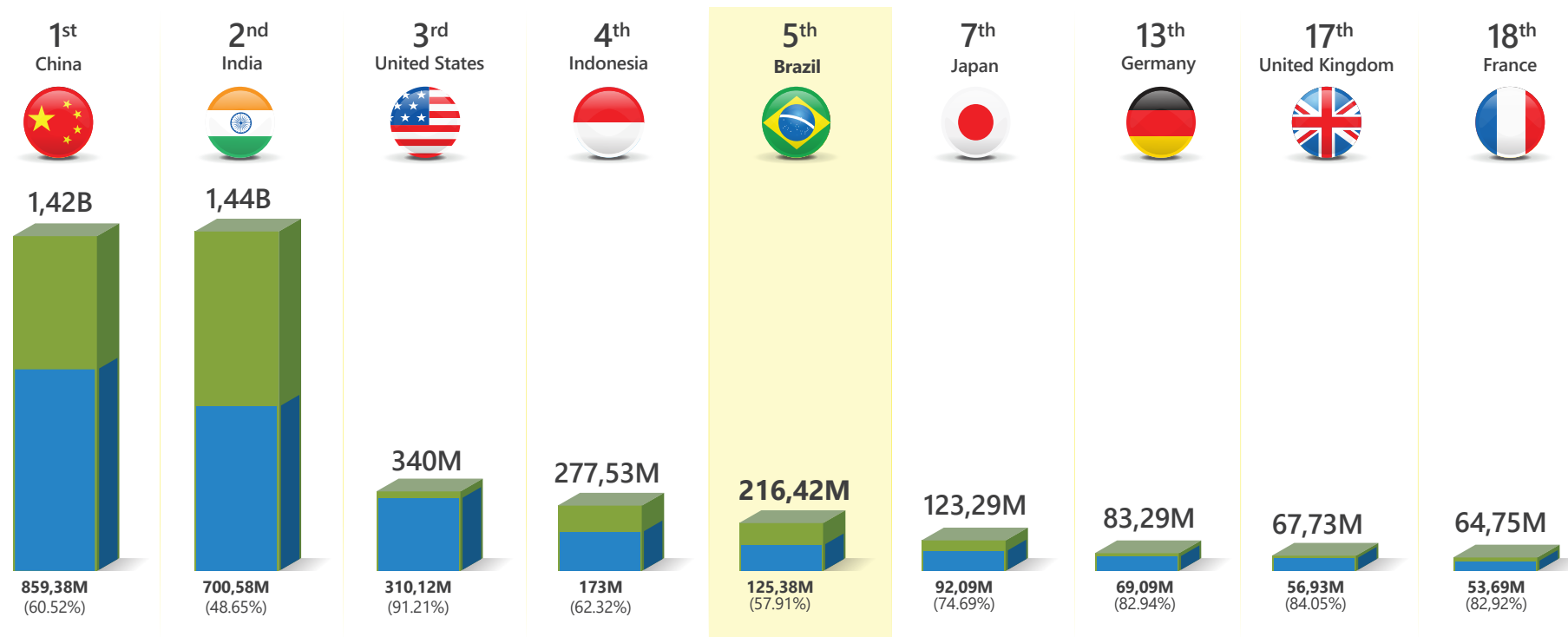


Smartphone market in the world - 2024

■ Total Population (in million) ■ Smartphone Users (in million)



Source: Statista.

Interest rates in Brazil impact patent owners subject to hold-out

- GDP 2024: R\$ 9 trillion (\$1.6 trillion)
- GDP growth (2024): 2,2%
- Inflation last 12 months: 4,83%
- **Basic Interest Rate: 113,25% / year**

- Credit Card Installment Interest Rate: 198.9%/year.
- Credit Card Revolving Interest Rate: 484.4%/year.
- General Market Price Index (IGP-M) (2024): -6,54%

- **Cash Flow Loan Interest Rate:**
 - (i) Working capital with a term up to 365 days - 38.07%/year;
 - (ii) Working capital with a term exceeding 365 days- 27.68%/year;
 - (iii) Overdraft - 234%/year.
- **Judicial recoveries**
(Jan 2024 - Dec 2024) = 2,273 - 61,8% growth

Brazil is an ICT significant jurisdiction

Large Market 5th

- smartphone market in the world
- smartphone producer in the world
- personal computer market in the world
- active smartphone users in the world

Heavy user

1st Kwai and Google
kwai Google

2nd Netflix, WhatsApp, Alibaba and Max
NETFLIX max WhatsApp Alibaba.com

3rd Temu, TikTok and Instagram
TEMU tiktok instagram

4th Facebook and Internet use
facebook



ICT SEP and non-SEP Patent Litigation in Brazil as of September 10, 2025

Licks Attorneys represents or has represented all patent owners
in the 56 cases ever filed in the country since 2012

Seven cases (out of 56) **are declaratory judgments of non-infringement** (12.50%)

Two declaratory judgments of non-infringement have settled (28.57%)

36 cases (out of 56) **are SEP infringement lawsuits** (64.29%)

All SEP infringement lawsuits had preliminary injunction (PI) requests, but seven are still pending.

Out of the 29 decided, **28 PI were granted** (96.55%)

22 SEP infringement lawsuits with PI have settled (78.57%)

Since 2017 SEP patent litigation has settled in **1 year, 2 months and 13 days** (average)

13 cases (out of 56) **are non-SEP infringement lawsuits** (23.21%)

All non-SEP infringement lawsuits had preliminary injunction (PI) requests.

Out of the 13 decided, **12 PI were granted** (92.31%)

Seven non-SEP infringement lawsuits with PI have settled (58.33%)

Since 2017 non-SEP patent litigation has settled in **1 year, 2 months and 21 days** (average)

33 cases were settled in Brazil, of which 31 (93.94%) have assisted parties to reach global license agreements
Currently, 100% of the cases that have settled reached the agreement before a final decision on the merits

The predictability and certainty of the Brazilian patent system



PCT ICT applications decided by the BRPTO in the last 24 months (as of Sept 9, 2025)

Post-Grant Opposition (PGO) ICT decisions rendered in the last 24 months (as of Sept 9, 2025)

4,036
applications

3,550
(87.96%)

Applications allowed

486
(12.04%)

Applications rejected

9
decisions

5
(55.56%)

Patents upheld

2
(22.22%)

Patents upheld with amendments

2
(22.22%)

Patents invalidated

0.25% of all PCT ICT applications allowed in the same period

0.19% of all PCT ICT applications allowed in the same period

0.05% of all PCT ICT applications allowed in the same period

Analysis of preliminary injunction requests to render the patent unenforceable during the patent invalidity lawsuit¹

TOTAL 437
(0.29% of patents allowed by BRPTO in the same period)

Lawsuits with preliminary injunction requests to suspend the patent rights
273 (62.47%)

Among which:

Denied **196** (71.79%)

Not considered **30** (10.99%)

Patents unenforceable to stay infringement proceedings
43 (15.75%)

(0.029% of patents allowed by BRPTO in the same period)

Pending **4** (1.47%)

Lawsuits with no requests for preliminary injunction to suspend the patent rights
164 (37.53%)



JUSTIÇA FEDERAL

Status of the patent invalidity lawsuits at trial level (district courts)

Withdrawn²
150 (34.33%)

Pending judgment
153 (35.01%)

TOTAL 437

Partially granted
17 (3.89%)

Granted
50 (11.44%)

Denied
67 (15.33%)

¹ The research was limited to cases filed and decision issued at trial level (district court).

² The percentage of patent invalidity lawsuits "withdrawn" consist of lawsuits in which there was no analysis or decision about the validity of the patent, including any form of settlement. The 434 patent invalidity lawsuits filed nationwide in the last 10 years were distributed as follows upon docketing: JFRJ (380), JFSP (31), JFRS (8), JFDF (8), JFSC (6), JFPR (4), JFMT (3), JFBA (3) and JFMG (1); regardless of any later reassignment to other district court or Circuit Court.

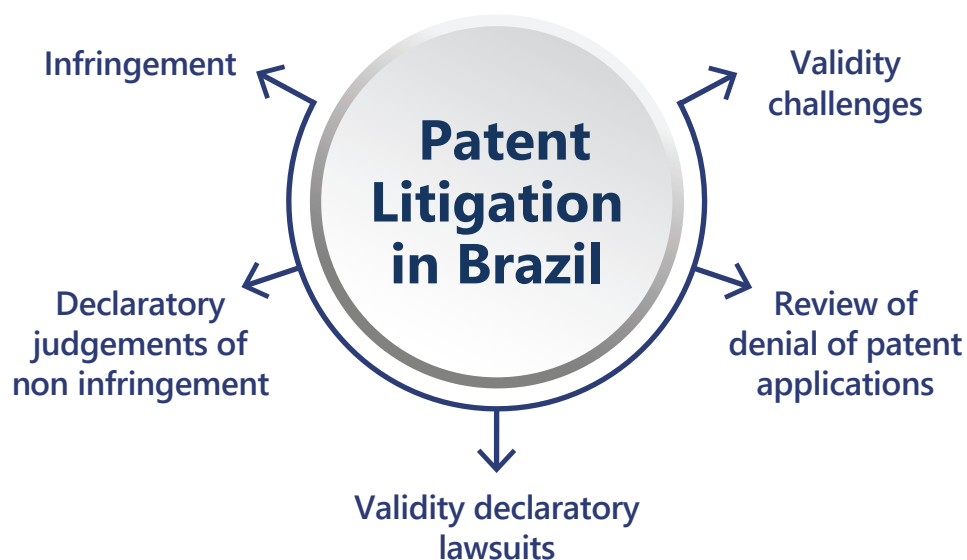
Source: Licks Attorneys database of complete files wrappers of all applications filed in Brazil since 1995, the website of the Brazilian PTO, WIPO (API), and IPlytics (API).

The Brazilian Judicial Legal System for Patent Litigation

Brazil's legal system is based on the Continental European civil law tradition, (German Law, and the Napoleonic Code). Recently influenced by US Constitutional law (judicial review) and specific legislation (Antitrust, Environmental, etc.).

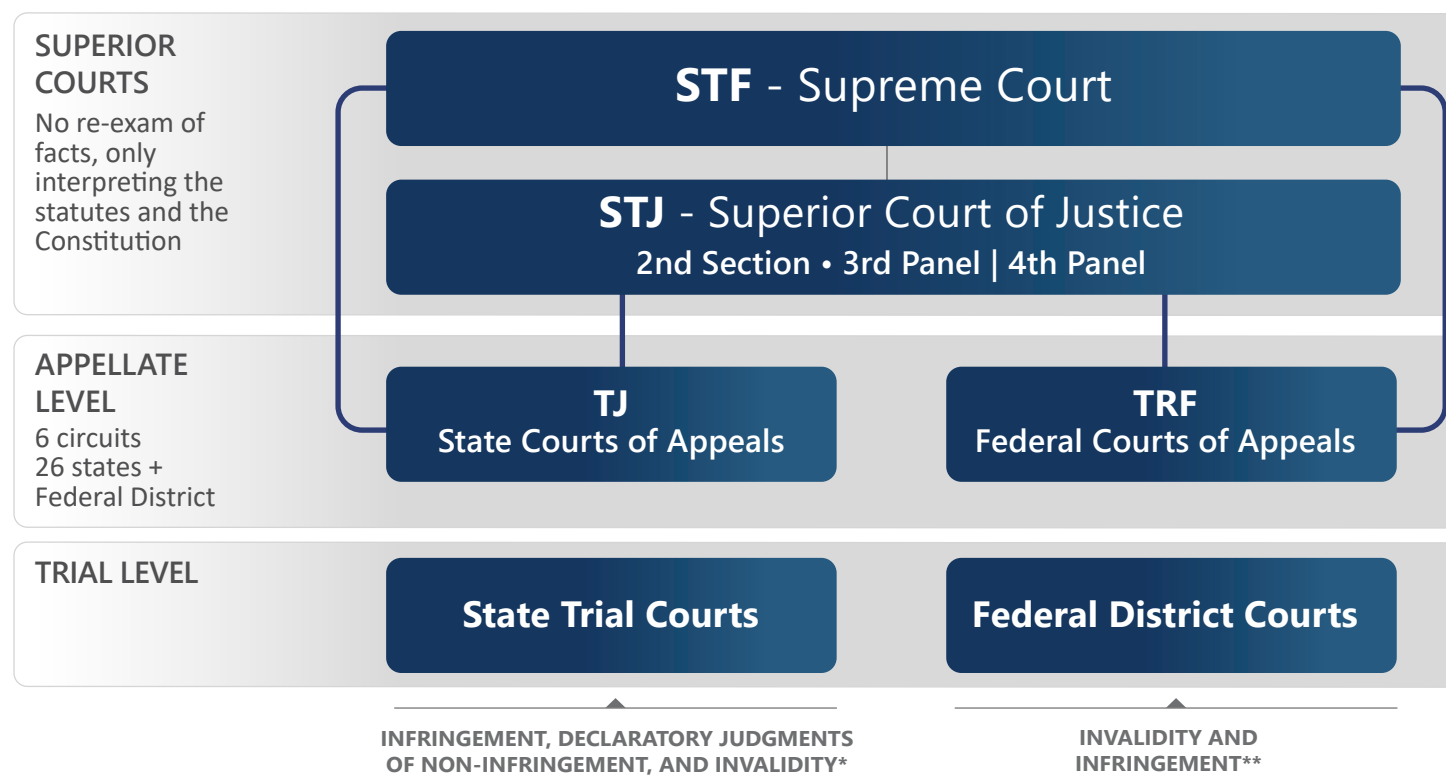
The country's formal written 1988 Constitution provides for:

- Judiciary's two different sets of self-governing courts, independent of the executive branch: federal and state courts.
- State and Federal courts apply only federal statutes and the same national code of civil proceedings to adjudicate disputes. Decisions from both State and Federal Courts are valid and enforceable nationwide.



Infringement and declaratory judgments of non-infringement lawsuits are filed before State Trial Courts. Invalidity lawsuits challenging issued patents are filed before Federal District Courts. Invalidity is also a statutory defense against patent infringement before State Courts, with interparte effects.

Federal Courts might render a patent unenforceable during the invalidity case. These preliminary decisions have been issued in 12.5% of the cases in the last 10 years. A State Trial or Appellate Court may stay an infringement case to await the outcome of a parallel invalidity case.



*Invalidity as a statutory defense against patent infringement claims. **Only infringement claims against the Federal Government and its agencies.

Specialized Brazilian Patent Courts

Brazilian Federal and State Courts have over 20 years of specialization in patent lawsuits

Brazil has 27 State Courts of Appeals, one for each state of the country, and the Federal District. Moreover, there are six Federal Courts of Appeals, organizing the country's territory into six Circuits. The map on the left indicates the locations of the specialized courts within the Brazilian states, organized as it follows:

Federal Courts

1

Brasília

Superior Courts

- Brazilian Supreme Court (STF)
- Superior Court of Justice (STJ)
- 3rd and 4th Panels

Specialized Federal Court of Appeals

- Federal Court of Appeals for the 1st Circuit (TRF-1) - 1989
- 5th, 6th, 11th and 12th Panels

Specialized Federal Trial Courts

- Federal Trial Court of the Federal District (JFDF) - 2022
- 7th and 22nd Federal Courts

2

Rio de Janeiro

Specialized Federal Court of Appeals

- Federal Court of Appeals for the 2nd Circuit (TRF-2) - 2004
- 1st and 2nd Specialized IP Panels

Specialized Federal Trial Courts

- Rio de Janeiro Federal Trial Court (JFRJ) - 2000
- 9th, 12th, 13th, 25th and 31st Federal Courts

3

São Paulo

Specialized Federal Court of Appeals

- Federal Court of Appeals for the 3rd Circuit (TRF-3) - 2012
- 1st and 2nd Panels



State Courts

2

Rio de Janeiro

Specialized State Trial Courts

- Rio de Janeiro State Trial Court (JERJ) - 2001
- 1st, 2nd, 3rd, 4th, 5th, 6th and 7th Business Courts

3

São Paulo*

Specialized State Courts of Appeals

- São Paulo State Court of Appeals (TJSP) - 2011
- 1st and 2nd Business Permanent Pannels

Specialized State Trial Courts

- São Paulo State Trial Court (JESP*) - 2016
- 1st and 2nd Business Courts
- 1st and 2nd Regional Business Courts of the 1st, 7th and 9th Regions
- Regional Business Court of the 2nd, 5th and 8th Regions
- Regional Business Court of the 3rd and 6th Regions
- Regional Business Court of the 4th and 10th Regions

4

Porto Alegre

Specialized State Courts of Appeals

- Rio Grande do Sul State Court of Appeals (TJRS) - 1993
- 5th and 6th Civil Chambers

Specialized State Trial Courts

- Rio Grande do Sul State Trial Court (JERS) - 2022
- Business Regional Courts of Porto Alegre, Pelotas, Passo Fundo, Caxias do Sul and Novo Hamburgo

5

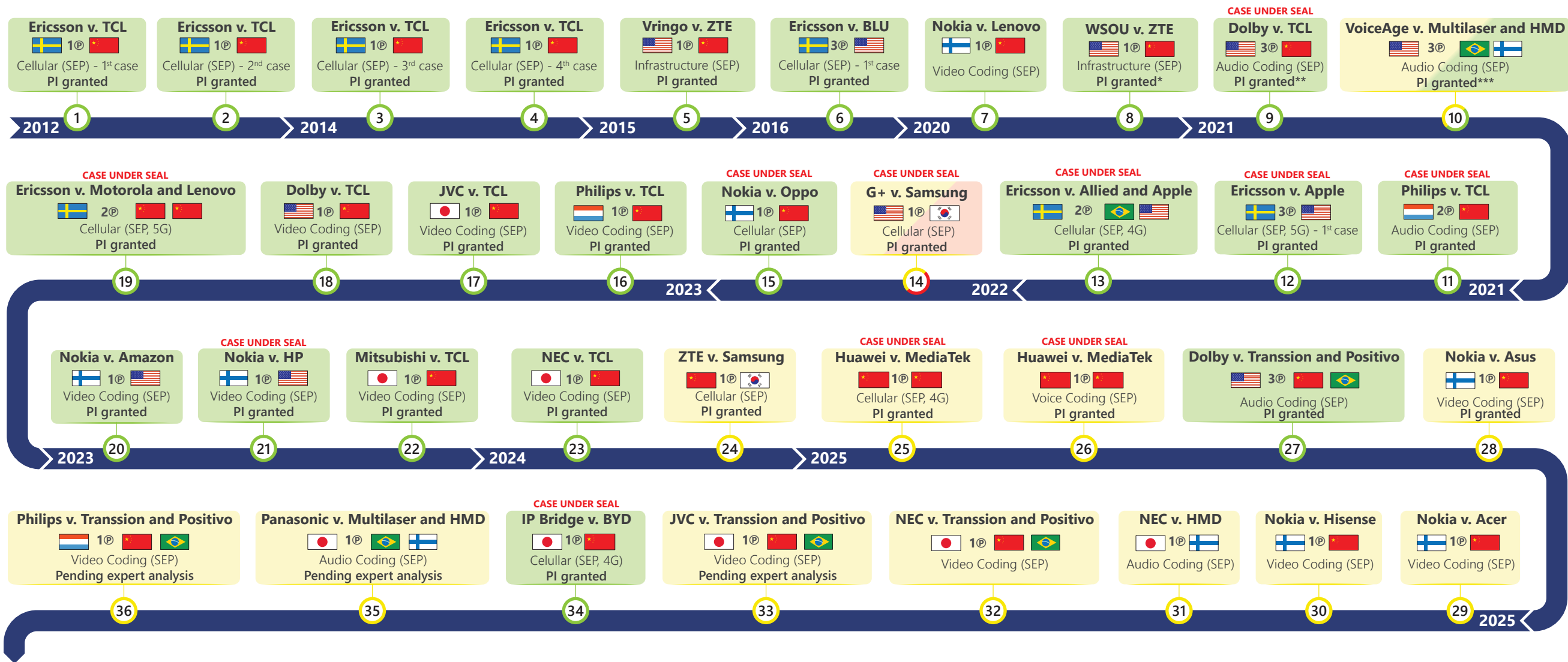
Belo Horizonte

Specialized State Trial Courts

- Minas Gerais State Trial Court (JEMG) - 2010
- 1st and 2nd Business Courts

The 36 ICT SEP Infringement Lawsuits in Brazil as of September 10, 2025

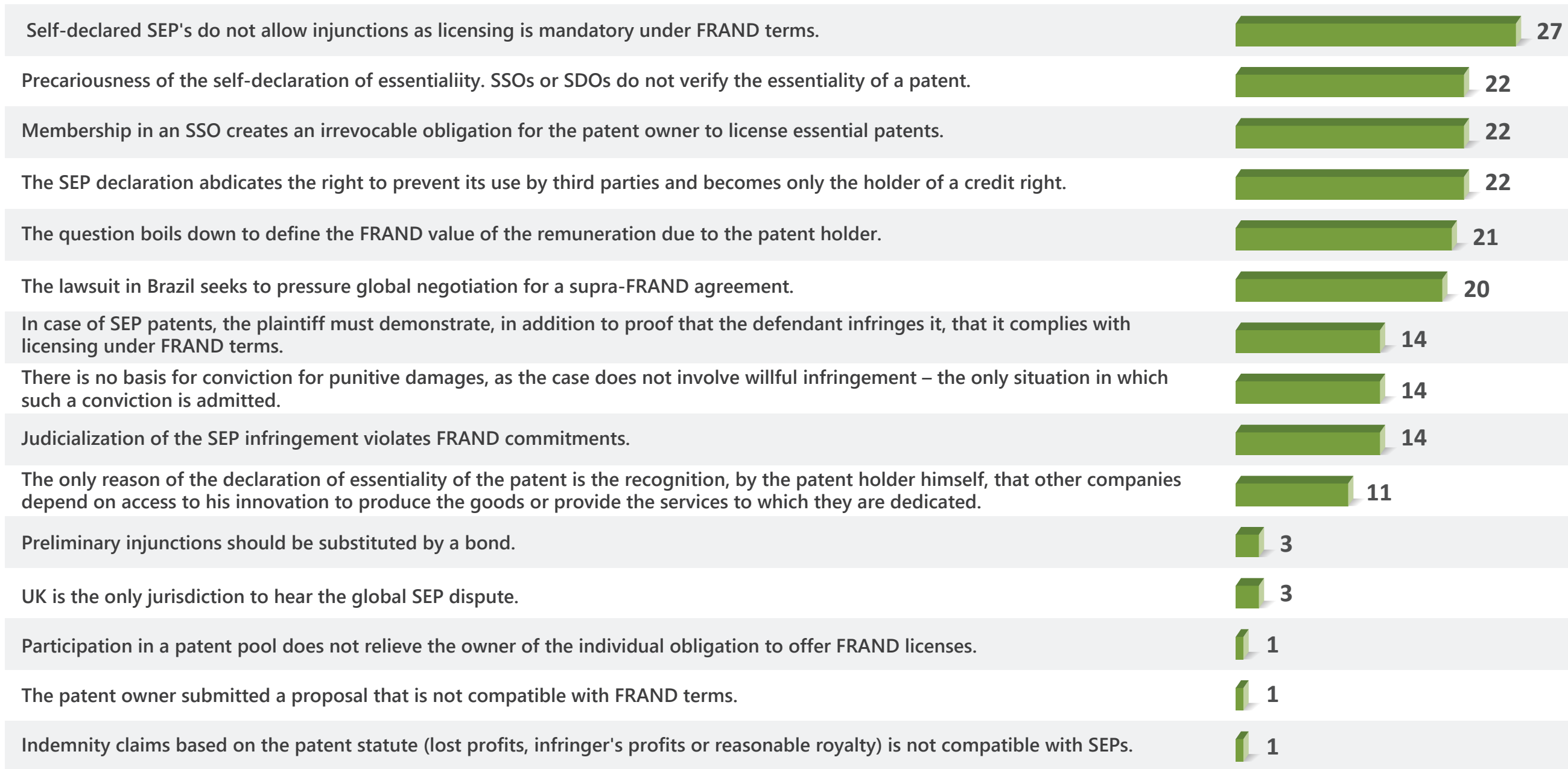
■ Case settled
 ■ Ongoing case
 ■ Cases settled against patent owners' interests



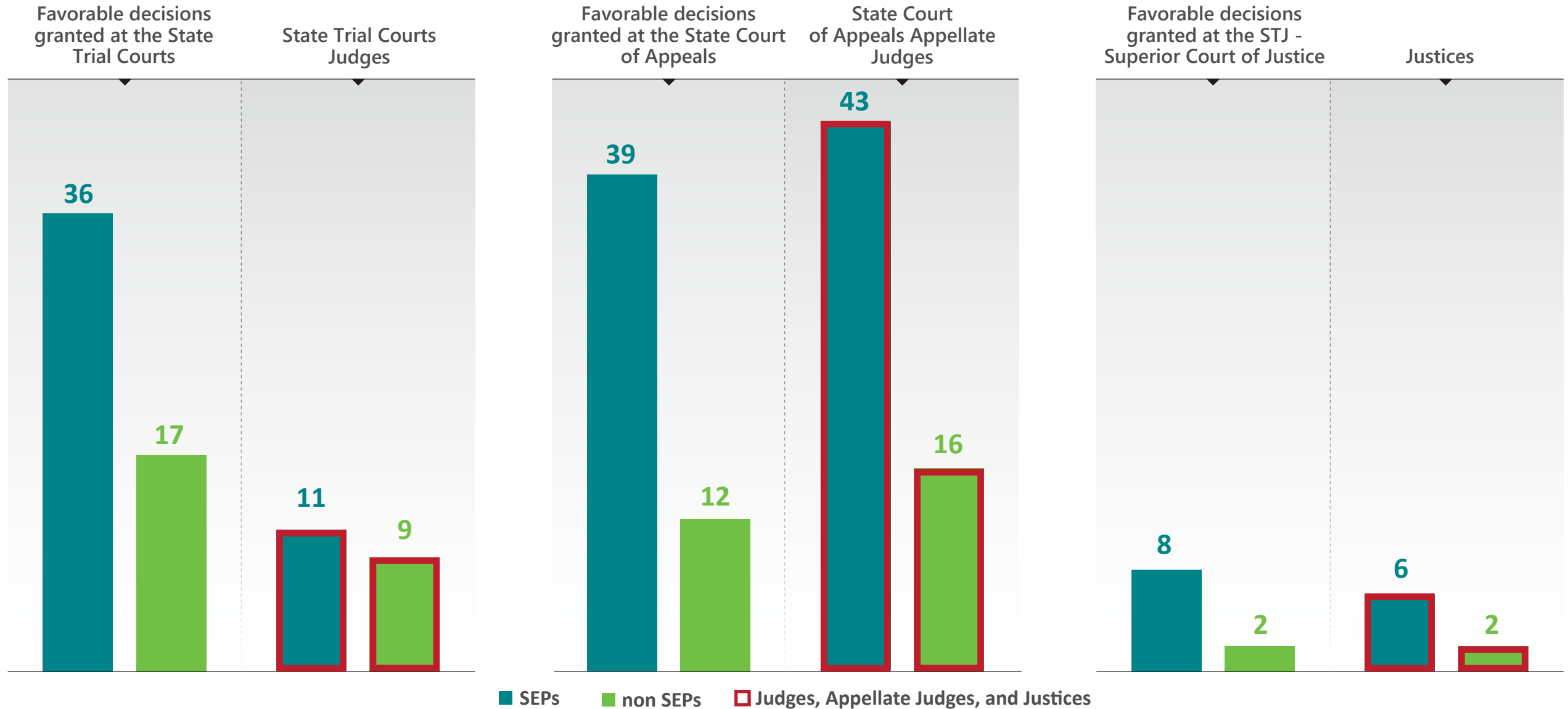
*The decision was later vacated by the appellate court. **The preliminary injunction was later replaced by a bond. ***The preliminary injunction was later replaced by a fine.

Licks Attorneys represents or has represented all patent owners in the 36 cases ever filed in the country since 2012

FRAND arguments raised in SEP litigation in Brazil



114* favorable decisions granting and maintaining preliminary injunctions in ICT and Software adjudications against unwilling-licensees issued by 78 Brazilian judges



* 36+17+39+12+8+2