstanding immediately after such merger or consolidation, or
 - (iv) an event where another person or group of related Entities otherwise obtains the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Party, whether through voting power, by contract or otherwise.
 - (v) Notwithstanding the foregoing, any acquisition, consolidation or change in control between and among Company's shareholders and heirs on the Effective Date, or heirs of Company's shareholders on Effective Date shall not be deemed a Change of Control.
- 1.5 "Company Products" shall mean Mobile Devices being;
- (i) branded or co-branded with
 - (a) a brand owned by or licensed to BLU Products Inc. and/or its Affiliates; or
 - (b) a brand owned by or licensed to a Network Operator;

all provided that such Mobile Devices are not branded or co-branded with a brand of a Brand Company unless such co-branded Mobile Devices are directly Sold to an End User Customer; and

- (ii) compliant with at least the Standard (whether or not enabled); and
- (iii) not compliant with any Future Standards.

- 1.6 "Components" shall mean any item of equipment, including, for example, a sub-system, sub-assembly or component, in software, hardware and/or firmware form, of any Company Product, which is sold, licensed, or supplied, or intended to be sold, licensed, or supplied to a Third Party other than as a complete and ready to use end-use item, for example, because it requires additional industrial, manufacturing or assembly processes before being used or sold as an end-use item, and is intended for incorporation into any product. Examples of Components include, but are by no means limited to, platforms, ASICs and chipsets, modules, printed circuit boards, integrated circuits, semiconductor devices, processors, multi-core processors, multi-chip modules, and multi-chip packages, embedded modules and core engines. This definition of "Components" shall exclude any item of equipment employed for the purpose of repair of already sold Company Product, which are licensed under this Agreement.
- 1.7 "Defaulting Party" shall have the meaning set out in Article 8.2 below.
- 1.8 "Delaware Action" shall mean the action titled LG Electronics, Inc. v. BLU Products, Inc., Civil Action No. 1:17-cv-00327-UNA (filed March 27, 2017), in the United States District Court for the District of Delaware.
- 1.9 "End User Customer" shall mean a natural person or Entity who buys products as a final user.
- 1.10 "Entity" shall mean any firm, company, corporation or other body corporate or legal entity (wherever and however incorporated or established), government, state, agency or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having a separate legal personality).
- 1.11 "Future Standards" shall mean 5G as well as any updates of 4G that significantly changes the character of 4G. For the avoidance of any doubt, Future Standards does not include 2G, 3G, 4G, CDMA, WiMax or WiFi.
- 1.12 "Have Copied" shall, with respect to the license granted under this Agreement in relation to software being licensed, mean having such software copied and used by a customer (being a Network Operator only) of LGE or its Affiliates. Such copy by a customer shall be made pursuant to and in accordance with the terms of a software license agreement entered into between such customer and LGE or its Affiliates. In no event shall a Have Copied right granted be interpreted to include

a right for such customer to re-sell such software to any Third Parties or to grant a patent sublicense to any Third Parties.

- 1.13 "Have Made" shall mean the rights to Have Made With Outsourced Design and to Have Made With Party Design.
- 1.14 "Have Made With Outsourced Design" shall mean the right to have a Third Party make a product for the use and benefit of the Party, or its Affiliates, exercising the have made right, provided such Third Party is not allowed to sell such product to other Third Parties, unless said Third Parties are also separately licensed by LGE with a scope no less broad than that of this Agreement.
- 1.15 "Have Made With Party Design" shall mean the right to have a Third Party make a product for the use and benefit of the Party, or its Affiliates, exercising the have made right, provided all of the following conditions are fulfilled:
- (i) the Party, including its Affiliates, exercising the have made right owns and supplies the designs, specifications and working drawings supplied to such Third Party; and
 - (ii) such designs, specifications and working drawings are, complete and sufficient so that no substantial additional design, specification and working drawings are needed by any Third Party; and,
 - (iii) such Third Party is not allowed to sell such product to other Third Parties unless said Third Parties are also separately licensed by LGE under no less broad scope than that of this Agreement.
- 1.16 "ITC Action" shall mean and refer to the investigation instituted by the United States International Trade Commission (ITC) on May 1, 2017, captioned Certain LTE Wireless Communication Devices and Components Thereof, Investigation No. 337-TA-1051.
- 1.17 "Knocked Down Products" shall mean a knocked down or semi-knocked down kit of parts of an applicable Company Product, which kit includes all parts necessary to assemble a complete and ready to use such Company Product.
- 1.18 "Licensed Patents" shall mean those Patents (in any country of the world), as long as such Patents remain valid, as to which it is not possible on technical grounds taking into account normal technical practice and the state of the art generally available at the time of adoption or publication of the Standard, to make, sell, offer for sale, lease or otherwise dispose of and import, repair, use or operate equipment or methods which comply with the Standard, without infringing such Patents.
- 1.19 "License Period" shall mean the period commencing on the Effective Date and having duration through the expiration or invalidation of the last one of the

Licensed Patents, however, not exceeding [REDACTED]
[REDACTED]

- 1.20 "Mobile Device" shall mean a complete and ready to use device which can be directly used by an End User Customer for wireless communications (i.e. to receive and transmit information over the air by means of using at least the Standard), without the device having to be integrated or embedded into another device or connected to another device through for example a USB, memory card, WLAN or Bluetooth interface. For the avoidance of all doubts, the term "Mobile Device" includes Knocked Down Products of a Mobile Device but does not include subassemblies or parts of products such as, but not limited to Components, other than as sold as part of the Mobile Device or as spare parts or repair parts of already Sold Mobile Devices.
- 1.21 "MOU" shall mean the Memorandum of Understanding between the Parties dated September 20, 2017.
- 1.22 "Network Operator" shall mean an Entity, including such Entity's Affiliates, that as its main business (i) owns or licenses frequency spectrum, directly or indirectly, from a government or other relevant authority or Entity, and offers wireless data- or telecommunications services to End User Customers over such owned or licensed spectrum: and/or (ii) offers wired data- or telecommunications services to End User Customers.
- 1.23 "Party/Parties" shall mean LGE and Company as applicable.
- 1.24 "Patents" shall mean patent claims (including claims of licensable patent applications), and like statutory rights other than design patents, (i) owned by a Party and/or its Affiliates; or (ii) sub-licensable by a Party and/or its Affiliates without resulting in a binding obligation by such Party or its Affiliates to pay incremental royalties or other incremental consideration to a Third Party unless the other Party agrees to pay, and pays, such royalties or other consideration: at any time from the date of the latest signature of this Agreement until the expiration or termination of this Agreement.
- 1.25 "Pending Actions" shall mean the ITC Action, the Delaware Action, and the Texas Action.
- 1.26 "Sale", "Sell" or "Sold" or any similar term shall mean the delivery of Company Products in any country of the world to a Third Party regardless of the basis for compensation, if any, including lease, rent or similar transaction, whether as an individual item or as a component or constituent of other products, or the putting into use of the Company Products by Company and/or its Affiliates for any purpose other than routine testing thereof - with a Sale being deemed to have occurred upon shipment or invoicing or such putting into use, whichever shall first occur.
- 1.27 "Standard" shall mean 4G.

- 1.28 "Third Party/Third Parties" shall mean any Entity that is not a Party or an Affiliate of a Party.
- 1.29 "Third Party Licensee" shall mean, as determined separately for each Mobile Device a Third Party, other than a Network Operator, that is licensed by LGE under any LGE Licensed Patent applicable to such product to make, have made, use, offer to sell, sell or otherwise dispose or import such product that comply with at least the Standard as such product that Company or its Affiliates are selling or otherwise disposing of to such Third Party.
- 1.30 "Texas Action" shall mean the lawsuit pending in the Eastern District of Texas, Blu Products Inc. et al. v. LG Electronics, Inc. et al., Civil Action No. 2:17-cv-458-JRG-RSP.
- 1.31 "Voting Power" shall mean the right to exercise voting power with respect to the election of directors or similar managing authority of an Entity (whether through direct or indirect beneficial ownership of shares or securities of such Entity or otherwise).
- 1.32 "WiFi" shall mean the 802.11 standard specifications released or published by IEEE, irrespective of the transmission medium, frequency band or duplexing scheme, at the time of the Effective Date, as well as any updates in respect of such standard specifications during the License Period. However, such updates may not extend to any Future Standards. For the avoidance of any doubt, WiFi does not include 2G, 3G, 4G, CDMA, WiMax or Future Standards.
- 1.33 "WiMax" shall mean the 802.16 standard specifications released or published by IEEE, irrespective of the transmission medium, frequency band or duplexing scheme, at the time of the Effective Date, as well as any updates in respect of such standard specifications during the License Period. However, such updates may not extend to any Future Standards. For the avoidance of any doubt, WiMax does not include 2G, 3G, 4G, CDMA, WiFi or Future Standards.
- 1.34 "2G" shall mean Global System for Mobile Communications (GSM) and Generalized Packet Radio System (GPRS) including Enhanced GPRS (E-GPRS or "EDGE") standard specifications released or published by 3GPP and/or relevant local standardization bodies such as ETSI, TTA, TTC, ARIB, TTC and CCSA, irrespective of the transmission medium, frequency band or duplexing scheme, at the time of the Effective Date as well as updates in respect of such standard specifications during the License Period. However, such updates may not extend to any Future Standards. For the avoidance of any doubt, 2G (i) does include standard specifications required for GERAN based systems; and (ii) does not include 3G, 4G, CDMA, WiMax, WiFi or Future Standards.
- 1.35 "3G" shall mean UTRA (FDD mode (including but not limited to WCDMA) and TDD mode (including but not limited to TD-SCDMA)), including HSPA and UMTS core network standard specifications released or published by 3GPP.

and/or relevant local standardization bodies such as ETSI, TTA, TTA, ARIB, TTC and CCSA, irrespective of the transmission medium, frequency band or duplexing scheme, at the time of the Effective Date, as well as any updates in respect of such standard specifications during the License Period. However, such updates may not extend to any Future Standards. For the avoidance of any doubt, 3G (i) does include standard specifications required for UTRAN based systems; and (ii) does not include 2G, 4G, CDMA, WiMax, WiFi or Future Standards.

- 1.36 "4G" shall mean E-UTRA (FDD mode and TDD mode (including but not limited to LTE, TD-LTE and LTE-SAE)) standard specifications released or published by 3GPP and/or relevant local standardization bodies such as but not limited to ETSI, TTA, TTA, ARIB, TTC and CCSA, irrespective of the transmission medium, frequency band or duplexing scheme, at the time of the Effective Date, as well as any updates and enhancements in respect of such standard specifications during the License Period. However, such updates may not extend to any Future Standards. For the avoidance of any doubt, 4G (i) does include standard specifications required for E-UTRA based systems; and (ii) does not include 2G, 3G, CDMA, WiMax, WiFi or Future Standards.

2. LICENSE GRANT BY LGE

- 2.1 License Grant. Subject to that Company and its Affiliates are at all times in compliance with the terms and conditions of this Agreement, LGE hereby grants to Company a world-wide, non-transferable and non-exclusive license under LGE's Licensed Patents to:

- (i) make, Have Made, use, and import Company Products;
- (ii) Sell and offer for Sale Company Products, excluding such Company Products that are Knocked Down Products; and
- (iii) Sell and offer to Sell Knocked Down Products but only if such Knocked Down Products are Sold: (a) for the purpose of being assembled to a complete and ready to use Company Product; and (b) directly to an Entity being a Network Operator, End User Customer, all provided such Entity not being a Brand Company.

Notwithstanding anything to the contrary, the rights provided under this Article 2.1 do not include any rights or licenses under LGE's Licensed Patents:

- (iv) to Sell and offer to Sell Company Products or Knocked Down Products to Third Party Licensees;
- (v) to Sell and offer to Sell Components; or
- (vi) other than for the portion and functionality of the Company Product making the Company Product compliant with at least the Standard even if

any LGE Licensed Patent also applies to another standard or applies to any other portion or functionality of the Company Product; or

For clarity, acts under this Article 2.1 (iv) - (vi), although not a breach of this Agreement, are unlicensed.

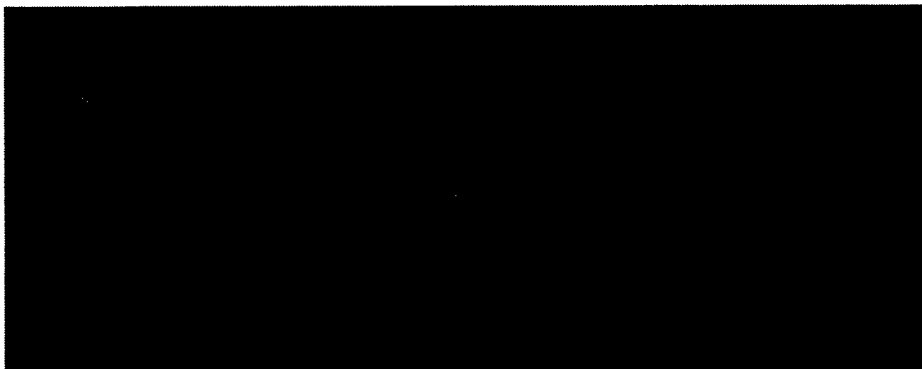
The license granted hereunder further includes the right to make, use and import solely by Company (but not to sell, offer for sale, lease or rent or otherwise dispose of to Third Parties) manufacturing and testing equipment compliant with the Standard for the testing, developing and manufacturing of Company Products.

For the avoidance of doubt, no license is granted under this Article 2.1 for CDMA, 3G, WiFi, WiMax, Future Standards or any other standard, except the Standard.

2.2 Sublicense. Company shall have the right to grant sublicenses of the rights set forth in Article 2.1 above to all Affiliates of Company Selling Company Products. Company shall procure that such Affiliates shall be bound in all respects to all of the obligations contained in this Agreement. Any sublicense granted to an Affiliate in accordance with this Article 2.2 shall terminate if such Affiliate ceases to be an Affiliate of Company.

2.3 No Implied License. All rights not expressly granted by LGE are hereby expressly reserved.

2.4

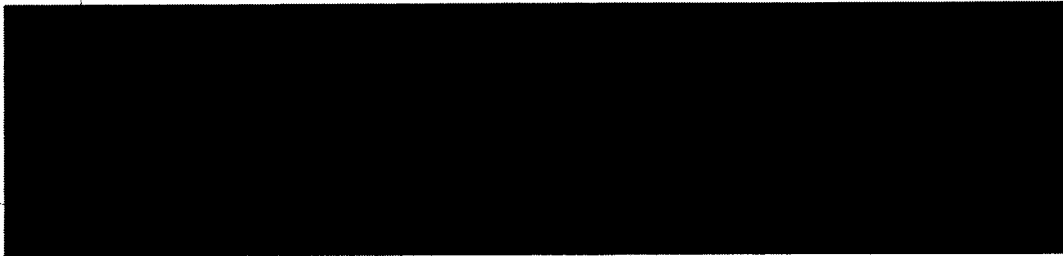


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3. LICENSE GRANT-BACK

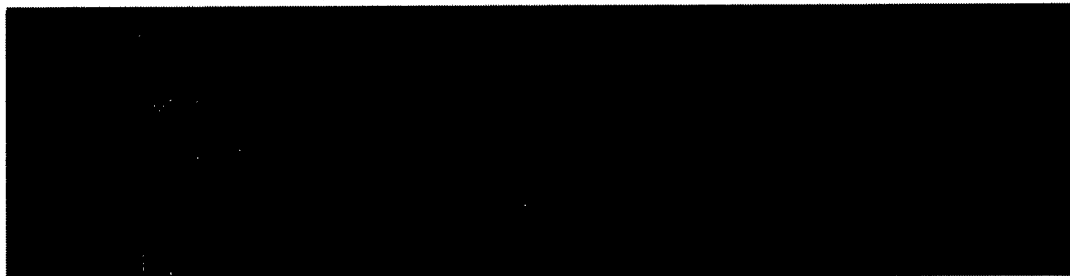
- 3.1 License Grant-Back. Company hereby grants to LGE a world-wide, non-transferable and non-exclusive license under any Company's Licensed Patents to make, Have Made, Have Copied, use, operate, repair, sell, offer for sale, lease or otherwise dispose of and import products and services compliant with the Standard.

The license granted hereunder further includes the right to make, use and import solely by LGE (but not to sell, lease or otherwise dispose of to Third Parties) manufacturing and testing equipment compliant with the Standards for the testing, developing and manufacturing of LGE products.

- 3.2 Right to Sublicense. LGE shall have the right to grant sublicenses of the rights set forth in Article 3.1 above only to Affiliates of LGE. Any sublicensed Affiliate shall agree to be bound in all respects to all of the obligations contained in this Agreement. Any sublicense granted hereunder shall terminate if an Affiliate ceases to be an Affiliate of LGE.

- 3.3 No Implied License. All rights not expressly granted by Company are hereby expressly reserved.

4. LIMITATIONS ON LICENSE GRANTS



CMO

[REDACTED]

4.3 [REDACTED]

5. RELEASE

- 5.1 Upon execution of this Agreement by all the Parties, the Parties will dismiss the ITC, Delaware, and Texas actions, with each party to bear its own costs and attorneys' fees, in the following order: (1) LGE and BLU will jointly notify the ITC of the license pursuant to this Agreement and shall take all steps reasonably necessary to dismiss the ITC Action; (2) at the same time, LGE shall dismiss the Delaware action with prejudice; (3) five days after dismissal of the ITC Action and Delaware action, BLU will dismiss the Texas Action with prejudice. In the event the ITC, for whatever reason, does not agree to dismiss or ultimately terminate the ITC Action prior to the expiration of the stay in the ITC Action or mutually agreeable extension of the stay in the ITC Action, then LGE agrees to cease any pursuit of the ITC Action and to take all reasonable steps to stop the ITC from further pursuing the ITC Action. Should the ITC not agree to ultimately dismiss the ITC Action prior to the expiration of the stay in the ITC Action or mutually agreeable extension of the stay in the ITC Action, nothing herein will prevent Company from continuing to seek an injunction in the Texas Action preventing LGE from seeking or enforcing an ITC exclusion order.
- 5.2 For so long as BLU makes the payments required in Article 7 below, LGE hereby agrees to not bring any claims, demands, and rights of action which LGE or any of its present Affiliates may have on account of any act of infringement or alleged infringement of any of the hereunder Licensed Patents for Company Products at least compliant with the Standard, prior to the Effective Date, provided such Company Products at least compliant with the Standard would be licensed under this Agreement if it had occurred subsequent to the Effective Date. Provided BLU makes the payments required in Article 7 below, LGE, for itself and its present Affiliates, hereby releases Company and Company's present Affiliates and all customers of Company and Company's Affiliates who have purchased or used Company Products compliant at least with the Standard herein licensed to Company, from all claims, demands, and rights of action which LGE or any of its present Affiliates may have on account of any act of infringement or alleged infringement of any of the hereunder Licensed Patents prior to the Effective Date, provided such act with regard to Company Products compliant at least with the Standard would be licensed under this Agreement if it had occurred subsequent to the Effective Date.
- 5.3 Company, for itself and its present Affiliates, hereby releases LGE and LGE's present Affiliates and all customers of LGE and LGE's Affiliates who have

purchased or used products or services herein licensed to LGE, from all claims, demands and rights of action which Company or any of its present Affiliates may have on account of any act of infringement or alleged infringement of any of the hereunder Licensed Patents, prior to the Effective Date, provided such act would be licensed under this Agreement if it had occurred subsequent to the Effective Date. Company, for itself and its present Affiliates, further releases LGE and LGE's present Affiliates from all claims, demands, and rights of action raised in the Texas action based on acts of the Parties prior to the Effective Date or the negotiation or execution of the MOU or this Agreement.

- 5.4 The Parties and each of them do hereby assume the above-mentioned risks and agree that this Agreement shall apply to all unknown and unanticipated results of the transactions and occurrences described above and, upon advice of counsel, each party does hereby knowingly waive any and all rights and protections under California Civil Code Section 1542, which section has been duly explained and read as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

6. KNOW-HOW AND TRADE SECRETS

- 6.1 No license or other right is granted herein to either Party, directly or by implication, estoppel or otherwise with respect to any trade secrets or know-how, and no such license or other right shall arise from the consummation of this Agreement or from any acts, statements or dealings leading to such consummation. Except as specifically provided herein, neither Party is required hereunder to furnish or disclose to the other Party any technical or other information.

7. PAYMENTS

7.1



[REDACTED]

7.2 [REDACTED]

- 7.3 Taxes. All payments required by this Agreement are exclusive of taxes, customs or any other duties, and Company agrees to bear and be responsible for the payment of all such taxes, customs or other duties including, but not limited to, all sales, service, use, rental receipt, personal property or other taxes and their equivalents which may be levied or assessed in connection with this Agreement (excluding only taxes based on LGE's net income).
- [REDACTED]

- 7.4 The release and royalty payments by Company to LGE pursuant to this Article 7 shall not be deemed to constitute an admission of liability or wrongdoing.

8. TERM AND TERMINATION

- 8.1 Term. This Agreement shall become effective on the Effective Date hereof and continue until expiration of the License Period (the "Term"). The licenses and rights granted herein, with the exception of those rights and obligations referenced in Section 8.5 (Surviving Clauses), shall terminate upon expiration of the Term.
- 8.2 Termination for Breach. If either Party (hereinafter referred to as the "Defaulting Party") shall at any time materially breach any covenant, undertaking or liability contained herein, and shall fail to remedy such breach within thirty (30) days after written notice by the non-defaulting Party specifying such breach, the non-defaulting Party may, at its option, terminate all licenses and rights granted herein to the Defaulting Party. All licenses and rights granted to the non-defaulting Party by the Defaulting Party shall survive such termination.

8.3 Defensive Termination of Have Made With Outsourced Design Right. If a Third Party manufacturer (acting as a manufacturer under a Party's Have Made with Outsourced Design right) of a Party or its Affiliates (the "Exercising Party") files, or has a Third Party file, an infringement suit on any patents against the products or services of the other Party or its Affiliates (the "Non-Exercising Party"), the Exercising Party agrees not to sponsor, assist or participate in such infringement suit. Only in the event that the Exercising Party sponsors, assists or participates in such infringement suit may the Non-Exercising Party terminate the Have Made With Outsourced Design right granted to the Exercising Party with respect to the products or services of the Exercising Party made by such manufacturer by providing written notice to such manufacturer and to the Exercising Party ("Have Made Termination Notice"). In such event, if the suing manufacturer dismisses the suit no later than thirty (30) days after receipt of the Have Made Termination Notice, then the right will be reinstated as if it had never been terminated by the Non-Exercising Party. If the suit is not dismissed before the end of such period, then the right shall remain terminated with respect to the products and services of the Exercising Party affected hereunder and made by such manufacturer as of the date of the Have Made Termination Notice.

8.4 Change of Control. In the event a Change of Control in Company, LGE shall have the right, at LGE's sole and absolute discretion, to either terminate all licenses and rights granted to Company or allow assignment of the Agreement to such acquirer. In the event that LGE terminates such licenses and rights, all licenses and rights granted to LGE herein shall survive.

8.5 Surviving Clauses. Provisions contained in this Agreement that are expressed or by their sense and context are intended to survive the termination of this Agreement shall so survive the termination.

9. WARRANTIES AND DISCLAIMERS

9.1 Transfer of Licensed Patents. Each Party represents and warrants that it shall not, and that they shall procure that their Affiliates shall not, (i) transfer or assign, or (ii) otherwise provide any right to assert (including but not limited to by grant of any exclusive right) any of the Licensed Patents, unless (a) such assignment, transfer or license is made subject to maintenance of the licenses and rights as granted under this Agreement and (b) such assignment, transfer or license requires subsequent assignees to do the same. This Section 9.1 shall apply *mutatis mutandis* to any divestment, spin-off, split-up or similar reorganization of a Party or its Affiliate, where such Affiliate, spin-off, split-up or similar has or retains any Licensed Patent or right to assert any Licensed Patent.

9.2 Authority. Each Party, on behalf of itself and its Affiliates, represents and warrants that the individuals signing this Agreement have full authority to execute this Agreement for, and on behalf of, and to bind the Parties and their Affiliates, and that, when signed, this Agreement will be binding and enforceable according to its terms. Each signatory hereto warrants that they have obtained all necessary

authorization and consents necessary to legally bind their respective Parties hereto and that by signing hereto, they create a binding commitment by such Party to the terms hereof.

9.3 Nothing contained in this Agreement shall be construed as:

- (a) a warranty or representation either expressed or implied that any manufacture, have made, use, importation, sale or offering for sale will be free from infringement of patents, copyrights or other intellectual property rights of others, and it shall be the sole responsibility of the licensee Party to make such determination as is necessary with respect to the acquisition of licenses under patents and other intellectual property of Third Parties;
- (b) a warranty or representation either expressed or implied by either Party as to the validity, enforceability or scope of any Licensed Patents licensed herein;
- (c) limiting the rights which the Parties have outside the scope of licenses and rights granted hereunder, or restricting the right of either Party or any of its Affiliates to make, have made, use, operate, repair, sell, offer for sale, lease or otherwise dispose of and import any particular product or products not licensed herein;
- (d) an agreement to bring or prosecute actions or suits against Third Parties for infringement;
- (e) an obligation to furnish any manufacturing or technical information or assistance;
- (f) an obligation to file any patent application, or to secure any patent or patent rights, or to maintain any patent in force, or to provide copies of patent applications to the other Party or its Affiliates, or to disclose any inventions described or claimed in such patent applications;
- (g) conferring any right to use in advertising, publicity or otherwise, any name, trade name, trademark, or any contraction, abbreviation or simulation thereof; and
- (h) an obligation upon either Party to make any determination as to the applicability, suitability, usefulness or fitness of any patent to any product, service, invention, technology or process or part thereof of the other Party, its Affiliates or Third Parties.

9.4 Save as for Article 9.2 above, neither Party makes any representations; extends any warranties of any kind, either express or implied; and assumes no responsibilities whatsoever with respect to the manufacture, having made, use,

operation, reparation, sale, offering for sale, lease or other disposition and importation of any product, service or part thereof, by the other Party or any of its Affiliates or any direct or indirect supplier or vendee or other transferee of the other Party or its Affiliates.

10. AFFILIATE PERFORMANCE.

- 10.1 Each Party shall be responsible for all actions of its Affiliates that would constitute a breach of this Agreement if the Affiliate was a Party hereto and such Party shall be liable to the other Party therefor.

11. GOVERNING LAW AND DISPUTES

- 11.1 The validity, performance, construction and interpretation of this Agreement shall be governed by the laws of Delaware without regard to its conflict of law provisions.
- 11.2 All disputes, differences or questions arising out of or relating to the interpretation or performance of this Agreement, between the Parties shall be finally settled through binding Arbitration in Wilmington, Delaware, under the Rules of the American Arbitration Association's Commercial Rules for Dispute Resolution, by three (3) arbitrators, appointed in accordance with said Rules wherein each Party chooses an Arbitrator, who has significant experience in patent law, and the two chosen Arbitrators choose a neutral third Arbitrator. The proceedings shall be conducted in the English language.

The Parties undertake and agree that all proceedings conducted under this Article 11 as well as any decision or award that is made or declared during the proceedings shall be kept strictly confidential. All information, documentation, materials in whatever form disclosed in the course of such arbitral proceeding shall be used solely for the purpose of those proceedings. Notwithstanding the foregoing, no Party shall be prevented from disclosing such information in order to safeguard in the best possible way its rights vis-a-vis the other Party in connection with the dispute, or if disclosure is required by law, regulation or stock exchange rules.

- 11.3 Nothing in this Article 11 shall prevent the Parties from seeking any interim or final injunctive, equitable or legal relief by a court of competent jurisdiction.

12. WAIVER

- 12.1 Neither this Agreement nor any provision hereof may be waived without the prior written consent of the Party against whom such waiver is asserted. No delay or omission by either Party to exercise or assert any right or power shall impair any such right or power to be construed to be a waiver thereof. Consent by either Party to, or waiver of, a breach by the other Party shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

13. ASSIGNMENT

13.1 Neither this Agreement nor any license, right nor obligation hereunder, in whole or in part, shall be assignable or otherwise transferable by Company without the written consent of LGE. Any attempt to do so in contravention of this Article 13 shall be void and of no force and effect.

14. SEVERABILITY

14.1 If any term, clause, provision, or part thereof, of this Agreement is invalidated or unenforceable by operation of law or otherwise, the Parties shall negotiate in good faith and a timely manner a replacement, but legally valid, term, clause or provision that best meets the intent of the Parties.

15. NOTICE

15.1 All notices, requests, demands, consents, agreements and other communications required or permitted to be given or made under this Agreement shall be in writing and in the English language and shall be: (i) delivered personally; (ii) mailed by registered mail; (iii) sent by facsimile; or (iv) delivered by courier.

15.2 All such communications shall be addressed as set out below or to such other addresses as may be given by written notice in accordance with this Article 15.

LGE

COMPANY



CWS

Handwritten signature or initials.

- 15.3 Unless otherwise specifically provided for in this Agreement, such communications shall take effect upon receipt by the addressee, provided such communications shall be deemed to have been duly given or made when and shall be deemed to have been received by a Party: (i) if delivered personally, at delivery; (ii) if mailed by registered mail, unless actually received earlier, on the expiration of seven (7) days after the date of mailing; (iii) on the day of the receipt of sender's facsimile confirmation of the transmission in case of facsimile; or (iv) if delivered by courier, on the date of delivery. If the notifying Party has attempted to send a communication in accordance with at least one of the options above, without having such communication deemed received by a Party, then such communication will shall be deemed to have been duly given or made seven (7) days after a second communication has been sent via an internationally recognized courier.

The above addresses and contacts can be changed by providing notice to the other Party in accordance with this Article 15.

16. NEITHER PARTY BENEFITS

- 16.1 This Agreement is considered to be jointly drafted and neither Party shall benefit from who actually drafted the Agreement.

17. ENTIRE AGREEMENT AND AMENDMENTS

- 17.1 This Agreement sets forth the entire understanding and agreement between the Parties as to the subject matter of this Agreement and merges and supersedes all previous communications, negotiations, warranties, representations and agreements, either oral or written, with respect to the subject matter hereof including the MOU. However, each Party shall continue to keep any information confidential, disclosed and deemed confidential in accordance with the Non-Disclosure Agreement between the Parties, including but not limited to any claim charts, in accordance with the terms thereof.

- 17.2 No amendment or supplement to this Agreement shall be valid or binding on either Party unless made in writing and duly executed by each of the Parties hereto.

18. CONFIDENTIALITY/PUBLICATION OF AGREEMENT

- 18.1 Each Party undertakes to keep strictly confidential all information received or obtained under this Agreement including but not limited to the contents of this Agreement and any related reports, and not to disclose to any third party any such information, unless such disclosure is required by: (i) law, (ii) regulation, (iii) stock exchange rules, (iv) court or government ordered mediation, (v) necessary for performance of the rights and obligations under this Agreement, however only limited to those terms strictly necessary for performance in each applicable case, and, in the case of an anticipated disclosure under subdivisions (i) through (v), notification of the anticipated disclosure shall, if possible, be given by the

disclosing party to the non-disclosing party no less than seven (7) days before the required disclosure is made; or (vi) the relevant information has been made available to the public by other means than breach of this confidentiality undertaking. Notwithstanding anything to the contrary in this Article 18.1, neither Party shall be prohibited or otherwise precluded from disclosing, relying on, or producing this Agreement in connection with any judicial, arbitral, or regulatory proceeding to which a Party is a party.

- 18.2 The Parties agree that they may make it publicly known that this Agreement has been entered into by the Parties, but neither Party shall make any press release relating to this Agreement without first having secured the other Party's written approval of the content of the press release. Such approval shall not be unreasonably withheld, delayed or conditioned.

19. HEADINGS AND DEFINITIONS

- 19.1 All headings used in this Agreement are inserted for the purpose of convenience only and are not intended to affect or alter the meaning or interpretation of this Agreement or any clause or provision herein.
- 19.2 For the purpose of the construction and interpretation of this Agreement, the word including (and variations thereof such as include" and includes") and the phrase "such as" will not be deemed to be terms of limitation, but rather will be deemed to be followed by the words "without limitation". Any reference to herein" or "hereunder" in this Agreement, unless stated otherwise, refers to this Agreement. Any reference to "Third Party" or "Third Parties" in this Agreement does not mean either Party or its Affiliates.
- 19.3 References to "Articles" in this Agreement include all subsections thereof (e.g., Article 9.2 includes Articles 9.2.1 and 9.2.2).

20. COUNTERPARTS AND FACSIMILE.

- 20.1 Each Party will execute and deliver to the other Party a copy of this Agreement bearing its original signature, however, prior to such execution and delivery, in order to expedite the process of entering into this Agreement, the Parties acknowledge that this Agreement may be executed on facsimile copies or in electronic format via email of a .pdf file, in two (2) counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, LGE AND COMPANY HAVE CAUSED THIS AGREEMENT TO BE EXECUTED BY THEIR AUTHORIZED REPRESENTATIVES AS OF THE DAY AND YEAR WRITTEN BELOW.

This Agreement has been duly executed by the Parties hereto in two (2) identical originals of which the Parties have taken one (1) each.

LG Electronics, Inc.

By: [Signature]
Signature

HWI JAE CHO
Printed Signatory's Name

Director
Title

Sept. 28, 2017
Date

BLU Products Inc.

By: [Signature]
Signature

MICHAEL OHEVZION
Printed Signatory's Name
CHIEF OPERATING OFFICER

BLU PRODUCTS, INC.
Title
21-4850384

BLU
BOLD LIKE US
Date 9/25/2017

DELAWARE EST 2011
CT Miami LLC

By: [Signature]
Signature

MICHAEL OHEVZION
Printed Signatory's Name
CHIEF OPERATING OFFICER

Title

9/25/2017
Date

**CERTAIN LTE WIRELESS COMMUNICATION DEVICES
AND COMPONENTS THEREOF**

INV. NO. 337-TA-1051

PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **INITIAL DETERMINATION Order No. 13** has been served by hand upon the Commission Investigative Attorney, **Reginald Lucas, Esq.**, and the following parties as indicated, on **OCT 12 2017**



Lisa R. Barton, Secretary
U.S. International Trade Commission
500 E Street SW, Room 112A
Washington, DC 20436

FOR COMPLAINANTS LG ELECTRONICS, INC., LG ELECTRONICS ALABAMA, INC., AND LG ELECTRONICS MOBILECOMM U.S.A., INC.

Smith R. Brittingham IV, Esq.
**FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER L.L.P.**
901 New York Avenue, N.W.
Washington, DC 20001

() Via Hand Delivery
☒ Express Delivery
() Via First Class Mail
() Other: _____

RESPONDENTS BLU PRODUCTS, INC. AND CT MIAMI, LLC

Barry P. Golob, Esq.
COZEN O'CONNOR
1200 19th Street, N.W.
Washington, DC 20036

() Via Hand Delivery
☒ Express Delivery
() Via First Class Mail
() Other: _____