

unjust enrichment for past overpayment under the Agreement; an injunction forbidding iBiquity from advertising, advising, or otherwise informing Continental head-end unit component suppliers or customers that Continental is not an iBiquity licensee, breach of a license agreement between Continental and iBiquity, and breach of contract action based on iBiquity's failure to comply with its representation and agreement to license patents allegedly essential to the HD Radio Standard on reasonable and non-discriminatory terms.

PARTIES

2. Plaintiff Continental Automotive GmbH is a foreign corporation with its principal place of business in Regensburg, Germany.

3. Plaintiff Continental Automotive Systems, Inc., is a Delaware corporation with its principal place of business in Deer Park, Illinois.

4. On information and belief defendant iBiquity is a Delaware corporation with its principal place of business in Columbia, Maryland.

JURISDICTION

5. The Court has original jurisdiction over this declaratory judgment action pursuant to 28 U.S.C. §§ 2201, 1331 and 1338 because Continental's relief arises under and necessarily invokes substantial questions of the patent laws of the United States under 35 U.S.C. § 100 *et seq.* The Court has personal jurisdiction over iBiquity by its systematic and deliberate presence in Illinois through its actions managing its HD Radio licensees, including approaching potential licensees, negotiating agreements with broadcasters, semiconductor manufacturers and end unit manufacturers, as well as directing invoices and other communications related to HD Radio to licensees.

VENUE

6. Venue is proper in this district under 28 U.S.C. § 1391(a) because a substantial part of the events or omissions giving rise to the claims occurred in Chicago, Illinois.

FACTS

7. Continental is an original equipment manufacturer for major automobile manufacturers and supplies automobile head-end units for use in a variety of vehicles.

8. Continental's head-end units have a variety of functions, including, among other things, navigation, Bluetooth, telematics and multimedia playback functions such as DVD and CD as well as receiving AM/FM radio and receiving and decoding HD Radio signals. The head-end unit includes a number of electronic circuits to provide these functions, including HD Radio semiconductor components and software.

9. Continental's agreements with automobile manufacturers require Continental to supply head-end units capable of receiving and decoding HD Radio signals.

10. To comply with these requirements, Continental has entered into purchase agreements with third party component manufacturers to buy HD Radio semiconductor components for use in Continental's head-end units.

11. All HD Radio receivers compliant with the National Radio System Committee IBOC standard, including Continental's purchased component circuitry, are alleged by iBiquity to infringe one or more of the claims of one or more of the Asserted Patents owned by iBiquity. A list of the iBiquity patents asserted to be essential to the HD Radio standard is attached as Exhibit A.

12. In order to have its technology adopted as a standard, iBiquity publicly bound itself to the National Radio Systems Committee's requirement that iBiquity license the

Asserted Patents to all manufacturers of HD Radio receivers on reasonable terms and conditions that are demonstrably free of any unfair discrimination in order for iBiquity's HD Radio technology to be included in the Committee's technical standards. A copy of iBiquity's representation to the National Radio Systems Committee is attached as Exhibit B.

13. iBiquity entered into a license agreement under the Asserted Patents with Siemens VDO Automotive Corporation on June 28, 2005. In late 2007, Siemens VDO Automotive Corporation merged with Continental. As a result of this merger, Continental became the successor in interest to Siemens VDO Automotive Corp.'s license agreement with iBiquity granting it the right to make, use or sell the devices embodying the Asserted Patents. A copy of the license agreement is attached as Exhibit C (filed under seal).

14. Continental Automotive Systems, Inc. is the current successor to the license agreement. Continental Automotive GmbH manufactures and sells head-end units which incorporate HD Radio semiconductor components and is the Continental entity that has reported sales of HD Radios and paid royalties to iBiquity under the license agreement since the acquisition of Siemens VDO.

15. Continental's license agreement with iBiquity was for an original five year term and was automatically renewable for additional two year terms provided that neither party notifies the other of its intention to terminate the license agreement six months prior to end of the existing renewed term. Continental's license agreement currently is effective until June 28, 2014.

16. The license requires a quarterly royalty report and a payment from Continental to iBiquity with the payment amount based on invoiced sales of the “Licensed Radio Receiver.”

17. Until May 2013, Continental made royalty payments based on demands by iBiquity that Continental use iBiquity’s interpretation of the license agreement or otherwise iBiquity would take action to terminate the license and stop Continental’s purchase of HD Radio components and sales of Continental’s product to its customers.

18. Continental, however, recently determined that iBiquity’s interpretation of the license agreement and its royalty demands to Continental were incorrect and its royalty demands and threats of termination and possible patent litigation resulted in Continental paying a royalty to iBiquity that was wholly unrelated to the value of the Licensed Radio Receiver sold by Continental to its customers and therefore not “reasonable” in accordance with iBiquity’s representation to the standards development organization.

19. iBiquity has taken the position with Continental that the applicable royalty under the Agreement should be based on the invoiced price of the entire head-end unit sold by Continental to its customers. iBiquity’s flawed interpretation of its own standardized licensing agreement as requiring a royalty based on the entire head-end unit sold by Continental instead of those components implementing the Asserted Patents and its threats of termination of the license agreement and potential patent infringement litigation has resulted in Continental paying more than \$1,000,000 in excess payments under the agreement.

20. iBiquity alleges that it has terminated Continental’s license agreement but has not offered reasonable terms as required by its representation to, and agreement with, the

National Radio System Committee and threatened Continental with the possibility of a patent infringement lawsuit if Continental refused to pay a royalty based on the price of the entire head-end unit. iBiquity has further threatened to inform Continental's customers and suppliers that Continental is not a licensee under iBiquity's essential HD Radio patents ostensibly in an effort to prevent Continental from obtaining HD Radio components and precluding its customers from purchasing HD Radios from Continental.

21. In a meeting between Continental and iBiquity on October 29, 2013, iBiquity's Senior Vice President and General Counsel, Albert Shuldiner, advised Continental that the only acceptable royalty under the license agreement must be calculated on the invoiced price of the entire head-end unit instead of the Licensed Radio Receiver components included in the head-end unit sold by Continental.

22. By letter dated November 8, 2013, Albert Shuldiner informed Continental that "Continental is no longer classified as a licensed receiver manufacturer under iBiquity's licensing program. If Continental does not execute a license renewal within sixty (60) days of the date of this letter, iBiquity will begin informing its chip licensees and car companies that use HD Radio technology that Continental is no longer a licensed HD Radio receiver manufacturer." *See* November 8, 2013 letter from A. Shuldiner to June Bradley of Continental attached as Exhibit D.

23. During a December 19, 2013 telephone conference between iBiquity and representatives of Continental, Albert Shuldiner advised Continental that the royalty should be based on the invoiced price of the entire head-end unit to Continental's customer and not on the "Licensed Radio Receiver" components and that any other royalty calculation would result in iBiquity terminating the license agreement.

24. iBiquity has refused to recognize Continental's overpayment and refuses to reimburse or credit Continental any amount of the excess payments in spite of Continental's demands.

25. iBiquity's interpretation of its licensing terms as requiring a royalty payment based on cost of the entire head-end unit and technologies included in the head-end unit that do not infringe iBiquity's Asserted Patents violates its obligation to license the Asserted Patents on reasonable terms, as the demanded royalty amount is an unreasonably high percentage of the unit cost of the HD Radio semiconductor devices and therefore commercially unreasonable.

26. On information and belief, Continental's suppliers of HD Radio semiconductor devices possess a royalty bearing license from iBiquity to make, use or sell HD Radio semiconductor devices embodying the Asserted Patents.

27. On information and belief, Continental's HD Radio semiconductor device suppliers are authorized by iBiquity to sell HD Radio semiconductor devices to Continental and such HD Radio semiconductor devices include software supplied by iBiquity that implements the HD Radio functionality.

COUNT I
(Patent Exhaustion)

28. Continental incorporates paragraphs 1 to 27 as if fully set forth herein.

29. Continental's head-end automotive units incorporate HD Radio semiconductor devices that allegedly practice one or more claims of the Asserted Patents.

30. On information and belief, Continental's suppliers of HD Radio semiconductor devices are iBiquity licensees, including the right to make, use or sell HD Radio

semiconductor devices embodying the Asserted Patents and iBiquity's HD Radio technology and software is used in these components.

31. On information and belief, iBiquity authorizes Continental's suppliers to sell HD Radio semiconductor devices embodying the Asserted Patents to Continental for use in Continental's head-end unit products.

32. The authorized sale of the HD Radio semiconductor devices with iBiquity technology and software embodying the Asserted Patents by iBiquity's licensee to Continental exhausts iBiquity's patent rights in those products.

COUNT II
(Patent Misuse)

33. Continental incorporates paragraphs 1 to 27 as if fully set forth herein.

34. Continental's head-end automotive units provide a multitude of functions for a vehicle in addition to receiving HD Radio, such as navigation, AM/FM radio reception, user interface and display of backup cameras, reception and user interface of satellite based radio, telematics, consumer media playback, Bluetooth, wifi and cellular connectivity, and vehicle tracking functionalities.

35. iBiquity has refused to license the Asserted Patents that cover HD Radio functions unless Continental pays a royalty on the entire head-end unit, despite the majority of the head-end unit components being outside the scope of the claims of the Asserted Patents.

36. iBiquity is therefore improperly attempting to expand the scope of its patent monopoly to include unpatented articles through its demands that Continental pay royalties on the value of non-patented features.

COUNT III
(Declaratory Judgment of Patent Rights)

37. Continental incorporates paragraphs 1 to 27 as if fully set forth herein.
38. Since 2007, Continental has paid royalties to iBiquity under the terms of the parties' licensee agreement.
39. Further, iBiquity made affirmative statements and promises to the HD Radio community that it would license its standards essential patents under reasonable and non-discriminatory terms. Continental has attempted to license the patents from iBiquity under such terms.
40. Thus, Continental's continued activities are authorized under the U.S. Patent Laws, 35 U.S.C. § 271(a) in view of the rights granted to Continental under the license agreement and in view of iBiquity's RAND commitments.
41. iBiquity has threatened Continental with allegations that Continental is in breach of the parties' license agreement and has refused to negotiate a license under RAND terms.
42. As a result, there exists between the parties a definite and concrete dispute touching the legal relations of the parties having adverse interests, *i.e.*, their rights under the patent laws of the United States.
43. This Court can declare the respective rights of the parties.

COUNT IV
(Unjust Enrichment)

44. Continental incorporates paragraphs 1 to 27 as if fully set forth herein.
45. Since 2007, Continental has paid royalties to iBiquity under the parties' license agreement.

46. The license agreement provides for the calculation of the royalty amount using the lesser of two calculations but no less than a certain amount.

47. From August 2007 until May 2013, Continental had been paying royalties using the larger or the two calculations under threat of license termination, loss of supply of HD Radio components, termination of customer sales of HD Radios and potential patent infringement litigation from iBiquity, resulting in an overpayment exceeding \$1,000,000 to iBiquity.

48. iBiquity's threats were wrongfully made because iBiquity is obligated pursuant to its representations to the HD Radio standards development committee to license Continental's HD Radio products on reasonable and non-discriminatory terms under iBiquity's patents essential to the HD Radio standard.

49. Continental's overpayment has unjustly enriched iBiquity beyond its bargained for benefit in the license agreement iBiquity drafted. The royalty demanded by iBiquity is unreasonable and not in accordance with iBiquity's representation to the HD Radio standards development committee. It would be inequitable and against good conscience to permit iBiquity to retain such a substantial unjust gain.

COUNT V
(Breach of Covenant of Good Faith and Fair Dealing)

50. Continental incorporates paragraphs 1 to 27 as if fully set forth herein.

51. iBiquity is intentionally and purposely preventing Continental from realizing the full benefit under the parties' license agreement and iBiquity's obligations to the HD Radio standards development committee by refusing to recognize or reimburse Continental's royalty overpayments.

52. iBiquity's insistence that Continental pay a per unit royalty based on the price of the entire head-end unit containing technology not covered by iBiquity's Asserted Patents rather than the alternative consideration set forth in the agreement provides, at Continental's expense, iBiquity with a much greater benefit than it bargained to receive.

53. Accordingly, iBiquity's conduct has deprived and continues to deprive Continental of the benefits under the license agreement and iBiquity's representation to the HD Radio standards development committee by requiring Continental to pay a royalty which is not reasonably related to the technology covered by the Asserted Patents.

COUNT VI
(Breach of License Agreement Between Continental and iBiquity)

54. Continental incorporates paragraphs 1 to 27 as if fully set forth herein.

55. Contrary to the plain language of the Continental's license agreement with iBiquity, iBiquity maintains that the agreement has ended and that Continental is no longer a licensed receiver manufacturer.

56. On information and belief, iBiquity has threatened to falsely represent to Continental customers and suppliers that Continental is not a licensee of the Asserted Patents, disrupting and damaging Continental's business relationships.

57. iBiquity's threatened action may disrupt Continental's supply of component parts and its corresponding ability to provide finished goods to Continental customers.

58. iBiquity's termination of the agreement is a breach of contract.

COUNT VII
(Promissory Estoppel)

59. Continental incorporates paragraphs 1 to 27 as if fully set forth herein.

60. iBiquity publicly promised to license its HD Radio receiver patents, including the Asserted Patents, on reasonable terms and conditions to any individual seeking to manufacture HD Radio compliant devices.

61. Continental relied on iBiquity's promise of reasonable licensing terms when it entered into supply agreements with Continental customers to provide head-end units containing HD Radio semiconductor devices.

62. Continental's reliance of iBiquity's public promise of reasonable license terms was foreseeable, as it was made to allow iBiquity's patented technology to be included in technical standards necessary for all HD Radio manufacturers to adhere to.

63. iBiquity contends that Continental's license has lapsed, but has refused and failed to offer Continental any royalty terms other than one based on the price paid by Continental's customers for the entire head-end unit containing an HD Radio receiver circuit.

64. iBiquity's royalty demand rivals the cost of the underlying HD Radio circuit itself, rendering the offered rate not commercially reasonable and is not appropriately related to the technology covered by the Asserted Patents.

65. As a result of iBiquity's failure to offer commercially reasonable licensing terms, Continental has suffered, and will continue to suffer, irreparable harm through the disruption of Continental's supply of component parts and its corresponding ability to provide finished goods to Continental customers, or monetary losses in excess of One Million (\$1,000,000.00) Dollars.

COUNT VIII
(Breach of Contract with the NRSC)

66. Continental incorporates paragraphs 1 to 27 as if fully set forth herein.

67. iBiquity formally and publicly committed to the National Radio Systems Committee's patent policy requiring iBiquity to license on reasonable terms patents essential for the manufacture of IBOC compliant devices, including the Asserted Patents.

68. iBiquity's promise created a binding contractual commitment with the NRSC to license the Asserted Patents on reasonable and non-discriminatory terms and conditions.

69. Continental is a third-party beneficiary of iBiquity's commitments to the NRSC, and therefore must be offered a license on reasonable and non-discriminatory terms.

70. iBiquity has only offered to license the Asserted Patents at a royalty rate based on the price to Continental's customers of an entire head-end unit containing significant functionality unrelated to the Asserted Patents, which, when considered with the cost of the HD Radio receiver circuit and royalty rates for similar products, cannot be considered a reasonable royalty rate.

71. Therefore, iBiquity's breach of its contract with the NRSC by failing to offer a reasonable and non-discriminatory royalty rate has and will continue to damage Continental.

COUNT IX
(Wrongful Interference with a Business Relationship)

72. Continental incorporates paragraphs 1 through 27 as if fully set forth herein.

73. Continental has supply agreements with HD Radio component suppliers and with customers for the supply of HD Radio components.

74. iBiquity is obligated to license its Asserted Patents to Continental on reasonable and nondiscriminatory terms in accordance with iBiquity's representation to the HD Radio standards development committee.

75. In knowing and willful disregard of its obligation to license the Asserted Patents on a reasonable and nondiscriminatory basis, iBiquity has terminated Continental's license agreement and wrongfully threatened to require Continental's suppliers not to supply HD Radio components to Continental and wrongfully threatened to inform Continental's customers that Continental was not licensed to supply HD Radio products to its customers and that such customers should not purchase HD Radio products from Continental.

76. iBiquity knows that such threatened statements are erroneous, wrongful and malicious and will wrongfully interfere with Continental's relationships with its suppliers and customers for HD Radio products and are intended solely to cause damage to Continental by requiring Continental to either pay royalties to iBiquity on the entire market value of products and functionalities that are not substantially related to the inventions claimed in the Asserted Patents and are not in accordance with iBiquity's obligation to license the Asserted Patents on reasonable and nondiscriminatory terms.

WHEREFORE, plaintiff Continental prays for the following relief:

1. A permanent injunction forbidding iBiquity from bringing a lawsuit asserting infringement of the Asserted Patents by HD Radio semiconductor devices incorporated into Continental products, or in the alternative a declaration that the Asserted Patents are unenforceable against Continental;
2. A judgment interpreting the terms of Continental's license holding the agreement valid until June 28, 2014 and the royalty rate to be based on less than the entire market value of the head-end unit sold by Continental to its customers, or in the alternative, a reasonable and non-discriminatory royalty;

3. A judgment requiring iBiquity to license Continental under the Asserted Patents on reasonable and nondiscriminatory terms in accordance with iBiquity's representation to the National Radio Systems Committee.
4. A temporary restraining order, preliminary injunction and permanent injunction forbidding iBiquity from advertising, advising, or otherwise informing Continental head-end unit component suppliers or customers that Continental is not an iBiquity licensee;
5. Compensatory damages and/or statutory damages;
6. Restitution in an amount in excess of \$1,000,000;
7. Reasonable costs and attorneys' fees;
8. Such further and other relief the Court deems appropriate.

JURY DEMAND

Plaintiffs request trial by jury.

Dated: March 19, 2014

Respectfully submitted,

**Continental Automotive Systems Inc. and
Continental Automotive GmbH**

/s/ Michael Stolarski

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EXHIBIT A

Attachment B

iBiquity Digital Corporation
Receiver (Non-Transmission) Patent Portfolio

Pat. No.	Title
5517535	Numerically Controlled Oscillator With Complex Exponential Outputs Using Recursion Technique
5559830	Joint Equalization System For AM Digital Receiver
5566214	Automatic Noise Normalization And Reacquisition Control For A QPSK Demodulator Tracking Loop
5579345	Carrier Tracking Loop For QPSK Demodulator
5633896	AM Compatible Digital Waveform Demodulation Using a Dual FFT
5646947	Mobile Telephone Single Channel Per Carrier Superframe Lock Subsystem
5703954	Method and Apparatus For Improving The Quality Of AM Compatible Digital Broadcast System Signals In The Presence Of Distortion
5745525	Method And Apparatus For Simultaneously Broadcasting And Receiving Digital And Analog Signals
5764706	AM Compatible Digital Waveform Frame Timing Recovery and Frame Synchronous Power Measurement
5809065	Method and Apparatus For Improving The Quality Of AM Compatible Digital Broadcast System Signals In The Presence Of Distortion
5828705	Carrier Acquisition Technique And Apparatus Having Automatic Flywheel/Tracking/Reacquisition Control And Extended Signal To Noise Ratio
5878089	Coherent Signal Detector For AM-Compatible Digital Audio Broadcast Waveform Recovery
6259893	Method And Apparatus For Reduction Of FM Interference For FM In-Band On-Channel Digital Audio Broadcasting System
6292511	Method For Equalization Of Complementary Carriers In An AM Compatible Digital Audio Broadcasting System
6295317	Method And Apparatus For Demodulating And Equalizing An AM Compatible Digital Audio Broadcast Signal
6317470	Adaptive Weighting For OFDM Soft Symbols Using Channel State Information Estimates
6400758	Method And Apparatus For Training Sequence Identification In An AM Compatible Digital Audio Broadcasting System
6480536	Method And Apparatus For Demodulating And Equalizing An AM Compatible Digital Audio Broadcast Signal
6487256	Method and Apparatus for AM Digital Broadcasting
6532258	Method for Estimating Signal-To-Noise Ratio of Digital Carriers in an AM Compatible Digital Audio Broadcasting System
6539063	System and Method For Recovering Symbol Timing Offset And Carrier Frequency Error In An OFDM Digital Audio Broadcast System
6570943	Method for Equalization of Complementary Carriers in an AM Compatible Digital Audio Broadcast System
6590944	Audio Blend Method and Apparatus for AM and FM In Band On Channel Digital Audio Broadcasting
6622008	Method And Apparatus For Reduction of FM Interference For FM In-Band On-Channel Digital Audio Broadcasting System
6671340	Method And Apparatus For Reduction of Interference in FM In-Band On-Channel Digital Audio Broadcasting Receivers

EXHIBIT B



Albert Shuldiner
Senior VP & General Counsel

April 13, 2005

Mr. Paul Feinberg
Mr. H. Donald Messer, Dr. Eng.
Co-Chairmen
IBOC Standards Development Working Group

Mr. Michael Bergman
Mr. Milford K. Smith
Co-Chairmen
DAB Subcommittee

National Radio Systems Committee
c/o National Association of Broadcasters
1771 N Street, N.W.
Washington, D.C. 20036

Gentlemen:

On behalf of iBiquity Digital Corporation, I am providing this letter in response to the ISDWG's request that iBiquity formalize its commitment to adhere to the NRSC's patent policy. Please note that my previous statements at ISDWG meetings on this topic should be considered informal discussions. This letter supersedes iBiquity's previous statements on this topic, and it should be viewed as iBiquity's formal commitment. This letter also serves as an update to my letter of September 15, 2003, which included a tentative list of transmission patents owned by iBiquity and relevant to an NRSC IBOC standard. Further, this letter supersedes my letters of February 24, 2004 and November 8, 2004 and previous statements at committee meetings concerning licensing of the HD Radio system software with or without the HDC codec.

The NRSC's procedures require adherence to the following patent policy:

Requirements in NRSC standards that are known to call for use of a patented item or process may not be considered by formulating groups unless all of the relevant technical information covered by the patent or pending patent is known to the formulating group, and the responsible Chair and CEA and/or NAB Engineering staff have received a statement from the patent applicant or holder indicating compliance with the CEA intellectual property rights policy by stating one of the following:

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Mr. Milford K. Smith
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- 1) a license shall be made available without charge to applicants desiring to use the patent for the purpose of implementing the standard(s), or
- 2) a license shall be made available to applicants under reasonable terms and conditions that are demonstrably free of any unfair discrimination.¹

This letter is intended to detail iBiquity's commitments to the NRSC concerning licensing of iBiquity intellectual property. All of these commitments are predicated on the NRSC's prior adoption of the IBOC standard designated NRSC-5. Throughout this letter, I make reference to various patents iBiquity owns or for which iBiquity holds certain rights. Please note that in numerous countries iBiquity holds foreign equivalents to the domestic patents discussed in this letter. To the extent a domestic patent is included in a particular commitment by iBiquity, that commitment also includes the foreign equivalent. Also, you should note that iBiquity owns or has rights to numerous pending patent applications in the United States and abroad for various aspects of the HD Radio™ system. Although iBiquity has not disclosed any information about these pending patent applications, iBiquity notes that to the extent a patent application is granted in the future and it would fall into one of the categories for which iBiquity has offered a commitment in this letter, iBiquity will extend that commitment to the patent when granted. Although iBiquity cannot accept an obligation to provide updates to this letter upon issuance of new patents, iBiquity agrees to extend its commitments to license patents on reasonable terms and conditions that are demonstrably free of any unfair discrimination to patent applications that fall into the categories discussed below.

1. Consistent with the NRSC patent policy, iBiquity commits to license on reasonable terms and conditions that are demonstrably free of any unfair discrimination all patents essential for someone skilled in the art to manufacture NRSC-5 compliant transmission devices. Attachment A contains a list of patents essential for manufacture of NRSC-5 compliant transmission devices. iBiquity holds the right to license or sublicense these patent. In order to address any concerns the NRSC may have about transmission patents iBiquity owns but that do not appear in Attachment A, iBiquity agrees to extend this commitment to any of the patents it owns or for which it holds rights to provide sublicenses if that patent is required for someone skilled in the art to develop transmission equipment that implements NRSC-5, even if that patent is not included in Attachment A.

2. iBiquity notes that although its receiver patents are not necessary to implement NRSC-5, it is and will continue to be iBiquity's practice to license its receiver patents on reasonable terms and conditions that are demonstrably free of any unfair discrimination.

¹ NRSC Procedures Manual, rev 1.1 (adopted Sept. 21, 2003) at § 7.2.5.1.

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3. Attachment B contains a list of receiver patents that iBiquity owns or for which it holds rights to offer sublicenses. iBiquity will license on reasonable terms and conditions that are demonstrably free of any unfair discrimination any of these receiver patents that are essential for someone skilled in the art to manufacture a device capable of receiving a signal from NRSC-5 compliant transmission devices. Moreover, iBiquity will license independently from its other intellectual property and on reasonable terms and conditions that are demonstrably free of any unfair discrimination any of these essential patents. For any receiver patents that are not essential for someone skilled in the art to manufacture a device capable of receiving a signal from NRSC-5 compliant transmission devices, iBiquity reserves the right to license those patents on reasonable terms and conditions that are demonstrably free of any unfair discrimination but to require that they be used in conjunction with a broader license to manufacture iBiquity's HD Radio implementation.

4. iBiquity has committed to license on reasonable terms and conditions that are demonstrably free of any unfair discrimination the object code to the HD Radio system without the HDC codec for NRSC-5 compliant implementations. As iBiquity has explained to the ISDWG, any implementation of NRSC-5 that uses iBiquity's software without the HDC codec would not be considered an HD Radio implementation but would need to be compliant with NRSC-5.

5. iBiquity also has committed to license on reasonable terms and conditions that are demonstrably free of any unfair discrimination the object code to the HDC codec separately from the remainder of the HD Radio software implementation but subject to the requirement that it be used in independent IBOC implementations compliant with NRSC-5

On behalf of iBiquity and my colleagues at the company, I want to recognize the time and effort that you and the rest of the members of the ISDWG have devoted to the development of NRSC-5. We believe the HD Radio system offers broadcasters and listeners tremendous benefits, and NRSC-5 will help foster the implementation of digital broadcasting both in the United States and abroad. We look forward to continuing to work with you to finalize NRSC-5 and to ensure the successful transition to digital broadcasting for all AM and FM stations.

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Mr. Michael Bergman
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Please do not hesitate to contact me if you have any questions concerning this disclosure statement or any other aspect of NRSC-5.

Sincerely,

A handwritten signature in cursive script that reads "Albert Schulte". The signature is written in dark ink and includes a long horizontal flourish at the end.

cc: John Marino (NAB)
David Layer (NAB)
Valerie Schulte (NAB)
David Wilson (CEA)
Megan Hayes (CEA)
John Kelly (CEA)

Attachment A

iBiquity Digital Corporation
Transmission Patent Portfolio for NRSC-5

Pat. No.	Title
5278844	Method and Apparatus For Digital Audio Broadcasting and Reception
5315583	Method and Apparatus For Digital Audio Broadcasting and Reception
5465396	In-Band On-Channel Digital Broadcasting
5523726	Digital Quadrature-Phase-Shift Keying Modulator
5588022	Method and Apparatus For AM Compatible Digital Broadcasting
5606576	Adaptive Mode Control System For AM Compatible Digital Broadcast
5757854	In-Band On-Channel Digital Broadcasting
5850415	In-Band On-Channel Digital Broadcasting
5903598	Method And System For Simultaneously Broadcasting And Receiving Digital And Analog Signals
5949813	Method And System For Simultaneously Broadcasting And Receiving Digital And Analog Signals
5956373	AM Compatible Digital Audio Broadcasting Signal Transmission Using Digitally Modulated Orthogonal Noise-Like Sequences
5956624	Method And System For Simultaneously Broadcasting And Receiving Digital And Analog Signals
6014407	Method And System For Simultaneously Broadcasting And Receiving Digital And Analog Signals
6108810	Digital Audio Broadcasting Method Using Puncturable Convolutional Code
6128350	Method And Apparatus For Reducing Peak To Average Power Ratio In Digital audio Broadcasting Systems
6148007	Method For Data Transmission In A Digital Audio Broadcasting System
6178317	System and Method for Mitigating Intermittent Interruptions in an Audio Radio Broadcast System
6292917	Unequal error protection for digital broadcasting using channel classification
6345377	Digital Audio Broadcasting Method Using Puncturable Convolutional Code
6353637	Multistream in-band on-channel systems
6366888	Technique for multi-rate coding of a signal containing information
6405338	Unequal error protection for perceptual audio coders
6430227	FM In-Band On-Channel Audio Broadcasting Method and System
6430401	Technique for effectively communicating multiple digital representations of a signal
6452977	Method and Apparatus for AM Compatible Digital Broadcasting
6510175	In-Band On-Channel Digital Broadcasting
6523147	Method and Apparatus for Forward Error Correction Coding for an AM In-Band On-Channel Digital Audio Broadcasting System
6549544	Method & Apparatus for Transmission & Reception of FM In-Band On-Channel Digital Audio Broadcasting
6556639	Method & Apparatus for Determining Transmission Mode & Synchronization for A Digital Audio Broadcasting Signal
6563880	Method and System for Simultaneously Broadcasting and Receiving Digital and Analog Signals
6639949	Method And Apparatus for Pulse Overlap Pre-Compensation In Digitally Modulated Signals

Attachment B

iBiquity Digital Corporation
Receiver (Non-Transmission) Patent Portfolio

Pat. No.	Title
5517535	Numerically Controlled Oscillator With Complex Exponential Outputs Using Recursion Technique
5559830	Joint Equalization System For AM Digital Receiver
5566214	Automatic Noise Normalization And Reacquisition Control For A QPSK Demodulator Tracking Loop
5579345	Carrier Tracking Loop For QPSK Demodulator
5633896	AM Compatible Digital Waveform Demodulation Using a Dual FFT
5646947	Mobile Telephone Single Channel Per Carrier Superframe Lock Subsystem
5703954	Method and Apparatus For Improving The Quality Of AM Compatible Digital Broadcast System Signals In The Presence Of Distortion
5745525	Method And Apparatus For Simultaneously Broadcasting And Receiving Digital And Analog Signals
5764706	AM Compatible Digital Waveform Frame Timing Recovery and Frame Synchronous Power Measurement
5809065	Method and Apparatus For Improving The Quality Of AM Compatible Digital Broadcast System Signals In The Presence Of Distortion
5828705	Carrier Acquisition Technique And Apparatus Having Automatic Flywheel/Tracking/Reacquisition Control And Extended Signal To Noise Ratio
5878089	Coherent Signal Detector For AM-Compatible Digital Audio Broadcast Waveform Recovery
6259893	Method And Apparatus For Reduction Of FM Interference For FM In-Band On-Channel Digital Audio Broadcasting System
6292511	Method For Equalization Of Complementary Carriers In An AM Compatible Digital Audio Broadcasting System
6295317	Method And Apparatus For Demodulating And Equalizing An AM Compatible Digital Audio Broadcast Signal
6317470	Adaptive Weighting For OFDM Soft Symbols Using Channel State Information Estimates
6400758	Method And Apparatus For Training Sequence Identification In An AM Compatible Digital Audio Broadcasting System
6480536	Method And Apparatus For Demodulating And Equalizing An AM Compatible Digital Audio Broadcast Signal
6487256	Method and Apparatus for AM Digital Broadcasting
6532258	Method for Estimating Signal-To-Noise Ratio of Digital Carriers in an AM Compatible Digital Audio Broadcasting System
6539063	System and Method For Recovering Symbol Timing Offset And Carrier Frequency Error In An OFDM Digital Audio Broadcast System
6570943	Method for Equalization of Complementary Carriers in an AM Compatible Digital Audio Broadcast System
6590944	Audio Blend Method and Apparatus for AM and FM In Band On Channel Digital Audio Broadcasting
6622008	Method And Apparatus For Reduction of FM Interference For FM In-Band On-Channel Digital Audio Broadcasting System
6671340	Method And Apparatus For Reduction of Interference in FM In-Band On-Channel Digital Audio Broadcasting Receivers

EXHIBIT C
(FILED UNDER SEAL)

EXHIBIT D



Albert Shuldiner
Senior VP & General Counsel

November 8, 2013

VIA FEDEX AND EMAIL

Ms. June Bradley
Continental Automotive Systems, Inc.
21440 West Lake Cook Road
Deer Park, Illinois 60010

Dear Ms. Bradley:

I am writing to you concerning your company's manufacture and sale of HD Radio™ products and the Nonexclusive Intellectual Property License for Receiver Technology ("Agreement") dated June 28, 2005 between iBiquity Digital Corporation ("iBiquity") and Siemens VDO Automotive Corporation, predecessor in interest to Continental Automotive Systems, Inc. ("Continental"). We recognize that Section 14.1 of the Agreement directs official notices to be sent to an address in Auburn Hills, Michigan formerly used by Siemens VDO. Based on our knowledge that Continental has transferred responsibility for the Agreement to your office and in the absence of any written notification from Continental of an alternate point of contact, we are sending this notice to you.

As we have discussed with you in detail, it is iBiquity's position that the Agreement expired on June 28, 2012 at the conclusion of the two year renewal period specified in Section 13.1. Since that time, we have attempted to obtain Continental's consent to a renewal of the Agreement for an additional ten year term. At the conclusion of our meeting in your offices on October 29, 2013, it was evident to iBiquity that our negotiations concerning a renewal of the Agreement were at an impasse and that Continental is not interested in renewing the Agreement based on the standard terms iBiquity had offered to Continental. Specifically, Continental has made it clear to iBiquity that Continental will not pay a royalty based on iBiquity's method of calculation, a method that has been accepted by all of iBiquity's other licensees.

By this letter iBiquity is confirming that Continental is no longer classified as a licensed receiver manufacturer under iBiquity's licensing program. If Continental does not execute a license renewal within sixty (60) days of the date of this letter, iBiquity will begin informing its chip licensees and the car companies that use HD Radio technology that Continental is no longer a licensed HD Radio receiver manufacturer.

iBiquity acknowledges Continental's position that the Agreement renewed for a second two year extension that would expire on June 28, 2014. Although iBiquity does not agree with that interpretation of the Agreement, in the event the Agreement is deemed to have renewed,



iBiquity hereby notifies Continental, pursuant to Section 13.1 of the Agreement, that iBiquity is terminating the Agreement at the end of the existing term.

Moreover, if the Agreement is deemed to be in effect, Section 7.1 of the Agreement specifies Continental is obligated to pay iBiquity a royalty for Licensed Receiver Products which are sold or transferred. Licensed Receiver Products are defined as:

all *radio receivers* for receiving the IBOC DAB Waveform that when made, used, sold, offered for sale or otherwise Transferred or imported would infringe, directly or indirectly, at least one unexpired claim of any Licensed Patent, incorporate any Licensed Receiver Technology, have Licensed Software embedded within, and/or make use of IBOC Receiver Know-How.

Although Continental provided iBiquity with a third quarter royalty report for sales of Licensed Receiver Products, Continental has not paid the royalties that were due by August 30, 2013.

Pursuant to Section 13.2 of the Agreement, iBiquity hereby notifies Continental if the Agreement is in effect, iBiquity is terminating the Agreement for failure to make a payment when due if Continental fails to pay iBiquity all outstanding amounts owed within sixty days of the date of this letter. iBiquity also notes that pursuant to Section 7.8 of the Agreement, Continental is liable for interest at a rate of one and one half percent per month compounded monthly on any overdue amounts owed to iBiquity.

It is iBiquity's strong preference to have Continental renew its license under iBiquity's standard terms and continue to serve as an iBiquity licensee. However, iBiquity is prepared to take the action outlined above if Continental does not resolve this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Arnot" followed by a flourish.

cc: Michael Stolarski, Esq. (Lathrop & Gage LLP)