

UNIVERSITE PARIS 1 PANTHEON- SORBONNE
ECOLE DE MANAGEMENT DE LA SORBONNE / DEPARTEMENT DES LANGUES
BI-LICENCE GESTION DROIT, SEMESTRE 4
PARTIEL D'ANGLAIS APPLIQUE AU DROIT

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Anglais économique

DATE : 09 mai 2017
DUREE : 2 heures

No Documents allowed. Write your answers on the official sheets provided.

Part 1 : READING

Read the text below and address the ensuing vocabulary and comprehension exercises.

Litigation

On March 2, 2012, we filed a lawsuit against Universal Remote Control, Inc. ("URC") in the United States District Court, Central District of California (Universal Electronics Inc. v. Universal Remote Control, Inc., SACV12-0039 AG (JPRx)) alleging that URC was infringing, directly and indirectly, four of our patents related to remote control technology. Following a jury verdict in favor of URC, on September 4, 2015 the District Court awarded URC \$4.6 million in attorneys' fees and costs, approximately 50% of the attorneys' fees and costs URC claims it incurred. Both parties filed Notices of Appeal. URC is appealing various portions of the judgment and the District Court's decision to award less than the full amount of attorneys' fees. We have elected not to appeal the award of attorneys' fees. URC has filed its opening appellate brief and we filed our response on February 26, 2016. We expect oral arguments in the summer of 2016, with a decision approximately six months later. As a result of the District Court's order, we accrued \$4.6 million within selling, general and administrative expenses for the year ended December 31, 2015. Additionally, we placed \$4.6 million into a surety bond as collateral for this court order.

On June 28, 2013, we filed a second lawsuit against URC, also in the United States District Court, Central District of California (Universal Electronics Inc. v. Universal Remote Control, Inc., SACV13-00987 JAK (SHx)) claiming that URC has violated ten patents not implicated in our first lawsuit against it. Of the ten patents, four of them have expired. In mid-November 2013, we filed a motion to add affiliated URC suppliers, Ohsung Electronics Co, Ltd., a South Korean entity, and Ohsung Electronics USA, Inc., a California entity, (collectively "Ohsung"), to the lawsuit. In late June and early July of 2014, URC and Ohsung requested inter partes review ("IPR") with the US Patent and Trademark Office Appeal Board ("PTAB") for each of the ten patents pending in the second URC lawsuit. On July 9, 2014, the Court entered stipulated stay, pending the IPR outcome. In January 2016, the PTAB issued its decisions in all of the IPR proceedings, sustaining most of the claims of the six unexpired patents and invalidating the majority of the claims of the four expired patents. URC has filed a notice of appeal with respect to the PTAB's ruling against it. We have elected not to appeal the PTAB's rulings. On March 21, 2016, a status conference is scheduled with the Court.

On or about June 10, 2015, FM Marketing GmbH ("FMH") and Ruwido Austria GmbH ("Ruwido"), filed a Summons in Summary Proceedings in Belgium court against one of our subsidiaries, Universal Electronics BV ("UEBV") and one of its customers, Telenet N.V. ("Telenet"), claiming that one of the products UEBV supplies Telenet violates two design patents and one utility patent owned by FMH and/or Ruwido. By this summons, FMH and Ruwido sought to enjoin Telenet and UEBV from continued distribution and use of the products at issue. After the September 29, 2015 hearing, the Court issued its ruling in our and Telenet's favor, rejecting FMH and Ruwido's request entirely. On October 22, 2015, Ruwido filed its notice of appeal in this ruling. The parties have fully briefed the appeal and on February 15, 2016, the appellate court heard oral arguments. We expect the appellate court's ruling on the motion in the next three to six months. In addition, in September 2015, UEBV filed an Opposition with the European Patent Office seeking to invalidate the one utility patent asserted against UEBV and Telenet by Ruwido. Finally, on or about February 9, 2016, Ruwido filed a

writ of summons for proceeding on the merits with respect to asserted patents. UEBV and Telenet intend to vigorously defend against Ruwido's claims.

There is no other material pending legal proceedings to which we or any of our subsidiaries is a party or of which our respective property is the subject. However, as is typical in our industry and to the nature and kind of business in which we are engaged, from time to time, various claims, charges and litigation are asserted or commenced by third parties against us or by us against third parties arising from or related to product liability, infringement of patent or other intellectual property rights, breach of warranty, contractual relations, or employee relations. The amounts claimed may be substantial but may not bear any reasonable relationship to the merits of the claims or the extent of any real risk of court awards assessed against us or in our favor. However, no assurances can be made as to the outcome of any of these matters, nor can we estimate the range of potential losses to us. In our opinion, final judgments, if any, which might be rendered against us in potential or pending litigation would not have a material adverse effect on our financial condition, results of operations, or cash flows. Moreover, we believe that our products do not infringe any third parties' patents or other intellectual property rights.

We maintain directors' and officers' liability insurance, which insures our individual directors and officers against certain claims, as well as attorney's fees and related expenses incurred in connection with the defense of such claims.

Adapted from Universal Electronics Inc., 2015 Annual Report, pp. 84 – 85

A. Vocabulary (5 points)

1. Write the abbreviations underlined in the phrases below in full (1 point)

- a. Universal Electronics Inc. v. Universal Remote Control, Inc. (paragraph 1, lines 2-3)
- b. Ohsung Electronics Co. Ltd. (paragraph 2, line 5)

2. Find the synonyms used in the text for the words underlined in the sentences below. Give the paragraph and line references (0.5 point)

- a. URC has violated ten patents (paragraph 2, line 3)
- b. the PTAB issued its decisions (paragraph 2, lines 10 – 11)

3. Find the phrases in the text that correspond to the definitions below (1.5 point)

- a. compensation for legal services performed for a client by a lawyer or a law firm in or out of court:
- b. procedure for challenging the validity of a patent in the United States:
- c. an official order for someone to appear in a court of law :
- d. entitlements granted to people or corporate bodies over their inventions or other creations of their minds:
- e. violation of an agreement between a seller and a buyer as to the condition, content, quality, or title of the item sold:
- f. ultimate court decisions:

4. Define the following concepts (2 points)

- a. litigation (title)
- b. lawsuit (paragraph 1, line 1)
- c. to appeal (paragraph 1, line 9)

d. collateral (paragraph 1, last line)

B. Comprehension (5 points)

Say whether the statements below are True (T) or False (F). Justify your answer with your own arguments, a relevant sentence or part of a sentence from the text. Provide the paragraph and line references, if warranted.

1. The lawsuit filed on March 2, 2012 involved two litigants: Universal Remote Control Inc., the claimant, and Universal Electronics Inc., the defendant T/ F
2. The accusation was about the violation of patents by one of the parties. T/ F
3. The claimant won the case in court. T/ F
4. Both the claimant and the defendant were satisfied with the court decision. T/ F
5. The case was still pending at the appellate court at the end of 2015. T/ F
6. UE Inc. earned \$4.6 million in damages, placed later on in a surety bond. T/ F
7. The lawsuit filed on June 28, 2013 was settled in a California state court. T/ F
8. Universal Electronics has lost another patent violation case in a Belgian court through one its subsidiaries. T/ F
9. No other litigation was recorded for or against UE Inc. for the 2015 fiscal year. T/ F
10. The directors of UE Inc. have been warned about the damaging consequences the litigation cases would have on the company's finances. T/ F

PART 2. GRAMMAR (5 points)

Use the correct tense of the verbs in italics in the active or passive form to complete the extract below

In 2000, Universal Electronics also (1) *sue* URC for (2) *infringe* the '426 patent, among others, but that patent (3) *drop* subsequently from the case. The parties (4) *settle* the matter in 2004 after (5) *enter* into a license agreement, according to court documents.

In the latest order, Judge Guilford (6) *focus* in part on the issue of Universal Electronics' (7) *fail* (8) *meet* the marking requirement for the '067 patent, which (9) *expire* prior to the suit (10) *file*.

The judge (11) *say* that information (12) *regard* Universal Electronics' marking policies, procedures and practices (13) *be* in its possession, but that the company either (14) *review* not this material adequately before (15) *file* suit or (16) *file* suit (17) *know* that it (18) *comply* not with the marking requirement. According to him, Universal Electronics' conduct with regards to the issue of the inventorship of the '426 patent also (19) *contribute* to the finding that this case (20) *be* exceptional.

Adapted from Vin Gurrieri, *Remote Control Patent Case Warrants Atty Fees*: Judge, www.Law360.com

PART 3. ESSAY WRITING (5 points)

In a minimum of 250 words and a maximum of 300, use the information provided in both texts to give your opinion on the legitimacy of the lawsuits and on the final judgments rendered or to be rendered.

You will be assessed on the organization and content of your essay (relevance, knowledge of the topic, adequate use of appropriate terminology) as well as on the standard of your English.

Include your (accurate) word count at the end of the essay.

Key to answers and guidelines for marking

A. Vocabulary (5 points)

1. Write the abbreviations underlined in the phrases below in full (1 point)

Answers

- a. Inc. : Incorporated v.: versus
b. Co.: Company Ltd.: Limited

Marking

Please award a quarter of a point for a correct answer. Do not give any mark if there is a blank or a wrong answer.

2. Find the synonyms used in the text for the words underlined in the sentences below. Give the paragraph and line references (0.5 point)

Answers

- a. was infringing (paragraph 1, lines 2 – 3)
b. ruling (paragraph 3, line 7)

Marking

Please award a quarter of a point for a correct answer coupled with text references. Do not give any mark if there is a blank or if the answer is a wrong.

3. Find the phrases in the text that correspond to the definitions below (1.5 point)

Answers

- a. attorney's fees (paragraph 1, line 6)
b. inter partes review (paragraph 2, line 8)
c. writ of summons (paragraph 3, line 14)
d. intellectual property rights (paragraph 4, line 6)
e. breach of warranty (paragraph 4, line 6)
f. final judgments (paragraph 4, line 6)

Marking

Please award a quarter of a point for a correct answer coupled with text references. Do not give any mark if there is a blank or if the answer is wrong.

4. Define the following concepts (2 points)

Answers

- a. litigation: process of making or defending a claim in court
b. lawsuit: complaint against a person or an organization made in court
c. to appeal: to make a formal request to a higher court for a judgment to be changed
d. collateral: security pledged for the payment of a loan or a fine

Marking

Please award half a point for a correctly written definition nearing the above; quarter of a point if the definition is plausible but has got spelling mistakes. Do not give any mark if there is a blank or if the answer is wrong.

B. COMPREHENSION (5 points)

Answers

1. *False*: the contrary. The phrase “Universal Electronics Inc. v. Universal Remote Control, Inc.” (paragraph 1, lines 2-3) means that the former is the claimant and the latter, the defendant.
2. *True*: URC was infringing, directly and indirectly, four of Universal Electronics Inc.’s patents related to remote technology. (paragraph 1, lines 3 – 4).
3. *False*: The jury ruled in favor of URC, the defendant. “Following a jury verdict in favor of URC.” (paragraph 1, line 5)
4. *False*: Both parties filed notices of appeal. (paragraph 1, line 7)
5. *True*: “We expect oral arguments in the summer of 2016, with a decision approximately six months later.” (paragraph 1, lines 10 – 11)
6. *False*: The court awarded this amount of money to URC instead in attorneys’ fees and costs. “on September 4, 2015 the District Court awarded URC \$4.6 million in attorneys’ fees and costs.”
7. *False*: The lawsuit was settled in a special appeals court dedicated to patent litigations: the US Patent and Trademark Office Appeal Board (PTAB) “In January 2016, the PTAB issued its decisions”(paragraph 2, lines 10 – 11)
8. *False*: It has been an outright victory for Universal electronics’ subsidiary in Belgium. “the Court issued its ruling in our and Telenet’s favor, rejecting FMH and Ruwido’s request entirely.”
9. *True*: “There is no other material pending legal proceedings to which we or any of our subsidiaries is a party or of which our respective property is the subject.” (paragraph 4, line 1)
10. *False*: Any case lost would not have any damaging consequences on the company’s finances, which remain sound according to the auditors especially as the company’s products do not infringe anybody’s patents or intellectual property rights. “In our opinion, final judgments, if any, which might be rendered against us in potential or pending litigation would not have a material adverse effect on our financial condition, results of operations, or cash flows. Moreover, we believe that our products do not infringe any third parties’ patents or other intellectual property rights.” (paragraph 4, lines 10 – 15)

Marking

Please award half a mark for a correctly written answer consisting of the word *True* or *False*, the correctly quoted justification and text references; quarter of a mark if both the answer and the justification are correct but the paragraph and line references have been omitted. Do not give any mark if there is a blank or if the answer is wrong or again if there is no quoted justification.

PART 2. GRAMMAR (5 points)

Answers

- (1) *sued* (2) *infringing* (3) *was dropped* (4) *settled* (5) *entering* (6) *focused* (7) *failing* (8) *to meet* (9) *had expired* (10) *being filed* (11) *said* (12) *regarding* (13) *was* (14) *did not review* (15) *filing* (16) *filed* (17) *knowing* (18) *had not complied* (19) *contributed* (20)

Marking

Please award half a mark for a correct answer. Do not give any mark if there is a blank or if the answer is wrong.

PART 3. ESSAY WRITING

For marking: (1 + 4)

+1 point for the required length AND accurate word count. Nothing to be awarded if the essay is too short, or if the word count is inaccurate.

0.5 point = very little substance. Poor discussion rendered in poor English.

1 point = attempt to address the issues raised. Frequent spelling, vocabulary and grammar mistakes. No fluency of expression.

2 points = Good attempt to address the issues raised. Some regular spelling, vocabulary or grammar mistakes. Problems with the writing style.

3 points = Good substance or discussion on the whole. Both issues are addressed. Very few spelling, vocabulary or grammar mistakes and a very good writing style.

4 points = Excellent discussion. High level English including fluency of expression and a very good writing style. Perfect spelling and good lexical and grammatical choices. No mistakes at all.