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Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Maxell, Huawei Reach Terms To End Smartphone Patent Suit

By **Nadia Dreid**

Law360 (February 21, 2019, 10:07 PM EST) -- Huawei has reached a deal with Japanese electronics manufacturer Maxell that will allow it to escape a suit accusing it of infringing a number of Maxell smartphone patents, just in time to avoid a hearing scheduled for this week.

The terms of the settlement are confidential, but Maxell Ltd. and Huawei Device Co. Ltd. told a Texas federal court Monday that "all matters in controversy between the parties have been settled in principle." The deal was announced only three days before a scheduled hearing, the subject of which wasn't clear from the court's calendar listing.

The agreement brings to an end the two-year ordeal that kicked off in November 2016 when Maxell hit the Chinese tech company with a lawsuit accusing Huawei of continuing to infringe Maxell's patents despite "numerous meetings and interactions" about the infringement dating back to June 2013.

The tech companies butted heads over discovery during the course of the litigation, with Maxell asking the court in March to sanction Huawei for its "complete disregard" for court orders and its obligations under the rules of discovery, saying the Chinese company's behavior had "reached new heights."

The Huawei settlement comes weeks after Maxell settled another patent suit, this one with Chinese smartphone maker ZTE USA Inc. The similarly confidential deal was reached in early February to end a dispute over seven Maxell patents. The agreement came after a jury awarded Maxell \$43.3 million in damages last June.

Maxell and ZTE USA began patent licensing negotiations in June 2013, but ZTE later refused to enter into a formal agreement with its rival, according to the complaint. As a result, the suit claimed that ZTE has knowingly infringed Maxell patents for years and used infringing technology in multiple models of its smartphones.

Shortly before trial, ZTE voluntarily withdrew one of the eight patents-in-suit that had expired in an effort to streamline the case. After a nearly two-week trial, a six-member jury in June found that ZTE infringed all seven of the asserted patents and that the infringement was willful, allowing the court to triple the damages.

Representatives for the parties did not immediately return a request for comment.

Maxell is represented by Geoffrey P. Culbertson and Kelly Tidwell of Patton Tidwell & Culbertson LLP and Jamie B. Beaber, Alan M. Grimaldi, Kfir B. Levy, James A. Fussell III, Baldine B. Paul, Tiffany A. Miller, William J. Barrow, Saqib Siddiqui, Robert G. Pluta, Amanda S. Bonner and Brian C. Nese of Mayer Brown LLP.

Huawei is represented by Stanley Young, Anupam Sharma, Hyun S. Byun, Gregory S. Nieberg, Derek J. Andros of Covington & Burling LLP and Jennifer Ainsworth of Wilson Robertson & Cornelius PC.

The case is Maxell Ltd. v. Huawei Device USA Inc. et al., case number 5:16-cv-00178, in the U.S. District Court for the Eastern District of Texas.

--Additional reporting by Tiffany Hu. Editing by Bruce Goldman.

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