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16 *Attorneys for Defendants Qualcomm Incorporated, Derek A. Aberle, Steven*
17 *R. Altman, William F. Davidson, Paul E. Jacobs, Steven M. Mollenkopf*
and Donald J. Rosenberg

18 **UNITED STATES DISTRICT COURT**

19 **SOUTHERN DISTRICT OF CALIFORNIA**

20
21 IN RE: QUALCOMM
22 INCORPORATED SECURITIES
23 LITIGATION

No. 17-CV-00121-JAH-WVG

**DEFENDANTS' ANSWER TO
PLAINTIFFS' CONSOLIDATED
AMENDED COMPLAINT**

Judge: Hon. John A. Houston

1 Defendants Qualcomm Incorporated (“Qualcomm”), Derek A. Aberle,
2 Steven R. Altman, William F. Davidson, Paul E. Jacobs, Steven M. Mollenkopf
3 and Donald J. Rosenberg, upon knowledge and/or upon information and belief,
4 answer Lead Plaintiffs Sjunde AP-Fonden and Metzler Asset Management’s
5 Consolidated Class Action Complaint for Violation of the Federal Securities Laws
6 (the “Complaint”), filed July 3, 2017, and assert affirmative and other defenses
7 thereto. Unless otherwise stated, Defendants use the defined terms and phrases set
8 forth in the Complaint. In doing so, however, Defendants do not admit that the
9 definitions set forth in the Complaint are proper. Except as otherwise expressly set
10 forth below, Defendants deny each and every allegation contained in the
11 Complaint, including without limitation, the headings and subheadings contained
12 in the Complaint, and specifically deny liability to Plaintiffs, or that Plaintiffs have
13 suffered any legally cognizable loss for which Defendants are responsible.

14 Defendants deny the allegations of the first two, un-numbered
15 paragraphs of the Complaint, except admit that Lead Plaintiffs purport to bring
16 claims pursuant to the statutes cited in the first un-numbered paragraph of the
17 Complaint and state that they are without knowledge or information sufficient to
18 form a belief as to the truth of the averments in the second un-numbered paragraph
19 of the Complaint concerning Lead Plaintiffs’ personal knowledge and information
20 and belief or investigation, and on that basis deny such averments.

21 Subject to the foregoing, Defendants otherwise answer the Complaint
22 as follows:

- 23 1. Defendants deny the allegations in Paragraph 1.
- 24 2. Defendants deny the allegations in Paragraph 2, except admit the Korea Fair
25 Trade Commission (“KFTC”) issued a Decision and Order and that the U.S.
26 Federal Trade Commission (“FTC”) filed a lawsuit against Qualcomm, and
27 refer to those documents for their contents. Defendants also refer to
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1 Qualcomm’s Answer to the complaint filed by the FTC, and incorporate the
2 responses herein.

3 3. Defendants deny the allegations of Paragraph 3, except admit that
4 Qualcomm had an initial public offering in 1991, and that in 1993 Code
5 Division Multiple Access (“CDMA”) was incorporated into certain cellular
6 standards.

7 4. Defendants deny the allegations of Paragraph 4, except admit that
8 Qualcomm has owned many patents essential for the use of CDMA
9 technology.

10 5. Defendants deny the allegations of Paragraph 5, except admit that
11 Qualcomm has made certain declarations to standard development
12 organizations that it would be prepared to grant certain licenses to standard-
13 essential patents (“SEPs”) on a fair, reasonable, and non-discriminatory
14 basis (“FRAND”), and refer to those commitments for their contents.

15 6. Defendants deny the allegations in Paragraph 6, except admit that
16 Qualcomm from time to time made certain reports to the U.S. Securities and
17 Exchange Commission (“SEC”) and refer to such reports for their contents.

18 7. Defendants deny the allegations of Paragraph 7, except admit that
19 Qualcomm from time to time held analyst calls and investor conferences,
20 and from time to time published certain press releases, and refer to the
21 transcripts of such analyst calls and investor conferences and to such press
22 releases for their respective contents.

23 8. Defendants deny the allegations in Paragraph 8, except admit that virtually
24 every cellular phone includes one or more integrated semiconductor circuits
25 and that Qualcomm has faced robust competition from other sellers and
26 manufacturers of modem chips.

1 9. Defendants deny the allegations in Paragraph 9, except admit that
2 Qualcomm has made reports to the SEC and refers to such reports for their
3 contents.

4 10. Defendants deny the allegations in Paragraph 10.

5 11. Defendants deny the allegations of Paragraph 11, and state they are without
6 knowledge or information sufficient to form a belief as to whether Mr. Hsu
7 made the statements attributed to him (the contents of which are denied), and
8 also on that basis deny them.

9 12. Defendants deny the allegations in Paragraph 12, except admit that the
10 KFTC and other regulators have initiated proceedings against Qualcomm.

11 13. Defendants deny the allegations in Paragraph 13, except admit that
12 Qualcomm from time to time held analyst calls and investor conferences,
13 and refer to the transcripts of such analyst calls and investor conferences for
14 their contents.

15 14. Defendants deny the allegations in Paragraph 14, except admit that Apple
16 and the FTC filed complaints against Qualcomm in January 2017, and refer
17 to these complaints for the allegations contained therein. Defendants also
18 refer to Qualcomm's Answers to the complaints filed by Apple and the FTC,
19 and incorporate the responses herein.

20 15. Defendants deny the allegations in Paragraph 15, and state that they are
21 without knowledge or information sufficient to form a belief as to whether
22 the unidentified former Qualcomm and Apple employees and Mr. Hsu made
23 the statements attributed to them (the contents of which are denied), and also
24 on that basis deny them.

25 16. Defendants deny the allegations in Paragraph 16.
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1 17. The allegations in Paragraph 17 state a legal conclusion as to which no
2 response is required. To the extent a response is required, Defendants deny
3 the allegations in Paragraph 17.

4 18. The allegations in Paragraph 18 state a legal conclusion as to which no
5 response is required. To the extent a response is required, Defendants deny
6 the allegations in Paragraph 18.

7 19. The allegations in Paragraph 19 state a legal conclusion as to which no
8 response is required. To the extent a response is required, Defendants deny
9 the allegations in Paragraph 19, except admit that Qualcomm has conducted
10 business in this District and maintains headquarters at 5775 Morehouse
11 Drive, San Diego, California.

12 20. Defendants deny the allegations of Paragraph 20, except admit that
13 Defendants have used mail and telephones for SEC filings and investor calls.

14 21. Defendants state that they are without knowledge or information sufficient
15 to form a belief as to the truth of the allegations in Paragraph 21, and on that
16 basis deny them, except admit that the Court appointed AP7 as a Lead
17 Plaintiff in this action.

18 22. Defendants state that they are without knowledge or information sufficient
19 to form a belief as to the truth of the allegations in Paragraph 22, and on that
20 basis deny them, except admit that the Court appointed Metzler as a Lead
21 Plaintiff in this action.

22 23. Defendants deny the allegations of Paragraph 23, except admit that
23 Qualcomm is a corporation organized under Delaware law and
24 headquartered at 5775 Morehouse Drive, San Diego, California, that
25 Qualcomm holds patents essential to certain cellular communication
26 standards, that Qualcomm has made certain declarations to certain standard
27 development organizations that it would be prepared to grant certain licenses
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1 to certain standard essential patents on fair, reasonable and non-
2 discriminatory terms, that QTL and QCT account for virtually all of the
3 Company's revenues and profits, that Qualcomm's primary business
4 segments are QTL and QCT and that Qualcomm's stock trades on NASDAQ
5 under the symbol "QCOM".

6 24. Defendants deny the allegations in the first sentence in Paragraph 24.
7 Defendants also deny the second sentence in Paragraph 24, except admit that
8 Mr. Aberle was appointed Qualcomm's President in March 2014 and
9 became a member of Qualcomm's Executive Committee in 2008.
10 Defendants also deny the allegations in the third sentence in Paragraph 24,
11 except admit that Mr. Aberle joined Qualcomm in December 2000.
12 Defendants also deny the allegations in the fourth sentence in Paragraph 24,
13 except admit that Mr. Aberle served as Executive Vice President and Group
14 President from November 2011 to March 2014; as President of QTL from
15 September 2008 to November 2011; and as Senior President and General
16 Manager of QTL From October 2006 to September 2008. Defendants also
17 deny the allegations in the fifth and sixth sentences in Paragraph 24, except
18 admit that Qualcomm made a press release on March 20, 2014, and refer to
19 such press release for its contents. Defendants deny the remaining
20 allegations in Paragraph 24.

21 25. Defendants admit the allegations in the first and second sentences of
22 Paragraph 25. Defendants deny the allegations in the third sentence of
23 Paragraph 25, except admit that Qualcomm issued a press release on
24 October 16, 2013, and refer to such press release for its contents.
25 Defendants deny the allegations in the fourth sentence of Paragraph 25, but
26 admit that Qualcomm held a Stockholders Meeting on March 8, 2005, and
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1 refer to the transcript of this event for its contents. Defendants deny the
2 remaining allegations in Paragraph 25.

3 26. Defendants admit the allegations in the first, second and third sentences of
4 Paragraph 26. Defendants deny the remaining allegations in Paragraph 26.

5 27. Defendants admit the allegations in the first and second sentences of
6 Paragraph 27. Defendants deny the remaining allegations in Paragraph 27.

7 28. Defendants deny the allegations in the first sentence of Paragraph 28.

8 Defendants admit the allegations in the second and third sentences of
9 Paragraph 28. Defendants deny the allegations in the fourth sentence of
10 Paragraph 28, except admit that Qualcomm published a biography of Mr.
11 Jacobs on its website, and refer to such biography for its contents.

12 Defendants admit the allegations in the fifth sentence of Paragraph 28.

13 Defendants deny the remaining allegations in Paragraph 28.

14 29. Defendants admit the allegations in the first and second sentences of
15 Paragraph 29. Defendants deny the allegations in the third sentence of
16 Paragraph 29, but admit that Mr. Mollenkopf first joined Qualcomm in
17 1994. Defendants deny the allegations in the fourth sentence of Paragraph
18 29, but admit that Mr. Mollenkopf served as President and Chief Operating
19 Officer from November 2011 through December 2013; as Executive Vice
20 President and Group President from August 2008 to September 2010; as
21 Executive Vice President of QCT Product Management from May 2008 to
22 August 2008; as Senior Vice President of Engineering and Product
23 Management from July 2006 to May 2008; and as Vice President of
24 Engineering from April 2002 to July 2006. Defendants admit the allegations
25 in the fifth sentence of Paragraph 29. Defendants deny the allegations in the
26 sixth and seventh sentences of Paragraph 29, but admit that Qualcomm
27 published a biography of Mr. Mollenkopf on its website, and refer to such
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1 biography for its contents. Defendants admit the allegations in the eighth
2 sentence of Paragraph 29. Defendants deny the remaining allegations in
3 Paragraph 29.

4 30. Defendants admit that at certain times during their respective employment
5 by Qualcomm, Mr. Aberle, Mr. Altman, Mr. Rosenberg, Mr. Davidson, Mr.
6 Jacobs and Mr. Mollenkopf participated in the management of Qualcomm's
7 operations, had the ability to control and did control certain of Qualcomm's
8 financial reports and were aware of certain confidential information
9 concerning Qualcomm. Defendants also admit that at certain times during
10 their respective employment by Qualcomm, Mr. Mollenkopf was aware of
11 certain confidential information concerning Qualcomm's chipset business
12 and that Mr. Aberle and Mr. Altman were aware of certain confidential
13 information concerning Qualcomm's licensing policies and negotiations.
14 Defendants otherwise deny the allegations in Paragraph 30.

15 31. Defendants deny the allegations in Paragraph 31, except admit that cellular
16 telephone systems may seek to comply with certain standards, among other
17 things so as to ensure interoperability of equipment and services from a large
18 number of providers, and to establish minimum levels of capabilities and
19 quality of services.

20 32. Defendants deny the allegations in Paragraph 32, except admit the
21 allegations in the second and third sentences of Paragraph 32.

22 33. Defendants admit only the following allegations in Paragraph 33: (1) Nokia,
23 Ericsson and Qualcomm are members of cellular standard development
24 bodies and own patents that have been declared as potentially essential to
25 certain standards; (2) Intel, MediaTek and Qualcomm are members of
26 certain cellular standard development bodies and at times have designed and
27 sold, among other things, modem chips; (3) Samsung and LG are members
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1 of certain cellular standard development bodies and at certain times have
2 made, among other things, cellular phones; (4) AT&T, Verizon, Sprint and
3 T-Mobile are members of certain cellular standard development bodies and
4 at times have operated mobile wireless systems. Defendants state they are
5 without knowledge or information sufficient to form a belief as to all other
6 allegations in Paragraph 33, and deny them on that basis.

7 34. Defendants deny the allegations in Paragraph 34.

8 35. Defendants deny the allegations in Paragraph 35, except admit that cellular
9 standards incorporate, among other things, technology claimed by patents
10 owned by various holders and that patent holders have certain rights to bring
11 litigation concerning infringing conduct under U.S. and foreign law.

12 36. Defendants deny the allegations in Paragraph 36, except admit that the FTC
13 issued a prepared statement before the U.S. Senate Judiciary Committee on
14 July 30, 2013, and refer to such prepared statement for its contents.

15 Defendants state they are without knowledge or information sufficient to
16 form a belief as to whether Professor Carrier made the statements attributed
17 to him (the contents of which are denied), and deny them also on that basis.

18 37. Defendants deny the allegations in Paragraph 37, except admit that certain
19 standard development bodies have various policies that invite participants to
20 make declarations that they will be prepared to grant certain licenses on
21 “fair, reasonable, and non-discriminatory (‘FRAND’) terms and conditions”
22 to standard-essential patents.

23 38. Defendants deny the allegations in Paragraph 38, except admit that certain
24 standard development organizations have Intellectual Property Rights
25 (“IPR”) policies, and refer to those IPR policies for their contents.

26 39. Defendants deny the allegations in Paragraph 39, and state that they are
27 without knowledge or information sufficient to form a belief as to whether
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1 Professor Carrier made the statement attributed to him (the contents of
2 which are denied), and deny it also on that basis.

3 40. Defendants deny the allegations in Paragraph 40.

4 41. Defendants deny the allegations in Paragraph 41, except admit that
5 Qualcomm submitted certain declarations to standard development
6 organizations and refer to such declarations for their contents. Defendants
7 also refer to the opinion issued by the Ninth Circuit in *Microsoft Corp. v.*
8 *Motorola Inc.*, 795 F.3d 1024 (9th Cir. 2015) for its contents.

9 42. Defendants deny the allegations in Paragraph 42, and state that they are
10 without knowledge or information sufficient to form a belief as to whether
11 Professor Carrier made the statement attributed to him (the contents of
12 which are denied), and deny it also on that basis.

13 43. Defendants deny the allegations in Paragraph 43, and state that they are
14 without knowledge or information sufficient to form a belief as to whether
15 Mr. Hsu made the statements attributed to him (the contents of which are
16 denied), and deny them also on that basis.

17 44. Defendants deny the allegations in Paragraph 44, and state that they are
18 without knowledge or information sufficient to form a belief as to whether
19 Mr. Hsu made the statements attributed to him (the contents of which are
20 denied), and deny them also on that basis.

21 45. Defendants deny the allegations in Paragraph 45, except admit that
22 Qualcomm sent a letter to the Federal Trade Commission on June 13, 2011,
23 and refer to such a letter for its contents. Defendants also admit that
24 Qualcomm held an investor call on December 1, 2009, and refer to the
25 transcript of such investor call for its contents.

26 46. Defendants deny the allegations in Paragraph 46.
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- 1 47. Defendants deny the allegations in Paragraph 47, except admit that
2 Qualcomm holds patents essential to CDMA and certain follow-on cellular
3 technologies and that beginning in 1985 Qualcomm began promoting
4 CDMA.
- 5 48. Defendants deny the allegations in Paragraph 48.
- 6 49. Defendants deny the allegations in Paragraph 49, except admit that standard
7 development bodies including CTIA and TTA adopted CDMA technology as
8 the basis for a 2G cellular standard. Defendants also admit that Qualcomm
9 submitted declarations to certain standard development bodies, and refer to
10 those declarations for their contents.
- 11 50. Defendants deny the allegations in Paragraph 50, except admit that
12 Qualcomm submitted declarations to certain standard development bodies,
13 and refer to those declarations for their contents.
- 14 51. Defendants deny the allegations in Paragraph 51, except admit that
15 Qualcomm filed a report on SEC Form 10-K for the fiscal year ended
16 September 28, 2014, and refer to such filing for its contents.
- 17 52. Defendants deny the allegations in Paragraph 52, except admit that
18 Qualcomm has declared thousands of patents as potentially essential to
19 various cellular standards.
- 20 53. Defendants deny the allegations in Paragraph 53, except admit that
21 Qualcomm made an initial public offering in 1991, and reported a loss of
22 approximately \$4 million in 1992.
- 23 54. Defendants deny the allegations in Paragraph 54, except admit that
24 Qualcomm reported a \$12 million profit in 1993, and a loss of
25 approximately \$4 million in 1992.
- 26 55. Defendants deny the allegations in Paragraph 55, except admit that QTL's
27 revenues were \$404 million in 1999, and \$705 million in 2000.
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1 56. Defendants deny the allegations in Paragraph 56, except admit that by 2000,
2 Qualcomm was included on the list of companies on the S&P 500 stock
3 market index, maintained by S&P Dow Jones Indices, and on the Fortune
4 500 list, compiled and published by Fortune magazine. Defendants also
5 admit the existence of a web post published by Dave Mock on “The Motley
6 Fool” on November 6, 2003, and refer to the post for its contents.

7 57. Defendants deny the allegations in Paragraph 57, except admit that
8 Qualcomm’s competitors for the sale of modem chips have at times included
9 Texas Instruments, MediaTek, Broadcom, Freescale, Infineon, Motorola,
10 NEC, and STMicro.

11 58. Defendants deny the allegations in Paragraph 58, except admit that on April
12 24, 2005, Rosetta Group released an analyst report, and refer to the report
13 for its contents.

14 59. Defendants deny the allegations in Paragraph 59, except admit that on
15 January 7, 2009, Collins Stewart released an analyst report, and refer to the
16 report for its contents.

17 60. Defendants deny the allegations in Paragraph 60, except admit that a
18 Qualcomm conference call was held on January 2, 2008, and that
19 Qualcomm’s 2014 New York Analyst Day was held on November 19, 2014,
20 and refer to their respective transcripts for their contents. Defendants also
21 admit that on May 3, 2013, Mr. Jacobs gave a presentation at the Stanford
22 Business School, and that on November 19, 2014, Mr. Jacobs spoke at an
23 investor conference, and refer to the respective transcripts of those events for
24 their contents.

25 61. Defendants deny the allegations in Paragraph 61, except admit that
26 Qualcomm’s total revenues were approximately \$19.1 billion in 2012, and
27 that its revenues from the sale of semiconductors were approximately \$12
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1 billion the same year. Defendants also admit that an analyst research firm,
2 HIS, released a report on December 4, 2012, and refer to such report for its
3 contents. Defendants also admit that Qualcomm's market capitalization was
4 valued at \$137 billion on April 17, 2014 and July 24, 2014.

5 62. Defendants deny the allegations in Paragraph 62, except admit that in
6 October 2008, Freescale announced its intention to exit the modem chip
7 business, and on June 2, 2014, Broadcom announced its intention to wind
8 down its modem chip business. Defendants also admit that on May 6, 2015,
9 and September 25, 2015, Nvidia and Marvell announced their respective
10 intentions to exit the modem chip business. Defendants also admit that
11 Texas Instruments, Ericsson, NXP and NEC no longer offer for sale modem
12 chips.

13 63. Defendants deny the allegations in Paragraph 63.

14 64. Defendants deny the allegations in Paragraph 64, except admit that
15 Qualcomm issued press releases on November 17, 2015, and January 17,
16 2017, and refer to such press releases for their contents.

17 65. Defendants deny the allegations in Paragraph 65, except admit that
18 Qualcomm held a London Investors Day on November 8, 2005, that Mr.
19 Altman made remarks at Oppenheimer & Co.'s Annual Communications &
20 Technology Conference on June 3, 2008, and that Mr. Davidson spoke at a
21 Friedman Billings Ramsey Capital Markets Investor Conference on
22 December 1, 2009, and refer to the transcripts of those events for their
23 contents. Defendants also admit that Qualcomm filed reports on SEC Forms
24 10-K for the years 2002 through 2007, and refer to such filings for their
25 contents.

1 66. Defendants deny the allegations in Paragraph 66 except admit that
2 Qualcomm held a conference call and webcast on June 21, 2006, and refer to
3 the transcript of such conference call for its contents.

4 67. Defendants deny the allegations in Paragraph 67, except admit that
5 Qualcomm submitted comments to the FTC Patent Workshop on June 13,
6 2011, and refer to such comments for their contents. Defendants also admit
7 that Mr. Davidson made remarks at a Friedman Billings Ramsey Capital
8 Markets Investor Conference on December 1, 2009, and refer to the
9 transcript of that event for its contents.

10 68. Defendants deny the allegations in Paragraph 68, except admit that
11 Qualcomm held a stockholders meeting on March 8, 2005, and published a
12 press release on October 4, 2011, and refer to the transcript of such meeting
13 and to such press release for their contents. Defendants also admit that Mr.
14 Mollenkopf currently serves as CEO of Qualcomm and that Mr. Jacobs
15 previously served as CEO of Qualcomm, and that from time to time each of
16 them signed certain Qualcomm SEC filings. Defendants also admit that
17 Qualcomm held an investor call on March 8, 2016, and refer to the transcript
18 of such investor call for its contents. Defendants also admit that
19 representatives of Qualcomm have met with regulators from time to time for
20 various reasons.

21 69. Defendants deny the allegations in Paragraph 69, except admit that on June
22 24, 2016, an article by Lisa Wang entitled “Qualcomm defends licensing
23 fees” was published in the Taipei Times, and refer to such article for its
24 contents. Defendants also admit that Qualcomm filed annual reports with
25 the SEC for the years 2012 and 2013, and refer to such reports for their
26 contents.

1 70. Defendants deny the allegations in Paragraph 70, except admit that
2 Qualcomm filed quarterly reports with the SEC, and refer to such reports for
3 their contents. Defendants also admit that an article by Mike Freeman
4 entitled “Qualcomm’s Altman talks technology licensing” was published in
5 the San Diego Tribune on November 22, 2013, and an article by Intan
6 Hamdan-Livramento entitled “The Evolution of Technology Markets” was
7 published in WIPO Magazine in April 2012, and refer to such articles for
8 their contents. Defendants also admit that Mr. Aberle made remarks at the
9 2016 Shanghai Forum on December 6, 2016, Mr. Jacobs spoke at an investor
10 call held by Qualcomm on March 5, 2013, Mr. Davidson spoke in a web
11 program hosted by Chris Versace, posted on StockInvestor.com on February
12 18, 2014, and Mr. Mollenkopf made remarks at the 12th Stanford Institute
13 for Economic Policy Research (“SIEPR”) Summit on March 17, 2015, and
14 refer to the transcripts of these events and programs for their contents.

15 71. Defendants deny the allegations in Paragraph 71, except admit that
16 Qualcomm published press releases on November 17, 2015, and January 17,
17 2017, and refer to such press releases for their contents. Defendants also
18 admit that the FTC filed a complaint against Qualcomm in the Northern
19 District of California on January 17, 2017.

20 72. Defendants deny the allegations in Paragraph 72, except admit that an article
21 entitled “Qualcomm Rides China’s Smartphone Boom” was published in
22 Forbes on March 23, 2012, an article entitled “Qualcomm’s got the mobile
23 device market nailed” was published in International Teletimes on January
24 23, 2012, and an article written by Panos Mourdoukoutas entitled “Is
25 Qualcomm’s Business Model and Stock at Risk?” was published in Forbes
26 on November 6, 2014, and refer to such articles for their contents.

27 Defendants admit that Barron’s published an article on November 25, 2013,
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1 Trefis published an analyst report on September 27, 2013, and BMO Capital
2 Markets published an analyst report on August 14, 2014, and refer to such
3 articles and analyst reports for their contents.

4 73. Defendants deny the allegations in Paragraph 73.

5 74. Defendants deny the allegations in Paragraph 74.

6 75. Defendants deny the allegations in Paragraph 75, except admit that
7 Qualcomm held an earnings call on July 20, 2005, and refer to the transcript
8 of such earnings call for its contents.

9 76. Defendants deny the allegations in Paragraph 76, except admit that a Credit
10 Suisse Technology Conference held on November 27, 2012, and refer to the
11 transcript of such conference for its contents.

12 77. Defendants deny the allegations in Paragraph 77, except admit that the GSM
13 Association Mobile World Congress was held on February 25, 2013, and
14 refer to the transcript of such conference for its contents.

15 78. Defendants deny the allegations in Paragraph 78, except admit that BMO
16 Capital Markets published analyst reports on August 14, 2014 and July 21,
17 2015, and refer to such analyst reports for their contents.

18 79. Defendants deny the allegations in Paragraph 79.

19 80. Defendants deny the allegations in Paragraph 80, except admit that
20 Qualcomm makes available licenses to any entity for the purpose of making
21 complete devices that conform to the relevant standard, but does not offer
22 exhaustive licenses for the manufacture of modem chips.

23 81. Defendants deny the allegations in Paragraph 81, except admit that on April
24 20, 2014, representatives from the U.S. Department of Justice (“DOJ”) made
25 an address before the KFTC, The Korean Fair Trade Comm’n and the Int’l
26 Competition Network, 2004 WL 5267573 (Apr. 20, 2014), and refer to the
27 transcript of such address for its contents. Defendants also admit that the
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1 FTC issued a press release on September 8, 2015, and refer to such press
2 release for its contents.

3 82. Defendants deny the allegations in Paragraph 82, except admit that
4 Qualcomm appeared in seven hearings held before several KFTC
5 Commissioners, and that other industry participants, including Apple,
6 Ericsson, Huawei, Intel, LG, MediaTek and Samsung, participated in these
7 hearings.

8 83. Defendants deny the allegations in Paragraph 83, except admit that the
9 KFTC issued a Case Examiner's Report containing its initial filings, which
10 was provided to Qualcomm on November 17, 2015, and which Qualcomm
11 responded to.

12 84. Defendants deny the allegations in Paragraph 84, except admit that the
13 KFTC issued a Final Decision and Order concerning its Qualcomm
14 investigation on January 20, 2017. Defendants also admit the KFTC issued
15 a press release on December 28, 2016, and refer to such press release for its
16 contents.

17 85. Defendants deny the allegations in Paragraph 85, and state that they are
18 without knowledge or information sufficient to form a belief as to whether
19 Professor Carrier made the statement attributed to him (the contents of
20 which are denied), and deny it also upon that basis.

21 86. Defendants deny the allegations in Paragraph 86, except admit that the
22 KFTC issued a Final Decision and Order concerning its Qualcomm
23 investigation on January 20, 2017, and refer to such decision and order for
24 its contents.

25 87. Defendants deny the allegations in Paragraph 87, except admit that the
26 KFTC issued a Final Decision and Order concerning its Qualcomm
27 investigation on January 20, 2017, and refer to such decision and order for
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1 its contents. Defendants deny the allegations of Paragraphs 87(a), 87(b), and
2 87(c). Defendants also deny the allegations of Paragraphs 87(d) and 87(e),
3 except admit that Samsung and Intel have participated in the chipset
4 manufacturing industry. Defendants deny the allegations of Paragraph 87(f).
5 Defendants deny the allegations of Paragraph 87(g), except admit that the
6 KFTC issued a Final Decision and Order concerning its Qualcomm
7 investigation on January 20, 2017, and refer to such decision and order for
8 its contents.

9 88. Defendants deny the allegations in the first sentence of Paragraph 88.
10 Defendants state that, as to the second sentence of Paragraph 88, they are
11 without knowledge or information sufficient to form a belief as to whether
12 Professor Carrier made the quote attributed to him (the contents of which are
13 denied), and deny it also upon that basis.

14 89. Defendants deny the allegations in Paragraph 89, except admit that the
15 KFTC issued a press release on December 28, 2016, and refer to such press
16 release for its contents.

17 90. Defendants deny the allegations in Paragraph 90, except admit that the
18 KFTC issued a Final Decision and Order concerning its Qualcomm
19 investigation on January 20, 2017, and refer to such decision and order for
20 its contents.

21 91. Defendants deny the allegations in Paragraph 91, except admit that the FTC
22 initiated an investigation of Qualcomm, which included civil investigative
23 demands for documents and testimony from witnesses.

24 92. Defendants deny the allegations in Paragraph 92, except admit that the FTC
25 issued a press release on January 17, 2017, and refer to such press release for
26 its contents. Defendants also admit that the FTC filed a public complaint
27 against Qualcomm in January 2017, and refer to that complaint for its
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1 contents. Defendants also refer to Qualcomm’s Answer in response to the
2 complaint and incorporate those responses herein.

3 93. Defendants deny the allegations in Paragraph 93, except admit that the FTC
4 filed a public complaint against Qualcomm in January 2017, and refer to that
5 complaint for its contents. Defendants also refer to Qualcomm’s Answer in
6 response to the complaint and incorporate those responses herein.

7 94. Defendants deny the allegations in Paragraph 94, except admit that the FTC
8 and Apple filed public complaints against Qualcomm in January 2017, and
9 refer to those pleadings for the allegations contained therein. Defendants
10 also admit that Qualcomm and Apple entered into certain agreements in
11 2007, 2011 and 2013, and refer to such agreements for their contents.
12 Defendants also admit that the European Commission issued a press release
13 on December 8, 2015, and refer to such press release for its contents.

14 95. Defendants admit the allegations in the second sentence of Paragraph 95.
15 Defendants deny all other allegations in Paragraph 95, except admit that the
16 District Court for the Northern District of California issued an order on June
17 26, 2017, FTC v. Qualcomm, Inc., No. 17-CV-00220-LHK, Dkt. 133, and
18 refer to such decision for its contents.

19 96. Defendants deny the allegations in Paragraph 96.

20 97. Defendants state that they are without knowledge or information sufficient
21 to form a belief as to whether the statements in Paragraph 97 are accurate,
22 and deny them on that basis.

23 98. Defendants deny the allegations in Paragraph 98, and state that they are
24 without knowledge or information sufficient to form a belief as to whether
25 Mr. Hsu made the statements attributed to him (the contents of which are
26 denied), and deny them also on that basis.

1 99. Defendants deny the allegations in Paragraph 99, and state that they are
2 without knowledge or information sufficient to form a belief as to whether
3 Mr. Hsu made the statements attributed to him (the contents of which are
4 denied), and deny them also on that basis.

5 100. Defendants deny the allegations in Paragraph 100, and state that they are
6 without knowledge or information sufficient to form a belief as to whether
7 Mr. Hsu made the statements attributed to him (the contents of which are
8 denied), and deny them also on that basis.

9 101. Defendants deny the allegations in Paragraph 101, and state that they are
10 without knowledge or information sufficient to form a belief as to whether
11 Mr. Hsu made the statements attributed to him (the contents of which are
12 denied), and deny them also on that basis.

13 102. Defendants deny the allegations in Paragraph 102, and state that they are
14 without knowledge or information sufficient to form a belief as to whether
15 Mr. Hsu made the statements attributed to him (the contents of which are
16 denied), and deny them also on that basis.

17 103. Defendants deny the allegations in Paragraph 103, and state that they are
18 without knowledge or information sufficient to form a belief as to whether
19 Mr. Hsu made the statements attributed to him (the contents of which are
20 denied), and deny them also on that basis.

21 104. Defendants deny the allegations in Paragraph 104, and state that they are
22 without knowledge or information sufficient to form a belief as to whether
23 Mr. Hsu made the statements attributed to him (the contents of which are
24 denied), and also deny them also on that basis.

25 105. Defendants deny the allegations in Paragraph 105, and state that they are
26 without knowledge or information sufficient to form a belief as to whether
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1 an unidentified Motorola lawyer made the statements attributed to him (the
2 contents of which are denied), and deny them also on that basis.

3 106. Defendants deny the allegations in Paragraph 106, and state that they are
4 without knowledge or information sufficient to form a belief as to whether
5 an unidentified Motorola lawyer made the statements attributed to him (the
6 contents of which are denied), and deny them also on that basis.

7 107. Defendants deny the allegations in Paragraph 107, and state that they are
8 without knowledge or information sufficient to form a belief as to whether
9 an unidentified Motorola lawyer made the statements attributed to him (the
10 contents of which are denied), and deny them also on that basis.

11 108. Defendants deny the allegations in Paragraph 108, except admit that a Brief
12 of Amici Curiae was filed on May 12, 2017, by Samsung Electronics Co.
13 Ltd. and Samsung Semiconductor, Inc. in connection with the FTC's
14 complaint against Qualcomm, and refer to such brief for its contents.

15 109. Defendants deny the allegations in Paragraph 109, except admit that a Brief
16 of Amici Curiae was filed on May 12, 2017, by Intel Corporation in
17 connection with the FTC's complaint against Qualcomm, and refer to such
18 brief for its contents.

19 110. Defendants deny the allegations in Paragraph 110, except admit that Apple
20 designs and sells mobile devices. Defendants also admit that on or around
21 April 25, 2017, Mr. Aberle received a letter from Bruce Sewell, Senior Vice
22 President and General Counsel at Apple, Inc., and refer to such letter for its
23 contents.

24 111. Defendants deny the allegations in Paragraph 111, except admit that Apple
25 filed a public complaint against Qualcomm in January 2017, and refer to that
26 complaint for its contents. Defendants also refer to Qualcomm's Answer in
27 response to the First Amended Complaint and incorporate those responses
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1 herein. Defendants also admit that Apple filed a Particulars of Claim in the
2 High Court of Justice in London, England, and refer to that document for its
3 contents. Defendants also admit that Qualcomm entered into a January 8,
4 2007, Marketing Incentive Agreement with Apple, and refer to such
5 agreement for its contents.

6 112. Defendants deny the allegations in Paragraph 112, except admit that Apple
7 filed a public First Amended Complaint on June 20, 2017, and refer to that
8 complaint for its contents. Defendants also refer to Qualcomm's Answer in
9 response to the First Amended Complaint and incorporate those responses
10 herein. Defendants also admit that Qualcomm and Apple entered into an
11 agreement on February 11, 2011, titled the "Transition Agreement", and
12 made an amendment to the Transition Agreement on January 1, 2013, and
13 refer to such agreements for their contents.

14 113. Defendants deny the allegations in Paragraph 113, except admit that Apple
15 filed a public First Amended Complaint on June 20, 2017, and refer to that
16 complaint for its contents. Defendants also refer to Qualcomm's Answer in
17 response to the First Amended Complaint and incorporate those responses
18 herein. Defendants also admit that Qualcomm and Apple entered into a
19 Business Cooperation and Patent Agreement (the "BCPA") in early 2013,
20 and refer to such agreement for its contents.

21 114. Defendants deny the allegations in Paragraph 114, except admit that Apple
22 filed a public First Amended Complaint on June 20, 2017, and refer to that
23 complaint for its contents. Defendants also refer to Qualcomm's Answer in
24 response to the First Amended Complaint and incorporate those responses
25 herein.

26 115. Defendants deny the allegations in Paragraph 115, except admit that Apple
27 filed a public First Amended Complaint on June 20, 2017, and refer to that
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1 complaint for its contents. Defendants also refer to Qualcomm's Answer in
2 response to the First Amended Complaint and incorporate those responses
3 herein. Defendants admit that a letter was sent by Mr. Alex Rogers, EVP &
4 President, QTL, at Qualcomm, to Mr. BJ Watrous, Vice President and Chief
5 IP Counsel at Apple Inc. on December 2, 2016, and refer to such letter for its
6 contents.

7 116. Defendants deny the allegations in Paragraph 116, and state that they are
8 without knowledge or information sufficient to form a belief as to whether
9 an unidentified former senior member of Apple's Patent Licensing &
10 Strategy Department made the statements attributed to him (the contents of
11 which are denied), and deny them also on that basis.

12 117. Defendants deny the allegations in Paragraph 117, and state that they are
13 without knowledge or information sufficient to form a belief as to whether
14 an unidentified former senior member of Apple's Patent Licensing &
15 Strategy Department made the statements attributed to him (the contents of
16 which are denied), and deny them also on that basis.

17 118. Defendants deny the allegations in Paragraph 118, and state that they are
18 without knowledge or information sufficient to form a belief as to whether
19 an unidentified former Qualcomm Vice President of Technology made the
20 statements attributed to him (the contents of which are denied), and deny
21 them also on that basis.

22 119. Defendants deny the allegations in Paragraph 119, and state that they are
23 without knowledge or information sufficient to form a belief as to whether
24 an unidentified former Qualcomm Vice President of Technology made the
25 statements attributed to him (the contents of which are denied), and deny
26 them also on that basis.

1 120. Defendants deny the allegations in Paragraph 120, and state that they are
2 without knowledge or information sufficient to form a belief as to whether
3 an unidentified former Qualcomm Vice President of Technology made the
4 statements attributed to him (the contents of which are denied), and deny
5 them also on that basis.

6 121. Defendants deny the allegations in Paragraph 121.

7 122. Defendants deny the allegations in Paragraph 122, except admit that
8 Qualcomm issued a press release on November 17, 2015, and refer to such
9 press release for its contents. Defendants also admit that Investor's Business
10 Daily published a Business Brief for November 19, 2015, and refer to such
11 article for its contents. Defendants also admit that an article by Aaron Tilley
12 entitled "Qualcomm's Biggest Profit Engine Faces More Pressure" was
13 published in Forbes on November 20, 2015, and that an article by U-Jin Lee
14 was published on TheStreet.com on November 18, 2015, and refer to such
15 articles for their contents.

16 123. Defendants deny the allegations in Paragraph 123, except admit that
17 Qualcomm filed a report on SEC Form 10-Q for the period ended March 26,
18 2017, and refer to such filing for its contents.

19 124. Defendants deny the allegations in Paragraph 124, except admit that
20 Qualcomm's stock price opened at \$52.31 on December 7, 2015, and at
21 \$49.64 on December 9, 2015. Defendants also admit that an article by Leo
22 Sun was published in The Motley Fool on December 12, 2015, and refer to
23 such article for its contents.

24 125. Defendants deny the allegations in Paragraph 125, except admit that the
25 KFTC issued a fine against Qualcomm. Defendants also admit that a
26 January 5, 2017, article by Matt Levy entitled "KFTC Takes Action Against
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1 Qualcomm”, was published in Patent Progress, and refer to such article for
2 its contents.

3 126. Defendants deny the allegations in Paragraph 126, except admit that the FTC
4 filed a public complaint against Qualcomm in January 2017, and refer to that
5 complaint for its contents. Defendants also refer to Qualcomm’s Answer in
6 response to the complaint and incorporate those responses herein.

7 Defendants also admit that an article by Annie Palmer was published in
8 TheStreet on January 17, 2017, and refer to such article for its contents.

9 Defendants also admit that an analyst report was published by Seeking
10 Alpha published on April 11, 2017, and an article by Timothy Green was
11 published in The Motley Fool on January 26, 2017, and refer to such analyst
12 report and article for their contents.

13 127. Defendants deny the allegations in Paragraph 127, except admit that Apple
14 filed a public complaint in January 2017 and refer to that complaint for its
15 contents. Defendants also refer to Qualcomm’s Answer in response to the
16 complaint and incorporate those responses herein. Defendants also admit
17 that an article by Susan Decker, Alex Webb and Ian King entitled “Apple
18 Sues Qualcomm Over Patent Royalties in Antitrust Case”, was published in
19 Bloomberg News Enterprise on January 20, 2017, and refer to such article
20 for its contents.

21 128. Defendants deny the allegations in Paragraph 128, except admit that an
22 article by Aaron Pressman entitled “Qualcomm Blasts Apple Over Alleged
23 Chip Manipulations”, was published in Fortune on April 10, 2017, and that
24 an article from Barron’s was published on January 23, 2017, and refer to
25 such articles for their contents.

26 129. Defendants deny the allegations in Paragraph 129.

27 130. Defendants deny the allegations in Paragraph 130.
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1 131. Defendants deny the allegations in Paragraph 131.

2 132. Defendants deny the allegations in Paragraph 132, except admit that
3 Qualcomm filed reports on SEC Form 10-Q on February 1, 2012, April 18,
4 2012, and July 18, 2012, and refer to such filings for their contents.

5 133. Defendants deny the allegations in Paragraph 133, except admit that
6 Qualcomm filed reports on SEC Form 10-Q on February 1, 2012, April 18,
7 2012, and July 18, 2012, and refer to such filings for their contents.

8 134. Defendants deny the allegations in Paragraph 134, except admit that an
9 article by Intan Hamdan-Livramento entitled “The Evolution of Technology
10 Markets” was published in WIPO Magazine in April 2012, and refer to such
11 article for its contents.

12 135. Defendants deny the allegations in Paragraph 135.

13 136. Defendants deny the allegations in Paragraph 136, except admit that Sean
14 Murphy, then an employee of Qualcomm, participated in a congressional
15 hearing before the U.S. House of Representatives Judiciary Subcommittee
16 on Intellectual Property, Competition and the Internet on April 26, 2012, and
17 refer to the transcript of such hearing for its contents.

18 137. Defendants deny the allegations in Paragraph 137, except admit that Sean
19 Murphy, then an employee of Qualcomm, participated in a congressional
20 hearing before the U.S. House of Representatives Judiciary Subcommittee
21 on Intellectual Property, Competition and the Internet on April 26, 2012, and
22 refer to the transcript of such hearing for its contents.

23 138. Defendants deny the allegations in Paragraph 138, except admit that
24 Qualcomm filed a report on SEC Form 10-K for the fiscal year 2012 on
25 November 7, 2012, and refer to such filing for its contents.

1 139. Defendants deny the allegations in Paragraph 139, except admit that
2 Qualcomm filed a report on SEC Form 10-K for the fiscal year 2012 on
3 November 7, 2012, and refer to such filing for its contents.

4 140. Defendants deny the allegations in Paragraph 140, except admit that
5 Qualcomm filed a report on SEC Form 10-K for the fiscal year 2012 on
6 November 7, 2012, and refer to such filing for its contents.

7 141. Defendants deny the allegations in Paragraph 141, except admit that
8 Qualcomm filed a report on SEC Form 10-K for the fiscal year 2012 on
9 November 7, 2012, and refer to such filing for its contents.

10 142. Defendants deny the allegations in Paragraph 142, except admit that Mr.
11 Aberle made remarks at the Credit Suisse Technology Conference on
12 November 27, 2012, and refer to the transcript of this conference for its
13 contents.

14 143. Defendants deny the allegations in Paragraph 143, except admit that Mr.
15 Aberle made remarks at the Credit Suisse Technology Conference on
16 November 27, 2012, and refer to the transcript of this conference for its
17 contents.

18 144. Defendants deny the allegations in Paragraph 144, except admit that
19 Qualcomm filed reports on SEC Form 10-Q on January 30, 2013, April 24,
20 2013, and July 24, 2013, and refer to such filings for their contents.

21 145. Defendants deny the allegations in Paragraph 145, except admit that
22 Qualcomm filed reports on SEC Form 10-Q on January 30, 2013, April 24,
23 2013, and July 24, 2013, and refer to such filings for their contents.

24 146. Defendants deny the allegations in Paragraph 146, except admit that Mr.
25 Mollenkopf made remarks at the GSM Association Mobile World Congress
26 on February 25, 2013, and refer to the transcript of this conference for its
27 contents.
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1 147. Defendants deny the allegations in Paragraph 147, except admit that Mr.
2 Mollenkopf made remarks at the GSM Association Mobile World Congress
3 on February 25, 2013, and refer to the transcript of this conference for its
4 contents.

5 148. Defendants deny the allegations in Paragraph 148.

6 149. Defendants deny the allegations in Paragraph 149, except admit that Mr.
7 Jacobs made remarks at Qualcomm's 2013 Annual Meeting of Stockholders
8 on March 5, 2013, and refer to the transcript of this event for its contents.

9 150. Defendants deny the allegations in Paragraph 150, except admit that Mr.
10 Jacobs made remarks at Qualcomm's 2013 Annual Meeting of Stockholders
11 on March 5, 2013, and refer to the transcript of this event for its contents.

12 151. Defendants deny the allegations in Paragraph 151, except admit that
13 Qualcomm filed a report on SEC Form 10-K for the fiscal year ended 2013
14 on November 6, 2013, and refer to such filing for its contents.

15 152. Defendants deny the allegations in Paragraph 152, except admit that
16 Qualcomm filed a report on SEC Form 10-K for the fiscal year ended 2013
17 on November 6, 2013, and refer to such filing for its contents.

18 153. Defendants deny the allegations in Paragraph 153, except admit that
19 Qualcomm filed a report on SEC Form 10-K for the fiscal year ended 2013
20 on November 6, 2013, and refer to such filing for its contents.

21 154. Defendants deny the allegations in Paragraph 154, except admit that
22 Qualcomm filed a report on SEC Form 10-K for the fiscal year ended 2013
23 on November 6, 2013, and refer to such filing for its contents.

24 155. Defendants deny the allegations in Paragraph 155, except admit that
25 Qualcomm held an investor call on November 6, 2013, and refer to the
26 transcript of such investor call for its contents.

1 156. Defendants deny the allegations in Paragraph 156, except admit that
2 Qualcomm held an investor call on November 6, 2013, and refer to the
3 transcript of such investor call for its contents.

4 157. Defendants deny the allegations in Paragraph 157, except admit that an
5 article by Mike Freeman entitled “Qualcomm’s Altman talks technology
6 licensing”, was published in The San Diego Union-Tribune on November
7 22, 2013, and refer to such article for its contents.

8 158. Defendants deny the allegations in Paragraph 158, except admit that an
9 article by Mike Freeman entitled “Qualcomm’s Altman talks technology
10 licensing”, was published in The San Diego Union-Tribune on November
11 22, 2013, and refer to such article for its contents.

12 159. Defendants deny the allegations in Paragraph 159, except admit that
13 Qualcomm filed reports on SEC Form 10-Q on January 29, 2014, April 23,
14 2014, and July 23, 2014, and refer to such filings for their contents.

15 160. Defendants deny the allegations in Paragraph 160, except admit that
16 Qualcomm filed reports on SEC Form 10-Q on January 29, 2014, April 23,
17 2014, and July 23, 2014, and refer to such filings for their contents.

18 161. Defendants deny the allegations in Paragraph 161, except admit that Mr.
19 Davidson made remarks during an online program hosted by Chris Versace,
20 posted on StockInvestor.com on February 18, 2014, and refer to such
21 program for its contents.

22 162. Defendants deny the allegations in Paragraph 162, except admit that Mr.
23 Davidson made remarks during an online program hosted by Chris Versace,
24 posted on StockInvestor.com on February 18, 2014, and refer to such
25 program for its contents.
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1 163. Defendants deny the allegations in Paragraph 163, except admit that
2 Qualcomm filed a report on SEC Form 10-K for the fiscal year 2014 on
3 November 5, 2014, and refer to such filing for its contents.

4 164. Defendants deny the allegations in Paragraph 164, except admit that
5 Qualcomm filed a report on SEC Form 10-K for the fiscal year 2014 on
6 November 5, 2014, and refer to such filing for its contents.

7 165. Defendants deny the allegations in Paragraph 165, except admit that
8 Qualcomm filed a report on SEC Form 10-K for the fiscal year 2014 on
9 November 5, 2014, and refer to such filing for its contents.

10 166. Defendants deny the allegations in Paragraph 166, except admit that
11 Qualcomm filed reports on SEC Form 10-Q on January 28, 2015, April 22,
12 2015, and July 22, 2015, and refer to such filings for their contents.

13 167. Defendants deny the allegations in Paragraph 167, except admit that
14 Qualcomm filed reports on SEC Form 10-Q on January 28, 2015, April 22,
15 2015, and July 22, 2015, and refer to such filings for their contents.

16 168. Defendants deny the allegations in Paragraph 168, except admit that Mr.
17 Mollenkopf made remarks at the 12th SIEPR Economic Summit on March
18 17, 2015, and refer to the transcript of this event for its contents.

19 169. Defendants deny the allegations in Paragraph 169, except admit that Mr.
20 Mollenkopf made remarks at the 12th SIEPR Economic Summit on March
21 17, 2015, and refer to the transcript of this event for its contents.

22 170. Defendants deny the allegations in Paragraph 170, except admit that
23 Qualcomm filed a report on SEC Form 10-K for the fiscal year 2015 on
24 November 5, 2015, and refer to such filing for its contents.

25 171. Defendants deny the allegations in Paragraph 171, except admit that
26 Qualcomm filed a report on SEC Form 10-K for the fiscal year 2015 on
27 November 5, 2015, and refer to such filing for its contents.
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1 172. Defendants deny the allegations in Paragraph 172, except admit that
2 Qualcomm filed a report on SEC Form 10-K for the fiscal year 2015 on
3 November 5, 2015, and refer to such filing for its contents.

4 173. Defendants deny the allegations in Paragraph 173, except admit that
5 Qualcomm issued a press release on November 17, 2015, and refer to such
6 press release for its contents.

7 174. Defendants deny the allegations in Paragraph 174, except admit that
8 Qualcomm issued a press release on November 17, 2015, and refer to such
9 press release for its contents.

10 175. Defendants deny the allegations in Paragraph 175, except admit that
11 Qualcomm filed reports on SEC Form 10-Q on January 27, 2016, April 20,
12 2016, and July 20, 2016, and refer to such filings for their contents.

13 176. Defendants deny the allegations in Paragraph 176, except admit that
14 Qualcomm filed reports on SEC Form 10-Q on January 27, 2016, April 20,
15 2016, and July 20, 2016, and refer to such filings for their contents.

16 177. Defendants deny the allegations in Paragraph 177, except admit that
17 Qualcomm held a first quarter 2016 earnings call on January 27, 2016, and
18 refer to the transcript of such earnings call for its contents.

19 178. Defendants deny the allegations in Paragraph 178, except admit that
20 Qualcomm held a first quarter 2016 earnings call on January 27, 2016, and
21 refer to the transcript of such earnings call for its contents.

22 179. Defendants deny the allegations in Paragraph 179, except admit that Mr.
23 Aberle made remarks at the Shanghai Forum on May 28, 2016, and refer to
24 the transcript of this event for its contents.

25 180. Defendants deny the allegations in Paragraph 180, except admit that Mr.
26 Aberle made remarks at the Shanghai Forum on May 28, 2016, and refer to
27 the transcript of this event for its contents.
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- 1 181. Defendants admit the allegations in Paragraph 181.
- 2 182. Defendants deny the allegations in Paragraph 182, except admit that on June
3 24, 2016, an article by Lisa Wang entitled “Qualcomm defends licensing
4 fees”, was published in the Taipei Times, and refer to such article for its
5 contents.
- 6 183. Defendants deny the allegations in Paragraph 183, except admit that
7 Qualcomm filed a report on SEC Form 10-K for the fiscal year 2016 on
8 November 2, 2016, and refer to such filing for its contents.
- 9 184. Defendants deny the allegations in Paragraph 184, except admit that
10 Qualcomm filed a report on SEC Form 10-K for the fiscal year 2016 on
11 November 2, 2016, and refer to such filing for its contents.
- 12 185. Defendants deny the allegations in Paragraph 185, except admit that
13 Qualcomm filed a report on SEC Form 10-K for the fiscal year 2016 on
14 November 2, 2016, and refer to such filing for its contents.
- 15 186. Defendants deny the allegations in Paragraph 186, except admit that the FTC
16 filed a public complaint against Qualcomm on January 17, 2017, and refer to
17 that complaint for its contents. Defendants also refer to Qualcomm’s
18 Answer in response to the complaint and incorporate those responses herein.
19 Defendants also admit that Qualcomm issued a press release on January 17,
20 2017, and refer to such press release for its contents.
- 21 187. Defendants deny the allegations in Paragraph 187, except admit that
22 Qualcomm issued a press release on January 17, 2017, and refer to such
23 press release for its contents.
- 24 188. Defendants deny the allegations in Paragraph 188.
- 25 189. Defendants deny the allegations in Paragraph 189, except admit that
26 Qualcomm has, from time to time, held investor conferences and analyst
27 calls, and refer to the transcript of such conferences and calls for their
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1 contents. Defendants also admit that the KFTC issued a Final Decision and
2 Order concerning its Qualcomm investigation on January 20, 2017, and refer
3 to such decision and order for its contents.

4 190. Defendants deny the allegations in Paragraph 190, except admit that
5 Qualcomm submitted comments to the FTC Patent Workshop on June 13,
6 2011, and refer to such comments for their contents.

7 191. Defendants deny the allegations in Paragraph 191.

8 192. Defendants deny the allegations in Paragraph 192.

9 193. Defendants deny the allegations in Paragraph 193, and state they are without
10 knowledge and information sufficient to form a belief as to whether
11 MediaTek's general counsel or Professor Carrier made the statements
12 attributed to them (the contents of which are denied), and deny them also on
13 that basis.

14 194. Defendants deny the allegations in Paragraph 194, except admit that
15 Qualcomm held an investor call on March 5, 2013, and refer to the transcript
16 of such investor call for its contents.

17 195. Defendants deny the allegations in Paragraph 195, except admit that
18 Qualcomm held a stockholder's meeting on March 8, 2005, an investor call
19 on June 6, 2005, an earnings call on April 23, 2014, and an annual
20 shareholders meeting on March 8, 2016, and refer to the transcripts of such
21 calls and meetings for their contents. Defendants also admit that Qualcomm
22 issued press releases on October 4, 2011, and December 15, 2015, and refer
23 to such press releases for their contents. Defendants also admit that
24 representatives from Qualcomm made remarks at Qualcomm's New York
25 Analyst Day on November 12, 2009, and at Goldman Sachs's Technology
26 and Internet Conference held on February 12, 2014, and refer to the
27 transcripts of these events for their contents. Defendants also admit that
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1 Qualcomm's OnQ Blog published a post entitled "Churchill Club honors
2 Qualcomm Chairman as Legendary Leader", on September 26, 2014, and
3 refer to such post for its contents.

4 196. Defendants deny the allegations in Paragraph 196, and state they are without
5 knowledge and information sufficient to form a belief as to whether an
6 unidentified former Executive Vice President of Products for Blackberry
7 Limited made the statements attributed to him (the contents of which are
8 denied), and deny them also on that basis.

9 197. Defendants deny the allegations in Paragraph 197.

10 198. Defendants deny the allegations in Paragraph 198, except admit that a Credit
11 Suisse Technology Conference was held on November 27, 2012, and the
12 GSM Association Mobile World Congress was held on February 25, 2013,
13 and refer to transcripts of such events for their contents.

14 199. Defendants deny the allegations in Paragraph 199, except admit that
15 Qualcomm issued press releases on November 17, 2015, and January 17,
16 2017, and refer to such press releases for their contents. Defendants also
17 admit that Qualcomm held an investor conference on November 19, 2014,
18 and refer to the transcript of such conference for its contents.

19 200. Defendants deny the allegations in Paragraph 200, except admit that
20 Barron's published an article on November 25, 2013, and refer to such
21 article for its contents. Defendants also admit that BMO Capital Markets
22 published an analyst report on July 21, 2015, and refer to such analyst report
23 for its contents.

24 201. Defendants deny the allegations in Paragraph 201, except admit that
25 Qualcomm submitted declarations to certain standard development
26 organizations in which it declared that it would be prepared to grant certain
27 licenses to certain patents on certain terms, and refer to them for their
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1 contents. Defendants state that they are without knowledge and information
2 sufficient to form a belief as to whether Professor Carrier made the
3 statements attributed to him (the contents of which are denied), and deny
4 them also on that basis.

5 202. Defendants deny the allegations in Paragraph 202, and state that they are
6 without knowledge and information sufficient to form a belief as to whether
7 an unidentified Apple employee made the statements attributed to him in
8 Footnote 73 (the contents of which are denied), and deny them also on that
9 basis.

10 203. Defendants deny the allegations in Paragraph 203, except admit that on or
11 around April 25, 2017, Mr. Aberle received a letter from Bruce Sewell,
12 Senior Vice President and General Counsel at Apple, Inc., and refer to such
13 letter for its contents. Defendants also state that they are without knowledge
14 or information sufficient to form a belief as to whether Motorola's CEO
15 made the statements attributed to him (the contents of which are denied), and
16 deny them also on that basis.

17 204. Defendants deny the allegations in Paragraph 204, except admit that the FTC
18 filed a public complaint against Qualcomm in January 2017, and refer to that
19 complaint for its contents. Defendants also refer to Qualcomm's Answer in
20 response to the complaint and incorporate those responses herein.

21 205. Defendants deny the allegations in Paragraph 205.

22 206. Defendants deny the allegations in Paragraph 206, except admit that Apple
23 filed a public First Amended Complaint against Qualcomm on June 20,
24 2017, and refer to that complaint for its contents. Defendants also refer to
25 Qualcomm's Answer to the First Amended Complaint and incorporate those
26 responses herein. Defendants also state that they are without knowledge or
27 information sufficient to form a belief as to whether an unidentified
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1 Blackberry employee made the statements attributed to him (the contents of
2 which are denied), and deny them also on that basis.

3 207. Defendants deny the allegations in Paragraph 207.

4 208. Defendants deny the allegations in Paragraph 208.

5 209. Defendants deny the allegations in Paragraph 209.

6 210. Defendants deny the allegations in Paragraph 210, except admit that BMO
7 Capital Markets published an analyst report on August 14, 2014, and refer to
8 such analyst report for its contents.

9 211. Defendants deny the allegations in Paragraph 211.

10 212. Defendants deny the allegations in Paragraph 212, except admit that
11 Qualcomm issued a press release on November 17, 2015, and refer to such
12 press release for its contents.

13 213. Defendants deny the allegations in Paragraph 213, except admit that
14 Qualcomm's market capitalization was \$79.6 billion at the close of market
15 on November 17, 2015, and \$72.1 billion at the close of market on
16 November 18, 2015. Defendants also admit that the volume of Qualcomm
17 stock traded on November 18, 2015, was over 45 million shares.

18 214. Defendants deny the allegations in Paragraph 214, except admit that, as to
19 Footnote 76, an article by Sue Chang was published in MarketWatch on
20 November 18, 2015, and that an article in the Wall Street Journal entitled
21 "Qualcomm Says South Korea Recommends Fine for Alleged Antitrust
22 Violations" was published on November 18, 2015, and refer to such articles
23 for their contents.

24 215. Defendants deny the allegations in Paragraph 215, except admit that
25 Qualcomm issued a press release on November 17, 2015, and refer to such
26 press release for its contents.

1 216. Defendants deny the allegations in Paragraph 216, except admit that the
2 European Commission and Taiwan FTC initiated investigations into
3 allegations against Qualcomm in December 2015.

4 217. Defendants deny the allegations in Paragraph 217, except admit that
5 Qualcomm's shares closed at \$52.43 per share on December 7, 2015, and at
6 \$49.48 per share on December 8, 2015. Defendants also admit that
7 Qualcomm's market capitalization was \$78.8 billion at the close of market
8 on December 7, 2015, and \$74.4 billion at the close of market on December
9 8, 2015. Defendants also admit that 18.9 million shares of Qualcomm stock
10 were traded on December 8, 2015.

11 218. Defendants deny the allegations in Paragraph 218, except admit that an
12 article by Mark Scott was published in the New York Times on December 8,
13 2015, and refer to such article for its contents.

14 219. Defendants deny the allegations in Paragraph 219, except admit, as to
15 Footnote 78, that Qualcomm held an investor call on December 15, 2015,
16 and refer to the transcript of such investor call for its contents. Defendants
17 also admit that Wells Fargo Securities published an analyst report on
18 December 15, 2015, and that Cowen and Company published an analyst
19 report on January 17, 2017, and refer to such analyst reports for their
20 contents. Defendants also admit that an article by Lisa Wang was published
21 in the Taipei Times on June 24, 2016, and refer to such article for its
22 contents.

23 220. Defendants deny the allegations in Paragraph 220, except admit that the
24 KFTC issued a press release on December 27, 2016, and refer to such press
25 release for its contents.

26 221. Defendants deny the allegations in Paragraph 221, except admit that
27 Qualcomm's shares closed at \$67.25 per share on December 27, 2016, and at
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1 \$65.75 per share on December 28, 2016. Defendants also admit that
2 Qualcomm's market capitalization was \$99.3 billion at the close of market
3 on December 27, 2016, and \$92.1 billion at the close of market on
4 December 28, 2016.

5 222. Defendants deny the allegations in Paragraph 222, except admit that an
6 article by Ed Carson was published in Investor's Business Daily on
7 December 28, 2016, and that an article by Tiernan Ray was published in
8 Barron's on December 28, 2016, and refer to such articles for their contents.
9 Defendants also admit that an analyst report was published in Trefis on
10 December 29, 2016, and refer to such analyst report for its contents.

11 223. Defendants deny the allegations in Paragraph 223, except admit that
12 Qualcomm issued a press release on December 27, 2016, and refer to such
13 press release for its contents.

14 224. Defendants deny the allegations in Paragraph 224, except admit that an
15 article by Ian King was published in Bloomberg Technology on January 17,
16 2017, and refer to such article for its contents. Defendants also admit that
17 the FTC filed a public complaint against Qualcomm on January 17, 2017,
18 and refer to that complaint for its contents. Defendants also refer to
19 Qualcomm's Answer in response to the Complaint and incorporate those
20 responses herein. Defendants also admit that the FTC issued a press release
21 on January 17, 2017, and refer to such press release for its contents.

22 225. Defendants deny the allegations in Paragraph 225, except admit that
23 Qualcomm's shares closed at \$66.88 per share on January 13, 2017, and at
24 \$64.19 per share on January 17, 2017. Defendants also admit that
25 Qualcomm's market capitalization was \$98.8 billion at the close of market
26 on January 13, 2017, and \$94.8 billion at the close of market on January 17,
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1 2017. Defendants also admit that 22.4 million shares of Qualcomm stock
2 were sold on January 17, 2017.

3 226. Defendants deny the allegations in Paragraph 226, except admit that an
4 article by Annie Palmer was published on January 17, 2017, in TheStreet,
5 and that an article by Wallace Witkowski was published in MarketWatch on
6 January 17, 2017, and refer to such articles for their contents. Defendants
7 also admit that an article by Steve Kovach was published in Business Insider
8 on January 17, 2017, and refer to such article for its contents. Defendants
9 also admit that a Morgan Stanley analyst report was released on January 18,
10 2017, and refer to such analyst report for its contents.

11 227. Defendants deny the allegations in Paragraph 227, except admit that
12 Qualcomm issued a press release on January 17, 2017, and refer to such
13 press release for its contents.

14 228. Defendants deny the allegations in Paragraph 228, except admit that Apple
15 filed a public complaint against Qualcomm on January 20, 2017, and refer to
16 that complaint for its contents. Defendants also refer to Qualcomm's
17 Answer in response to the complaint and incorporate those responses herein.

18 229. Defendants deny the allegations in Paragraph 229, except admit that an
19 article by Diane Bartz was published in Reuters on January 20, 2017, and an
20 article by Seth Feigerman was published in CNN on January 20, 2017, and
21 refer to such articles for their contents. Defendants also admit that an
22 analyst report from Cowen and Company was released on January 22, 2017,
23 and refer to such analyst report for its contents.

24 230. Defendants deny the allegations in Paragraph 230, except admit that an
25 article by Tina Wadwha was published in Business Insider on January 23,
26 2017, and that an article by Dana Blankenhorn was published in
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1 InvestorPlace on January 23, 2017, and refer to such articles for their
2 contents.

3 231. Defendants deny the allegations in Paragraph 231, except admit that the
4 S&P Semiconductor Selector Industry Index comprises the stocks in the
5 S&P Total Market Index classified in the GICS semiconductor industry,
6 which includes Qualcomm.

7 232. Defendants deny the allegations in Paragraph 232.

8 233. Defendants deny the allegations in Paragraph 233, except admit that the
9 KFTC issued a fine against Qualcomm.

10 234. Defendants deny the allegations in Paragraph 234.

11 235. Defendants state that the allegations set forth in Paragraph 235 are a legal
12 conclusion to which no response is required. To the extent a response is
13 required, Defendants deny the allegations in Paragraph 235.

14 236. Defendants state that the allegations set forth in Paragraph 236 are a legal
15 conclusion to which no response is required. To the extent a response is
16 required, Defendants deny the allegations in Paragraph 236.

17 237. Defendants state that the allegations set forth in Paragraph 237 are a legal
18 conclusion to which no response is required. To the extent a response is
19 required, Defendants deny the allegations in Paragraph 237.

20 238. Defendants state that the allegations set forth in Paragraph 238 are a legal
21 conclusion to which no response is required. To the extent a response is
22 required, Defendants deny the allegations in Paragraph 238.

23 239. Defendants deny the allegations in Paragraph 239, except admit that
24 Qualcomm shares have been traded on the NASDAQ stock market between
25 2012 and 2017, and as of January 20, 2017, there were approximately 1.48
26 billion shares of Qualcomm common stock outstanding. Defendants also
27 admit that records maintained by Qualcomm's transfer agents can identify
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1 certain members who purchased Qualcomm common stock and the date of
2 such purchase. Defendants state that they are without knowledge or
3 information sufficient to form a belief as to whether there are at least
4 hundreds of thousands of members of the proposed Class, and deny the
5 averment on that basis.

6 240. Defendants deny the allegations in Paragraph 240.

7 241. Defendants state that they are without knowledge or information sufficient
8 to form a belief as to the truth of the allegations in Paragraph 241, and deny
9 them on that basis.

10 242. Defendants state that the allegations set forth in Paragraph 242 are a legal
11 conclusion to which no response is required. To the extent a response is
12 required, Defendants deny the allegations in Paragraph 242.

13 243. Defendants state that they are without knowledge or information sufficient
14 to form a belief as to the truth of the allegations in Paragraph 243, and deny
15 them on that basis.

16 244. Defendants deny the allegations in Paragraph 244, except admit that
17 Qualcomm's stock was listed and traded on the NASDAQ Stock Market.
18 Defendants also admit that at certain times Qualcomm filed periodic reports
19 with the SEC and NASDAQ Stock Market, communicated with public
20 investors through press releases and earnings calls, and was followed by
21 securities analyst firms who wrote reports, and refer to such SEC and
22 NASDAQ reports, press releases and earnings calls, and analyst reports for
23 their contents.

24 245. Defendants deny the allegations in Paragraph 245.

25 246. Defendants state that the allegations set forth in Paragraph 246 are a legal
26 conclusion to which no response is required. To the extent a response is
27 required, Defendants deny the allegations in Paragraph 246.
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- 1 247. Defendants deny the allegations in Paragraph 247.
- 2 248. Defendants state that the allegations set forth in Paragraph 248 are a legal
3 conclusion to which no response is required. To the extent a response is
4 required, Defendants deny the allegations in Paragraph 248.
- 5 249. Defendants deny the allegations in Paragraph 249.
- 6 250. Defendants deny the allegations in Paragraph 250.
- 7 251. Defendants deny the allegations in Paragraph 251.
- 8 252. Defendants deny the allegations in Paragraph 252.
- 9 253. Defendants deny the allegations in Paragraph 253.
- 10 254. Defendants deny the allegations in Paragraph 254.
- 11 255. Defendants deny the allegations in Paragraph 255.
- 12 256. Defendants deny the allegations in Paragraph 256.
- 13 257. Defendants state that the allegations set forth in Paragraph 257 are a legal
14 conclusion to which no response is required. To the extent a response is
15 required, Defendants deny the allegations in Paragraph 257.
- 16 258. Defendants deny the allegations in Paragraph 258.
- 17 259. Defendants deny the allegations in Paragraph 259.
- 18 260. Defendants deny the allegations in Paragraph 260, except admit that Mr.
19 Jacobs, Mr. Mollenkopf, and Mr. Altman have served on Qualcomm's
20 Board of Directors at certain times.
- 21 261. Defendants deny the allegations in Paragraph 261, except admit that Mr.
22 Altman at certain times has served as President of QTL, President of
23 Qualcomm, and Vice Chairman of the Board. Defendants also admit that
24 Mr. Aberle served at certain times as Executive Vice President, Group
25 President, President of QTL and President of Qualcomm. Defendants also
26 admit that at certain times, Mr. Altman and Mr. Aberle had authority to
27 influence and control Qualcomm's licensing practices.
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1 262. Defendants deny the allegations in Paragraph 262, except admit that at
2 certain times Mr. Jacobs, Mr. Mollenkopf, Mr. Aberle, Mr. Altman and Mr.
3 Rosenberg serve or have served on Qualcomm’s Executive Committee.

4 263. Defendants deny the allegations in Paragraph 263, except admit that at
5 certain times, Mr. Jacobs, Mr. Mollenkopf, Mr. Aberle, Mr. Altman and Mr.
6 Rosenberg have participated in calls with investors on behalf of Qualcomm.

7 264. Defendants deny the allegations in Paragraph 264.

8 265. Defendants deny the allegations in Paragraph 265, except admit that the
9 Executive Defendants have at certain times served as officers and/or
10 directors of Qualcomm.

11 266. Defendants deny the allegations in Paragraph 266.

12 **ANSWER TO THE PRAYER FOR RELIEF**

13 Defendants deny that Lead Plaintiffs and/or any member of the
14 putative class is entitled to the relief requested, including a judgment, costs or any
15 other relief.

16 **ANSWER TO DEMAND FOR JURY TRIAL**

17 Defendants state that this is a statement to which no response is
18 required.

19 **AFFIRMATIVE AND OTHER DEFENSES**

20 Defendants assert the following affirmative and other defenses. In
21 asserting these defenses, Defendants do not assume the burden with respect to any
22 issue as to which applicable law places the burden on Plaintiffs.

23 Defendants reserve the right to assert additional defenses, as
24 warranted by facts learned through investigation and discovery, and expressly
25 reserve the right to amend their answer to assert such additional defenses.
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1 **First Defense**

2 Plaintiffs' Complaint, and each and every claim stated therein, fails to
3 state a claim upon which relief can be granted.

4 **Second Defense**

5 Plaintiffs' Complaint fails to adequately plead knowledge, scienter
6 and/or intent, including by failing to state with particularity facts that give rise to a
7 strong inference of scienter as required by Fed. R. Civ. P. 9(b) and 15 U.S.C.
8 § 78u-4(b)(2)-(3).

9 **Third Defense**

10 Defendants are not liable because certain alleged misstatements about
11 which Plaintiffs complain concern non-actionable matters of opinion, or are
12 puffery or soft information, rather than matters of material fact and because certain
13 of the alleged misstatements were forward-looking and were accompanied by
14 sufficient cautionary language and risk disclosure to be non-actionable under the
15 Private Securities Litigation Reform Act, the safe harbor provisions of the federal
16 securities laws, and/or the "bespeaks caution" doctrine.

17 **Fourth Defense**

18 Defendants are not liable because they did not make a false or
19 misleading statement of material fact or omission of material fact and are not
20 responsible (in law or in fact) for any allegedly false or misleading statements or
21 omissions of material facts by others on which Plaintiffs (or the market at large)
22 are alleged to have relied.

23 **Fifth Defense**

24 Defendants are not liable because at all times, and with respect to all
25 matters contained herein, they acted in good faith, exercised reasonable care and
26 did not know, and in the exercise of reasonable care could not have known, of the
27 purported untruths, misstatements and/or omissions alleged in the Complaint.
28

1 **Sixth Defense**

2 Plaintiffs' claims are barred, in whole or in part, because the allegedly
3 untrue statements of material fact and/or omissions of material fact were not
4 material to the investment decisions of a reasonable investor.

5 **Seventh Defense**

6 Plaintiffs cannot recover against Defendants because Plaintiffs will be
7 unable to establish that the purported misstatements and omissions alleged in the
8 Complaint were the cause of Plaintiffs' decisions to purchase Qualcomm stock on
9 the terms of their investments.

10 **Eighth Defense**

11 Plaintiffs' are not entitled to any recovery from Defendants because
12 the substance of the information that they allege to have been omitted or misstated
13 was, in fact, disclosed in Qualcomm's public filings, was otherwise publicly
14 available, or widely known to the market and to the investing community.

15 **Ninth Defense**

16 Plaintiffs' claims are barred, in whole or in part, because the alleged
17 misstatements and omissions alleged in the Complaint did not affect the market
18 price of Qualcomm's stock.

19 **Tenth Defense**

20 Plaintiffs' claims are barred, in whole or in part, because Plaintiffs
21 voluntarily assumed the risk of the losses alleged in the Complaint.

22 **Eleventh Defense**

23 Plaintiffs' claims are barred, in whole or in part, because certain
24 statements they allege to be false and misleading are accompanied by meaningful
25 cautionary language and therefore are not actionable because they fully warned
26 Plaintiffs of all the risks they allege were misstated or omitted.

1 **Twelfth Defense**

2 Plaintiffs' claims are barred, in whole or in part, because the alleged
3 misstatements are nonactionable expressions of opinion that Plaintiffs cannot prove
4 were not truly held at the time they were made.

5 **Thirteenth Defense**

6 The injuries allegedly incurred by Plaintiffs resulted from intervening
7 or superseding events outside the knowledge or control of Defendants, including,
8 but not limited to, the operation of natural market and/or industry forces, and such
9 intervening or superseding events caused the harm, if any, suffered by Plaintiffs,
10 such that no act or omission by Defendants was the direct and/or proximate cause
11 thereof.

12 **Fourteenth Defense**

13 Plaintiffs' claims are barred, in whole or in part, because they failed to
14 make reasonable efforts to mitigate their alleged injury or damage.

15 **Fifteenth Defense**

16 Plaintiffs' claims are barred, in whole or in part, by laches, equitable
17 estoppel, waiver and other related equitable doctrines.

18 **Sixteenth Defense**

19 Plaintiffs' claims are barred, in whole or in part, by the applicable
20 statutes of limitations and/or statutes of repose.

21 **Seventeenth Defense**

22 The claims asserted against Defendants are barred because this action
23 may not be maintained as a class action pursuant to Rule 23 of the Federal Rules of
24 Civil Procedure.

25 **Eighteenth Defense**

26 Defendants are not liable because any losses suffered by Plaintiffs
27 were not causally related to the misstatements or omissions alleged by Plaintiffs.
28

Nineteenth Defense

Defendants reserve the right to raise any additional defenses, counterclaims, cross-claims, and third-party claims, not asserted herein of which they may become aware through discovery or other investigation and will withdraw, amend or modify its Answer accordingly. Defendants further reserve the right to withdraw defenses that they determine are not applicable during the course of discovery and other proceedings in this case.

PRAYER FOR RELIEF

WHEREFORE, Defendants pray for judgment as follows:

1. Dismissing with prejudice all claims set forth in Plaintiffs’ Complaint; and
2. For such other and further relief as this Court deems just and proper, including, but not limited to, costs and reasonable attorneys’ fees incurred by Defendants in defending this action, plus interest on any sums awarded thereunder.

DATED: May 31, 2019

Respectfully submitted,

By /s/ Rachel G. Skaistis

Rachel G. Skaistis

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