



H. Russell Frisby, Jr  
1775 Pennsylvania Avenue N.W., Suite 800  
Washington, DC 20006-4605  
202.572.9937 DIRECT  
202.572.9945 DIRECT FAX  
RFrisby@stinson.com

March 1, 2013

**VIA ELECTRONIC MAIL**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Re: Notice of Ex Parte Communication: Petition of TeleCommunication Systems Inc. for Declaratory Ruling and/or Rulemaking, GN Docket No. 11-117, WC Docket No. 05-196, PS Docket No. 11-153, PS Docket No. 10-255

Dear Ms. Dortch:

On February 27, 2013 TeleCommunication Systems, Inc. ("TCS") filed a Notice of Ex Parte in the above-referenced proceeding. Through inadvertence the Summary document was not included. Accordingly, TCS is resubmitting the entire document.

Sincerely,

**Stinson Morrison Hecker LLP**

A handwritten signature in blue ink, appearing to read "H. Russell Frisby, Jr.", is written over the typed name.

H. Russell Frisby, Jr

HF:SMH

cc: Hon. Mignon Clyburn  
Louis Peraertz



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February 27, 2013

**VIA ELECTRONIC MAIL**

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Secretary  
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445 12th Street, SW  
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Re: Notice of Ex Parte Communication: Petition of TeleCommunication Systems Inc. for Declaratory Ruling and/or Rulemaking, GN Docket No. 11-117, WC Docket No. 05-196, PS Docket No. 11-153, PS Docket No. 10-255

Dear Ms. Dortch:

This is notify you pursuant to Section 1.1206 of the Commission's Rules that on February 25, 2013 Maurice Tosé, President and CEO of TeleCommunication Services, Inc. ("TCS"), Kim Robert Scovill, Senior Director-Legal Government Affairs and the undersigned met with Commissioner Mignon Clyburn and Louis Peraertz, Legal Advisor to the Commissioner to discuss the above-referenced TCS Petition for Declaratory Ruling and/or Rulemaking ("TCS Petition").

TCS' representatives explained that the Commission's adoption of 911 and E9-1-1 standards has led to the unintended consequence of spurring a number of lawsuits by Patent Assertion Entities ("PAEs") alleging that the use by wireless carriers and others of broader based business methods to comply with the FCC's mandates represents a *per se* violation of PAE patents. TCS' representatives explained that Commission action was required because these lawsuits and the lack of a consistent Commission policy has become a significant hindrance to the provision of E9-1-1—a roadblock that will only increase as NG9-1-1 services are implemented and widely deployed.

In order to address this problem TCS has urged the Commission to institute a formal rulemaking proceeding to provide guidance as to the applicability of 28 U.S.C. § 1498 in those circumstances where a wireless carrier or E9-1-1 services provider, in the course of complying with 47 C.F.R. §§ 9.5 and 20.18 in the offering of E9-1-1 services, is alleged to have infringed upon a patent and the allegation involves a claim that the infringement is based on compliance with an FCC Order, standard, or regulation regarding said E9-1-1 services. More specifically, TCS has requested that the Commission hold that in all circumstances such compliance is in furtherance and

fulfillment of a paramount Government policy and is therefore equivalent to an action that is "by or for" the government and with the Government's permission consistent with the language of 28 U.S.C. §1498.

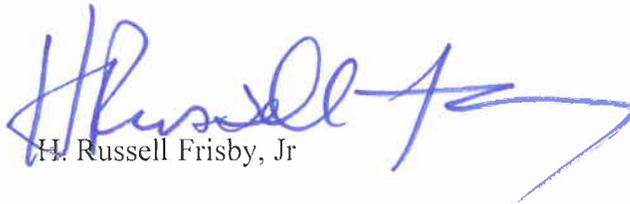
In the alternative, TCS has requested that the Commission refine and expand its current rules and provide for licensing of patents covering all 9-1-1, E9-1-1 and Next Generation 9-1-1 ("NG9-1-1") services and capabilities pursuant to reasonable and non-discriminatory ("RAND") terms consistent with previous decisions by the Commission.

The attached summary was distributed.

Please contact me if you have any questions.

Sincerely,

**Stinson Morrison Hecker LLP**



H. Russell Frisby, Jr

HF:SMH

cc: Hon. Mignon Clyburn  
Louis Peraertz

## SUMMARY

### Overview

TeleCommunication Systems, Inc. ("TCS") has proposed that the Federal Communications Commission ("Commission" or "FCC") institute a formal rulemaking proceeding to provide guidance as to the applicability of 28 U.S.C. § 1498 in those circumstances where a wireless carrier or E911 services provider, in the course of complying with 47 C.F.R. §§ 9.5, 20.18 in the offering of E911 services, is alleged to have infringed upon a patent and the allegation involves a claim that the infringement is based on compliance with an FCC Order, standard, or regulation. More specifically, TCS has requested that the Commission hold that in all circumstances such compliance is in furtherance and fulfillment of a paramount Government policy and is therefore equivalent to an action that is "by or for" the government and with the Government's permission consistent with the language of 28 USC §1498.

In the alternative, TCS has requested that the Commission establish rules that provide for licensing of patents covering E911 services and capabilities pursuant to reasonable and non-discriminatory ("RAND") terms consistent with previous decisions by the Commission.

Commission action is required in this instance because the lack of a consistent Commission policy as to patent interference management has become a significant roadblock to the provision of E911—a roadblock that will only increase as Next Generation 911 ("NG911") services are implemented and widely deployed. As long ago as 1961, in the *Revised Patent Procedures of the Federal Communications Commission*,<sup>1</sup> this agency recognized the danger that the prejudicial use of patents could pose to the provision of new communications services and expressed the expectation that "[w]henver it appears that the patent structure is or may be such as to indicate obstruction of the service to be provided under the technical standards promulgated by the Commission, this fact will be brought to the Commission's attention for early consideration and appropriate action."

By virtue of its Petition, TCS is bringing this very serious patent-related problem to the Commission's attention and urges prompt action because Commission mandated E911 regulations have had the unintended consequence of engendering an onslaught of predatory patent litigation. As a result, the public may suffer disruption of current E911 services, and faces the real potential for delay or loss of NG911 services, due to the repeated infringement lawsuits filed by patent assertion entities ("PAEs") that seek to enforce their claims by asserting that deployment of the capabilities (including technologies, systems and methodologies) necessary to provide E911 services (and very soon NG911 services) in compliance with FCC orders, regulations, or standards is the proximate cause of alleged infringement. Taking advantage of the mandatory nature of the Commission's E911 regulations, PAEs have forced wireless carriers and E911 services providers (such as TCS), into the dilemma of either facing the unacceptable

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<sup>1</sup> Public Notice – Revised Patent Procedures for the Federal Communications Commission (December 1961) 3 FCC 2<sup>nd</sup> pp 26-27

consequences of violating or being a party to violating FCC licensing standards or being adjudicated as a patent infringer.

Until now, the Commission has not addressed the question of patent rights in the context of its E911 regulations and standards. However, it has ample authority to do so. Under Titles I, II and III of the Communications Act, as well as the provisions of the NET 911 Act, the Commission, acting in furtherance of its public safety policies, has authority to amend the current E911 regulation to make clear the link to 28 U.S.C. § 1498 because of the mandatory public safety nature of the E911 regulations. In the alternative, the Commission also has the authority to establish rules that provide for licensing of patents covering E911 services and capabilities pursuant to reasonable terms and conditions that are demonstrably free of any unfair discrimination. Moreover, the Commission has exercised similar authority in the past in the context of Part 68 terminal equipment, ANSI and radio equipment for public safety, CMAS, DTV, and 911 and E911 service capabilities provided to interconnected VoIP providers.

**A. The FCC should Invoke 28 U.S.C. § 1498**

28 U.S.C. § 1498 provides in relevant part that:

Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner's remedy shall be by action against the United States in the United States Court of Federal Claims for the recovery of his reasonable and entire compensation for such use and manufacture.

§1498 applies in this instance because the FCC has prescribed by regulation the E911 standards upon which the infringement claims are based and has required that wireless carriers and E911 service providers implement them. Furthermore, the implementation of these standards is in furtherance of an important government function—providing E911 emergency services "for the purpose of promoting safety of life and property through the use of wire and radio communication." The plain language of § 1498 unambiguously applies to the Commission's E911 and future NG911 regulations. It has recently been held that 'for the government' means that the use must take place in furtherance of government policy with some benefit accruing to the government. Such is clearly the case here, given that E911 regulations are in furtherance of the federal government's 911 public safety policies, and the ultimate benefit is shared among Federal and state public safety officials and the public they serve.

**B. The FCC Has Authority to Require RAND Licensing**

In the alternative, the Commission has the necessary ancillary authority under Title I to require that current E911 and future NG911 patents be licensed subject to RAND terms and conditions and in the past has required such pricing where necessary to promote important Commission goals. The Commission has broad authority with regard to the provision of E911 services. It is well established that the Commission may exercise its ancillary jurisdiction in situations such as this, where its general jurisdictional grant under Title I covers the subject of

the regulations (*i.e.* duty to promote safety of life and property and to facilitate prompt and reliable infrastructure deployment as well as the fact that the issue involves telecommunications and telecommunications services) and the regulations are reasonably ancillary to the Commission's effective performance of its statutorily mandated responsibilities (*i.e.* the provision of safe and reliable 911 and E911 services). The capabilities, systems and methodologies in question are part and parcel of the network elements, features, and processes necessary for compliance with Commission E911 standards—situations very similar to those faced by the FCC in both the DTV and public safety radio cases. Moreover, § 9.7 of the Commission's Rules provides that an owner or controller of a capability that can be used for 911 or E911 service must make that capability available to a requesting interconnected VoIP provider on rates, terms and conditions that are reasonable. Consequently, to the extent that capabilities are or could be used for both wireless and VoIP, the Commission has already required—at least with regard to interconnected VoIP—that they be made available at reasonable rates, terms and conditions. Therefore, we face the odd situation where a wireless carrier may be forced to pay far more than an interconnected VoIP provider for the same Commission mandated capabilities simply because of a quirk in the FCC's rules. Consequently, action regarding the terms of patent licenses is appropriate in this case in order to assure the unobstructed and reliable provision of all E911 services.